Also, a bill (H. R. 19105) granting an increase of pension to Isaac F. Wheeland; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19106) granting a pension to Jonathan Witman; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 19107) granting a pension to Mary Lake; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19108) granting a pension to Rebecca R. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19109) granting a pension to George M. Younger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19110) granting an increase of pension to Burditt A. Clifton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19111) granting an increase of pension to James R. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19112) for the relief of Abram Rennick; to the Committee on War Claims.

PETITIONS, ETC.

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

By Mr. AIKEN: Petition of P. P. Sullivan and others, of Westminster, S. C., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. BAILEY: Petition of Joseph Weckerle, of Pittsburgh, Pa., protesting against revenue tax on cigars; to the Committee on Ways and Means.

Also, petition of M. Nathan & Bro., of Johnstown, Pa., and the Home Electric Light & Steam Heating Co., of Tyrone, Pa., protesting against legislation preventing the purchasing of stamped envelopes from the Government; to the Committee on the Post Office and Post Roads.

By Mr. FITZHENRY: Papers to accompany a bill for relief of Joseph M. Howe; to the Committee on Pensions.

By Mr. LANGHAM: Petition of sundry citizens of Skagway, Alaska, favoring House bill 15435, for prohibition in Alaska; to the Committee on the Territories.

By Mr. LONERGAN: Petition of Herman Olsen and 24 other citizens of Skagway, Alaska, favoring prohibition of the sale of intoxicating liquors in the Territory of Alaska; to the Committee on the Territories.

Also, protest of the Locomobile Co., of Bridgeport, Conn., on tax of 25 cents per horsepower for owner and $1 for manufacturer of automobiles; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Communication from Local No. 68, International Association of Machinists, of San Francisco, Cal., favoring passage of House bill 17800, to abolish "Taylor system" of shop management; to the Committee on the Judiciary.

By Mr. O'HAIR: Petition of sundry citizens of Waldron, Ill., favoring national prohibition; to the Committee on Rules.

Also, petition of various business men of Sidell, Georgetown, Indianola, Paris, Catlin, Fairmount, Fithian, Metcalf, Hume, and Westville, all in the State of Illinois, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of William M. Harris, jr., of Providence, R. I., protesting against an increase in the price of stamped envelopes; to the Committee on the Post Office and Post Roads.

By Mr. RAKER: Memorial of Roslynn Parlor, No. 131, Native Daughters of the Golden West, and Local Alameda County (Cal.) Socialist Party, favoring the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. SELDOMRIDGE: Petition of Silverton Commercial Club, favoring certain amendment to the mining law; to the Committee on the Public Lands.

By Mr. STEPHENS of California: Memorial of the Chamber of Commerce of Oakland, Cal., and Brooklyn Parlor, No. 155, Native Daughters of the Golden West, favoring the passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. TAVENNER: Petition of G. H. Campbell, of Joy, Ill., favoring changes in certain sections of the revenue bill (H. R. 18891); to the Committee on Ways and Means.

By Mr. TEMPLE (by request): Petition of the New Brighton Branch of the Socialist Party, favoring policies intended to bring an end to the war in Europe; to the Committee on Foreign Affairs.

By Mr. TEN EYCK (by request): Petitions of 70 citizens of the twenty-eighth congressional district of New York, favoring the Hobson-Sheppard bill; to the Committee on Rules.

By Mr. TREADWAY: Petition of Holyoke (Mass.) Clearing House Association, protesting against proposed tax on bank capital and surplus; to the Committee on Ways and Means.

SENATE.

MONDAY, *October 5, 1914.*

(Legislative day of Monday, September 28, 1914.)

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

EMERGENCY REVENUE LEGISLATION.

The VICE PRESIDENT. The Chair lays before the Senate sundry communications with reference to the proposed revenue bill, which will be properly noted in the RECORD and referred to the Committee on Finance.

The communications were referred to the Committee on Finance, as follows:

Memorials of the Indianapolis Auto Trade Association, the Gibson Automobile Co., the National Motor Vehicle Co., the Waverly Co., and Nordyke & Marmon Co., all of Indianapolis, Ind., remonstrating against the proposed tax on passenger automobiles, and a memorial of the Washington (D. C.) Clearing House Association, remonstrating against the proposed tax on capital used in the business of banking.

CALLING OF THE ROLL.

The VICE PRESIDENT. The question is on the conference report on House bill 15657.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Johnson	Reed	Swanson
Bryan	Jones	Root	Thomas
Burton	Lane	Saulsbury	Thornton
Chamberlain	Lee, Md.	Shafroth	Townsend
Chilton	McCumber	Sheppard	Walsh
Culberson	Martine, N. J.	Shively	West
Fletcher	Myers	Smith, Mich.	White
Gore	Nelson	Smith, S. C.	Williams
Gronna	O'Gorman	Smoot	
Hollis	Page	Sterling	
James	Perkins	Stone	

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL]. I ask that this announcement may stand for the day.

Mr. MARTINE of New Jersey. I was requested to state that the junior Senator from Arkansas [Mr. ROBINSON] is detained at home through illness. This announcement will stand for the day.

Mr. SMOOT. I wish to announce that the senior Senator from New Hampshire [Mr. GALLINGER], the junior Senator from Utah [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF] are necessarily absent. The senior Senator from New Hampshire [Mr. GALLINGER] is paired with the junior Senator from New York [Mr. O'GORMAN], my colleague [Mr. SUTHERLAND] is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia [Mr. GOFF] is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. WALSH. I wish to announce that the junior Senator from Nevada [Mr. PITTMAN] is absent from the city on imperative duties which could not well be avoided. He will be here in the morning.

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. OVERMAN, Mr. POMERENE, Mr. SIMMONS, Mr. THOMPSON, and Mr. VARDAMAN answered to their names when called.

Mr. CLAPP, Mr. KERN, and Mr. OLIVER entered the Chamber and answered to their names.

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

JOHN BROWNLOW ZIEGLER.

Mr. LANE. I should like to ask unanimous consent to introduce a joint resolution and to have it referred immediately to the proper committee. It will detain the Senate but a moment.

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

The joint resolution (S. J. Res. 192) granting American citizenship to John Brownlow Ziegler was read twice by its title.

The VICE PRESIDENT. Where does the Senator from Oregon wish to have the joint resolution referred?

Mr. LANE. I presume it should go to the Committee on the Judiciary, but I will defer to the judgment of the Vice President.

The VICE PRESIDENT. Why not the Committee on Foreign Relations?

Mr. LANE. He is an American-born citizen who has lost his citizenship temporarily. I believe it should go to the Committee on the Judiciary.

Mr. O'GORMAN. I think it should go to the Committee on Immigration.

The VICE PRESIDENT. It is not the case of an immigrant.

Mr. O'GORMAN. But the Committee on Immigration is charged with the duty of looking into questions of naturalization.

Mr. SMOOT. I will state that in the past the reference of such measures has always been to the Committee on Foreign Relations.

Mr. LANE. Very well; let it be referred to that committee.

The VICE PRESIDENT. However, this is not the case of a foreign-born citizen. It is that of an American-born citizen. The Chair refers the joint resolution to the Committee on Privileges and Elections.

EMERGENCY REVENUE LEGISLATION.

Mr. CHILTON. I ask unanimous consent to have printed in the RECORD some telegrams in the nature of protests against certain features of the tax bill, and I ask that they be referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CLARKSBURG, W. VA., *October 1, 1914.*

Hon. WM. E. CHILTON,
Washington, D. C.:

We desire to protest against the proposed tax of $2 per thousand on capital and surplus and undivided profits of banks. We do not think the banks should be asked to contribute more than their just share of this burden. We are willing to pay our proportionate share of it, but do not think the banking institutions of the country should be singled out and this heavy tax imposed, as they are now taxed heavier than most any other corporation. I hope you will use your influence against this part of the proposed measure.

V. L. HIGHLAND,
President Empire National Bank of Clarksburg.

—

RONCEVERTE, W. VA., *October 1, 1914.*

Hon. W. E. CHILTON,
United States Senate, Washington, D. C.:

The proposed tax on capital, surplus, and undivided profits of banks to the exclusion of tax on other ordinary corporations is very unjust. Will you not use your best efforts to the end that this may be equalized?

RONCEVERTE NATIONAL BANK.
FIRST NATIONAL BANK.

—

WILLIAMSON, W. VA., *October 1, 1914.*

Hon. WILLIAM E. CHILTON,
Washington, D. C.:

Our directors appeal to you to oppose the war tax bill. We think the act should be uniform and not be directed against any particular class.

NATIONAL BANK OF COMMERCE.

Mr. SMITH of Michigan. I send to the desk a telegram bearing on the deficiency tax bill. It is very brief and I should like to have it read.

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

GRAND RAPIDS, MICH., *October 3, 1914.*

Senator WILLIAM ALDEN SMITH,
Washington, D. C.:

The so-called war-tax bill, House bill 18891, should be amended so that the tax of 1 cent per message, for telephone messages at least, may be charged to the telephone user. This can be accomplished by inserting in the paragraph entitled "Telegraph and telephone messages," page 25, after the words "corporation shall" the words "collect and," so that it will read, "corporation shall collect and pay a tax of 1 cent." This tax, if paid by our company, would amount to $4,600 per annum, and on account of the fact that most of our long-distance messages are, in fact, over short distances, and average only a little more than 15 cents each, for this company to assume the payment would be unjust and unduly burdensome.

CHAS. F. YOUNG,
ROBERT D. GRAHAM,
CHAS. E. TARTE,
W. J. STUART,
CYRUS E. PERKINS,
JOHN B. MARTIN,
VAN A. WALLIN,
PERCIVAL B. GARVEY,
E. B. FISHER,
W. J. CLARK,
Directors Citizens' Telephone Co.

Mr. JONES. I desire to present a telegram, to be referred to the Committee on Finance. It is from I. A. Nadeau, of Seattle, Wash., protesting against the proposed tax on life insurance. I think a similar telegram has been put in the RECORD, so I simply call attention to the statement in this telegram to the effect that no foreign countries tax life insurance in any form, not even those engaged in war. I move that the telegram be referred to the Committee on Finance.

The motion was agreed to.

Mr. POMERENE. I have a number of telegrams relating to the pending revenue measure. Some of them relate to the provisions relative to life insurance; others to the bank tax; others to the tax on automobiles and gasoline; and one to the time of the making of the returns of telephone companies. I suggest that, for the information of the Senate, they be incorporated in the RECORD and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

COLUMBUS, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We understand the proposed war-tax bill will provide for the payment of 80 cents per thousand dollars of insurance hereafter issued. This company has heretofore protested against the imposition of taxes on life insurance, because we believe this to be a tax on the policyholders and consequently a tax upon funds which are unselfishly provided by policyholders for the benefit of their families. We now renew this protest, and in addition say that the proposed tax will be such a burden upon the younger life insurance companies as that some of them will probably not survive. This company can stand it if we have to, but it means a burden upon us that we ought not to bear, and so far as our policyholders are concerned it means a burden upon the only payments which men ever make with an unselfish purpose. We think the Government ought to tax automobiles, gasoline, liquors, tobacco, or anything else that may be called a luxury, but we feel that the Government should not impose a tax upon a business that is less selfish than any other business we know of. If the newspapers correctly report the situation the tax is not to be imposed upon some objects because of the number affected. The millions of policyholders in life insurance companies and fraternal societies should not be forgotten. We wish our protest from the standpoint of the policyholders and the company to be recorded most emphatically against the imposition of the proposed tax. We certainly have no funds with which to lobby against such a tax, and we hope that the Democratic administration and majority in Congress will be broad enough and big enough to appreciate the situation.

MIDLAND MUTUAL LIFE INSURANCE CO.,
W. O. THOMPSON, *President.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
Washington, D. C.:

We desire to enter our protest with you against the Underwood bill in so far as it concerns the taxing of banks, as we believe this to be class legislation, and feel that we are already paying more than our share of the taxes. We solicit your support in our opposition to this bill.

W. G. SAXTON, *Cashier.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
Senator, Washington, D. C.:

The tax proposed on bank capital and surplus we consider unjust—class legislation. Could it not be placed on all corporations at much smaller rate?

ISAAC HARTER & SONS.

—

MARION, OHIO, *October 4, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

We have now four taxes—county, wills, corporation, bank inspection, totaling $6,600. Why add fifth burden—$800? Why should legitimate banking be thus punished, and other corporations, having grown from infants to giants in a few years, be exempted? Our 60 stockholders protest.

MARION COUNTY BANK CO.,
W. H. SCHAFFNER, *President.*

—

CANTON, OHIO, *September 29, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

Please use your best efforts in reducing proposed tax on bank capital, surplus, and profits, and distribute the same on capital, surplus, and profits of all corporations not already affected by proposed tax.

Sincerely,

HOMER ROSE,
Cashier Commercial & Savings Bank.

—

CINCINNATI, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The Cincinnati Clearing House Association, by resolution at a meeting duly held, wishes to lodge a protest against the singling out of bank corporations and levying thereon a tax of $2 per thousand against total capital, surplus, and undivided profits of such institutions. The records will show, and it is well known, that the banking institutions are paying in each State their full and unquestioned proportion of the tax assessed in their respective localities. If it is necessary to provide additional revenues for the Government, and to accomplish that purpose one of the means necessary to provide same is in the nature of a tax upon capitalization against all incorporated companies, the Cincinnati Clearing House Association would be favorable to their just and equitable share, but it feels that no special burden ought to be laid on the banks, and that, as far as possible, banking ought to be free of any special burdens, so as to encourage capital to go into it for the purpose of developing and aiding in carrying on the industries of the country.

THE CINCINNATI CLEARING HOUSE ASSOCIATION.

COLUMBUS, OHIO, *September 28, 1914.*

Senator POMERENE,
Washington, D. C.:

Whereas there has passed the National House of Representatives a measure known as the Underwood bill, which contemplates a tax upon banking capital and surplus, designed as an emergency tax to raise additional revenue: Now, be it therefore

Resolved, That this measure, which contemplates a tax of $2 per thousand on banking capital and surplus and undivided profits, is at once unfair and discriminatory. It is well known that banking institutions already bear their just share of local, State, and national taxation. If the proposed measure is intended to cover a Treasury deficit, the banks are willing further to bear their proportionate share with corporations, but do earnestly protest against being singled out as the only ones to be taxed on their own capital shares. We believe that excessive burdens on banks should be discouraged, in order to attract capital investment and thereby help to expand and conserve business generally.

And resolved further, That a copy of these resolutions be forwarded to the President of the United States, the two Senators from Ohio and the Representative from this district, and the Ways and Means Committee of the House of Representatives.

COLUMBUS CLEARING HOUSE ASSOCIATION,
G. N. HINMAN, *Secretary.*

—

CANTON, OHIO, *September 28, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The war-tax bill passed by the House and now before the Senate provides for a tax of $2 per thousand on entire capital, surplus, and undivided profits of banks, which, in our judgment, is excessive and unjust. We urge you to use every effort to have the bill so amended as to include every corporation that is not already taxed under the bill and reduce the rate, so that the same amount of revenue will result as is expected to be raised from the banks alone under the present form of the bill. We believe your well-known sense of fairness will enable you to see the justice of this proposal, and that you will, after full consideration, give it your hearty support. From your great knowledge and study of the subject you well know that banks pay more than a fair proportion of the burdens of taxation, and they can not conceal or evade same if they desire, for their sworn reports are open to officials and the public.

CITY NATIONAL BANK.

—

COLUMBUS, OHIO, *September 30, 1914.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

Whereas there is now being considered in the Senate a measure known as the Clayton antitrust bill to supplement existing laws, unlawful restraints, and monopolies, and for other purposes, section 9 of which contains the provisions which prohibit interlocking directorates of banks; and

Whereas we believe the idea of interlocking directorates, when properly carried out, to be conducive to safe, sound, and conservative banking, that many institutions would with great injustice be deprived of the benefits now enjoyed under the skillful guidance of directors and officers holding similar positions with otner banks: Now, therefore, be it

Resolved, That the Columbus Clearing House Association most vigorously protest against the enactment of such a measure, because we believe that no good policy of law is subserved by the proposed provisions; that the spirit and intent of the law is not violated unless the director abuses his position by preventing competition between such institution or exercises an undue control in the granting or refusing of credit, in which event we would recommend that the Federal Reserve Board have the power to compel the discontinuance of such practices or to require the resignation of such officer or director from the board.

COLUMBUS CLEARING HOUSE ASSOCIATION,
R. R. RICKLY, *President,*
C. M. HINMAN, *Secretary.*

—

LODI, OHIO, *October 4, 1914.*

Hon. ATLEE POMERENE,
Washington, D. C.:

Our club unanimously opposed to the proposed war tax on automobiles, believing it would be a detriment to the automobile industry. We urge you to use your influence against the measure.

A. W. NOAH,
President Lodi Automobile Club.

—

TOLEDO, OHIO, *October 4, 1914.*

Senator ATLEE POMERENE,
Washington, D. C.:

Re war-revenue bill, why further impose on the automobile and industry? Over hundred thousand of us in Ohio now paying double taxation on autos. Must we be made the goat again?

C. G. THOMPSON,
Secretary Toledo Automobile Club.

—

CLEVELAND, OHIO, *October 4.*

Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.:

The Ohio State Automobile Association strenuously protests against the imposition of a tax on horsepower of motor vehicles. The singling out of one particular class of vehicles using the public highways as an object of greatly increased taxation is unjust, unfair, and drastic in the extreme. On behalf of 120,000 automobile owners in Ohio we urge you to work and vote against this measure.

THE OHIO STATE AUTOMOBILE ASSOCIATION,
CHAS. C. JANES, *President,*
FRED H. CALEY, *Secretary.*

—

COLUMBUS, OHIO, *September 28, 1914.*

Senator ATLEE POMERENE,
Washington, D. C.:

The Ohio State Telephone Co. foresees difficulty in practical application of that feature of war-tax bill which relates to making sworn statement within first 15 days of month stating number of messages transmitted over its lines during the preceding month, because the wide distribution of this company's business is such that the management does not learn final results of the month's business until much longer than 15 days after the month closes. Our final results never are available until more than 30 days after the close of the month, and in order to secure practical operation of the measure that time should be increased.

THE OHIO STATE TELEPHONE CO.,
S. G. MCMEEN, *President.*

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. WALSH. Mr. President, on Friday last the Senator from Kansas [Mr. BRISTOW], speaking in the course of an interruption of the Senator from Minnesota [Mr. CLAPP], declared in stentorian tones that the present administration had fallen more servilely under the domination of Wall Street than any that has guided the destinies of the Nation for 25 years. In more diplomatic language the address of the Senator from Minnesota was calculated to convey or disseminate the same view. Yet neither the crass outbreak of the Senator from Kansas nor the more euphemistic utterances of the Senator from Minnesota will go so far to leave that impression on the public mind as the speech of the Senator from Missouri [Mr. REED] delivered from this floor. No less burden of responsibility rests upon him that he had no purpose deliberately to inculcate that notion.

Whatever effect may be produced upon minds controlled by declamation, I am not apprehensive that any considerable body of the reflecting public will be influenced in their estimate of the present head of the Nation or of the record of the party now responsible for the conduct of its affairs by any general objurgation.

Mr. REED. Mr. President——

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

Mr. WALSH. I do.

Mr. REED. The Senator from Montana has directly charged me with imputing improper motives to the President. I challenge him to put his finger upon a word of my speech, which is now in print, and which was printed the next morning after it was delivered, to justify that charge.

Mr. WALSH. Mr. President, I am going to try to review the speech of the Senator from Missouri.

Mr. REED. This is a good time to review that statement. On the contrary, I continually appealed to my Democratic colleagues to abide by the public declarations and messages of the President. Instead of making the charge which the Senator is now ascribing to me, I asserted that the conference report was not in accordance with our platform or with the President's message to Congress, and I have appealed to Congress to abide by the platform and to sustain the message.

As for what was said on the other side of the Chamber, I am no more responsible than is the Senator from Montana.

Mr. WALSH. Mr. President, I am delighted to know that the Senator from Missouri himself puts quite a different construction upon his speech from that which I am positive the country will give to it. I am very glad to have had this interruption, so that the Senator himself might have the opportunity to disclaim any deliberate purpose to convey the impression which I insist his address was well calculated to disseminate.

Mr. REED. Mr. President, it is not necessary for the Senator from Missouri to explain. The Senator from Missouri utterly repudiates the statement of the Senator from Montana as unwarranted, as unjust, and challenges him now and here to put his finger upon a word which the Senator from Missouri has said warranting the unjust charge the Senator from Montana has just made.

Mr. WALSH. The Senator from Montana will endeavor to canvass, with justice to the Senator from Missouri, his remarks.

Mr. President, the faith which the American people have abundantly exhibited in the rectitude and patriotic purposes of the President is not to be disturbed by ill-tempered and acrid criticism that has no better foundation than is afforded by his public acts down to the present time. I proceed to consider how much there is in such countenance as he may have given to the bill under consideration as molded by the conferees, to shatter that confidence or convince the party of which he is the honored head of faithlessness to the cause of the people.

I have no disposition to engage in this debate in any attempt either to answer or to parry the invective indulged in by the distinguished Senator from Missouri in his attack upon the conference report now before the Senate. Nor is there any occa-

sion, in my judgment, to attempt any defense against the gratuitous charge, for such his speech was, that those of his associates who are in any measure responsible for the bill before us in its present form have either basely surrendered their convictions and become the willing instruments of predatory wealth or are so afflicted with intellectual weakness as not to be able to discern that they are being used to accomplish the purposes of criminal trusts and monopolies.

The great burden of the complaint of the Senator is that certain penal provisions have been stricken from the bill. Other complaints he has, but the elimination of the penal clauses is the action about which his denunciation has risen into eloquence. He has persisted in discussing the report of the conference committee as though there were no law now for the suppression and punishment of trusts and monopolies. He assumes the existence of giant combinations in flagrant violation of the Sherman law, the far-reaching scope of which is now commonly recognized, the efficiency of which is being daily vindicated, existing without any effort at suppression and without any law to suppress them, and imagines them engaged in the practices denounced by the act. He assumes that the Democratic Party was called upon to enter upon a new field of legislation and to enact an entire code of laws to deal with the evils of trusts and monopolies as though the ground had never before been worked. He resolutely shuts his eyes to the provision of the existing law and inveighs against the very evils with which, by reason of the more recent activities of the Department of Justice, and the more liberal views announced by the Federal courts, it is quite effectively dealing and which, by resort to its penal provisions, must be obliterated.

He demands more drastic provisions in relation to the character of the decree to be entered in dissolution proceedings, though in no one of the cases in which the public expectation was not realized, as he insists, has recourse been had either to the criminal provisions or the forfeiture clause of the existing law.

I deny that the Democratic platform demanded any new legislation of which criminal penalties should be a feature. The platform demanded the vigorous enforcement of the criminal law—the existing criminal law—against trusts and trust officials, not the enactment of new legislation imposing further penalties. I ask that the platform declaration be printed without reading.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

ANTITRUST LAW.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust, and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Mr. WALSH. I will detain the Senate to read the following:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials.

The pending investigation by the Federal grand jury at New York into the organization and operations of the New Haven Railroad is being conducted in fulfillment of this promise.

In any just consideration or as a basis for any fair criticism of the pending bill and its counterpart, the Trade Commission bill, it is essential to have in mind the field covered by the existing law. It was abundantly demonstrated by the Senator from Idaho, who joins with the Senator from Missouri in opposing the conference report, that the Sherman law reaches to every form of combination in restraint of trade, by whatever subterfuge it may be disguised, as said by the Supreme Court in the Tobacco Co. case, and to every monopoly or attempt to establish a monopoly of interstate commerce. Any person entering into any such combination or conspiracy of like character, or making any contract the effect of which is to restrain commerce between the several States, or who sets up or attempts to set up a monopoly of even a part of that commerce, subjects himself to criminal prosecution under the Sherman Act.

The Senator from Idaho opposes the bill because, as he contends, the present law covers the entire field. The Senator from Missouri opposes it because the law we have, as is to be gathered from his speech, affords no relief.

Mr. REED. Mr. President, if the Senator will pardon me for the interruption, he can not make that statement in justice to himself.

Mr. WALSH. I have pondered quite deliberately on it.

Mr. REED. I am sorry the Senator will say that he has "pondered quite deliberately" upon any statement that I have opposed this bill upon the ground that the present Sherman law affords no relief at all, because over and over again in my speech I urged the potentiality of the present Sherman Act, and clearly stated that this legislation was intended to be supplemental. What I complained of was that in undertaking to supplement the Sherman Act we have not done so in an effective manner. I am sorry, very sorry, that the Senator says he has deliberately pondered the statement to which I have just called attention, which I am challenging now as in the very teeth of what I said, all of which is printed and open to the Senator's inspection.

Mr. WALSH. I undertake to say, Mr. President, that the ordinary reader of the speech of the Senator from Missouri will be led to the conclusion that there is now practically no law under which proceedings of any force or efficacy whatever can be conducted under which the great trusts can be prosecuted.

Mr. REED. The Senator is not "the ordinary reader of the speech"; and if the speech is so unfortunately couched as to mislead the ordinary reader, a Senator of the United States has no right to rise on the floor of the Senate and make a statement which he can not bear out. I give notice now that I shall reply to the speech, and I give notice to the Senator to be here when I reply.

Mr. WALSH. Of course I shall be glad to be present.

The Senator from Missouri, with all the great power he commands as a debater, with painful iteration, presents the case of some criminal trust torturing a feeble rival by local price cutting and destructive tying contracts until the last flickering breath has left the emaciated body of what promised to be a business rival. If he does not declare it to be so, he leaves it to be inferred, that when this bill is passed the monsters of the industrial world may freely indulge that pastime without dread of any punishment beyond the mild corrective, as he views it, that may be administered by the Federal Trade Commission. He resents the suggestion that there is no need to provide by the pending bill for the case of that or any other practice of such a criminal trust because the very existence of such a trust is forbidden by the law as it stands and any person who controls its activities, either directly or indirectly, is punishable thereunder. That law, in the language of Judge Buffington in United States against Reading Co., "is directed not only at the illegal acts an illegal combination does, but also at the existence and continuance of such illegal combinations." If any such persecution of a trade competitor as the Senator so eloquently portrays should be entered upon, the outraged citizen could demand of the United States attorney and the Attorney General that the officers of the trust offending be indicted, not only for the practices of which he complains, as an attempt to monopolize commerce, but for maintaining and continuing in the conspiracy in restraint of trade in consequence of which the unlawful organization came into existence. It is imaginable, indeed, that recreant officers of the law might decline to invoke the criminal provisions of the existing law in his behalf. These practices have gone on in the past in defiance of the law, while its sworn guardians have supinely observed the process of the eradication of competition in not a few of the great industries of the country.

The law is, and since the enactment of the Sherman Act always has been, ample not only to suppress these piracies perpetrated by the great trusts to fasten monopoly upon the people, but to punish those responsible for the existence of such trusts, whether they pursue the practices so generally condemned or cautiously observe a more benign policy in the hope that the unlawful character of their organization may not be challenged by appropriate civil and criminal proceedings. The trouble has been not that the law was inadequate in the case of the giant industrial and transportation corporations but that it was not enforced. Not one of them has been proceeded against in the last 15 years that has not been found to exist in violation of the law, notwithstanding the interpretation given to it by the Supreme Court in the Standard Oil and Tobacco Co. cases.

Despite the severe and often intemperate criticism of the opinions in the cases referred to, it is noteworthy that no amendment was offered to the pending bill from either side of the Senate, nor, so far as I have learned, from either side of the House, to give to the statute a significance essentially different from that attributed to it by the Supreme Court in them. Though the Senator from Missouri found it, for some reason, advisable to repeat in his inimitable, forceful style the strictures once freely indulged in toward those opinions, not even he became sponsor for an amendment which would give expression to the view he proclaimed touching their unrighteous character.

Relief is to be sought in the vigilant prosecution of those guilty of the infraction of the law as it stands, not in the imposition of identically the same penalties for the commission of acts now denounced and punishable criminally under the law. If it is feared that the Attorney General and his subordinates will not proceed against such under the existing law, what reason is there to hope they will be more responsive to duty if the penalty now imposed shall be reenacted?

In the course of the remarkably able address delivered by the Senator from Idaho on Wednesday, September 30, he said:

> I desire now to take up some of the decisions which discuss the Sherman law, its wide reach, and its most comprehensive scope, with reference to all times and conceivable forms of monopolies and restraints of trade. As I do so, I wish to submit to the Senate this proposition and have it answered, if anyone can conceive of an answer; that is, What form of monopoly, what possible combination in restraint of interstate commerce, can you conceive of that may not be reached and destroyed under the principles which are now established by the Supreme Court in its decisions under the Sherman antitrust law? Is there any form of monopoly or monopolistic practice or restraint of trade which directly affects interstate commerce that will not be found to come within the clear announcement of the principles of the Supreme Court in the rendition of these different decisions? They have covered the entire field and dealt with all kinds of practices and have not only denounced the specified practices but announced general principles which are a guide as to future practices. It seems to me that we are fairly safe in saying that every conceivable form of conduct heretofore arising has been specifically referred to, and where not specifically referred to, general principles have been announced which bring them within the law, whatever they may be.

Having reviewed the decisions of the Federal courts, and particularly the court of last resort, to sustain the view thus expressed, he declared that—

> The question of lowering prices for the purpose of putting a competitor out of business while keeping prices up in another part of the country, the question of sending spies to spy upon an independent industry or to foment strikes within an independent industry, the question of purchasing competitors and dismantling projects and putting them out of business, are all so flagrant, so open, and such unquestioned acts in violation of the statute that no man guilty of them would have any question at the time of their doing or achievement that he was within the inhibition of the law.

From this conclusion no careful student of the trend of the decisions can withhold his concurrence. I shall be glad to allow the Senator to signify whether he does not agree with me.

Mr. REED. Mr. President, since the Senator directs that statement to me immediately, I desire to ask the Senator, if all that is true, if all trust practices are within the present law, completely condemned by it and completely met by it, why this legislation at all? Why take from the courts—which now, according to this theory, have the right to punish by fine and imprisonment—any part of their jurisdiction by turning it over to a commission?

Of course the Senator will say we have not taken it away, and that is true. It still remains. But why, to aid a commission, do that which the Senator now affirms the courts can do, and deprive the commission of the power to do anything except prevent by decree?

Mr. WALSH. Mr. President, of course the Senator has not answered my question.

Mr. REED. I tried to answer it.

Mr. WALSH. He answered my question by asking me one. I have endeavored to put in formal shape the views that I entertain touching the question that the Senator has now addressed to me, and I am just about to answer it.

Mr. REED. Since the Senator says I have not answered his question, if he will pardon me the interruption I will try to answer it.

It is my opinion, and has been my opinion, that the Sherman law, properly construed, reached all forms of restraint of trade and reached all forms of monopoly; but I have been impressed with the idea that in order to prove the restraint of trade and the existence of monopoly a wide field of evidence must necessarily be traveled over, and that the purpose of this legislation was to single out certain particular practices usually employed by the trust or by the concern engaged in restraining trade, and make the doing of those acts sufficient to bring the condemnation of the law. If that be not the purpose of this legislation, then it would seem that no purpose can be assigned to the legislation.

Mr. WALSH. Any fair review of the legislation that is now under consideration must regard it, as the title to the bill before the Senate declares it to be, as supplementary to "existing laws against unlawful restraints and monopolies"—not as intended to reach cases within or to practices or parties now amenable to the law but to those practices and transactions not now denounced by it, but which if persevered in and extended will or may result in monopoly or in consolidation which, by eliminating competition pro tanto, makes monopoly probable if not inevitable.

The primary purposes of the provisions so viciously assailed is to arrest monopoly in the making, in its initial stages, to condemn practices the tendency of which is to foster eventual monopoly, even though no such purpose may have been entertained in any particular transaction.

It was hoped that by the vigorous enforcement of the civil as well as the criminal provisions of the law, as demanded in the Democratic platform, the existing unlawful combinations in restraint of commerce might be destroyed, and that by the operation of the new legislation new ones could not come into being. Thus it was intended "to make it impossible for a private monopoly to exist within the United States."

In this attempt to reach conditions not covered by the law as it stands, the force and efficacy of which was to be in no wise weakened, two methods were suggested. One was to single out the practices which might be described as monopolistic in their tendencies, to define them with such accuracy as was possible and to forbid them under penalties; the other was to subject each individual case to the scrutiny of a commission and to enjoin it through the action of such a body if, under the peculiar circumstances, it should appear inimical to the public welfare. The latter addressed itself to the Congress as the more advisable, if not the more efficacious course. The Trade Commission bill received the assent of both Houses of Congress and of the President. It denounced all forms of unfair competition as unlawful, and authorized the suppression of such by order of the commission, including local price-cutting and tying contracts forbidden by sections 2 and 3 of the pending bill as it came from the House under penalties prescribed therein. The bill came to the Senate framed on the theory that the new legislation should be enforced by penalties. Meanwhile the Senate added to the House Trade Commission bill section 5, above referred to, which embodied the principle of the suppression of the practices to which sections 2 and 3 of the pending bill, popularly known as the Clayton bill, refer, through the commission. The House sanctioned the adoption of that method by giving its approval to the Trade Commission bill, which passed that body by a vote of 277 to 54, but one Democrat voting against it. In this branch it was supported on final passage by a vote of 53 to 16, only two Democrats voting against the measure. Among these, strangely enough, the Senator from Missouri was not numbered, though his voice was raised at all seasonable times during the debate against the central idea of the bill as it passed—that all unfair practices in trade should be suppressed through the commission created by the act. In fairness to the Senator it perhaps should be said that he indulged some hope that section 5 might be eliminated in conference, but the members of his party in the House gave their all but unanimous consent to the system it inaugurated; but one, as stated, being impressed with the view now so insistently urged by the Senator that he was surrendering to the trusts or weakly allowing them to wheedle him into acquiescence in their plans to obtain immunity from prosecution for their misdeeds.

Mr. REED. Mr. President, the Senator knows perfectly well that I stated on the floor of the Senate, in my various remarks, that there were many good features in the bill; that I was in favor of many of the features of it.

Mr. WALSH. The Senator refers to the Trade Commission bill?

Mr. REED. Yes. He also knows that when I was put to the proposition of voting against the entire bill, and thus striking down the good features with this doubtful feature, I took my choice. I think he also knows that there were many Democrats in this Chamber who were controlled by similar motives.

Mr. WALSH. I do not know that the last sentence uttered by the Senator is correct. I have given him credit, so far as his own motives are concerned, for everything he has now suggested. He hoped, I have no doubt, that section 5 would be eliminated in the conference. On the contrary, the House, by an overwhelming vote, gave its concurrence to the principle expressed in section 5.

It is idle to advance that they contemplated that having provided for the suppression of all unfair methods of competition through the Trade Commission, they yet hoped that some unfair methods would be penalized. The two systems of dealing with

unfair practices do not run together. The adoption of the one signifies to a logical mind the rejection of the other.

It is not my purpose now to review the considerations which prompted both Houses of Congress by an overwhelming vote to give their adherence to the method of suppression through a commission rather than by the imposition of criminal penalties. The arguments in favor of the rival systems will be found elaborated in the debates. Briefly, it was contended that if penalties were to be imposed the acts condemned and the conditions stamping them as criminal must be carefully and precisely defined in the statute, and that the ingenuity of the legislator in framing the statute might not equal that of the adroit rogue in devising other methods of unfair competition through which to crush a rival. It was thought the better plan to denounce all forms of unfair competition and authorize the commission to deal with each particular case as it arose. Moreover, it was found no easy task to frame a statute which would reach the case of a plundering monopolist which would not only not hamper many legitimate transactions, but not be oppressive to a struggling industry contending for trade against a competitor enjoying a practical monopoly or one long established and supported by unlimited capital. To illustrate: No one would hesitate to subject to the pains and penalties of the criminal law institutions like the Standard Oil Co., which cut prices within the legitimate territory of a weak rival until it is forced into bankruptcy. But the weak rival might want to enter the territory theretofore exclusively served by the Standard Oil, and might be willing to shade the price below what it asks in other localities in order to get the business. Would anyone care to jail the ambitious producer of refined oil for his attempt to introduce some competition into a community where none existed before?

The independent makers of sewing thread contend against a powerful rival that puts out the Clark's and Coats's brands. Would it be wise to deny to one of them the right to offer a special inducement in price to a dealer in a community exclusively supplied by the trust in order to induce him to take the less-known article, which may be just as good, and recommend it to his customers as such?

Mr. BORAH. Mr. President——

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

Mr. WALSH. I do.

Mr. BORAH. I understood the Senator to say he would deem it unwise to punish those who were seeking to introduce competition where there was no competition before.

Mr. WALSH. I should.

Mr. BORAH. For instance, those who might be fighting the Standard Oil Co.?

Mr. WALSH. I maintain that the whole purpose of the legislation is to encourage competition.

Mr. BORAH. As I understood the Senator, the strength of the argument which he is making consists in the fact that small business men might desire, through unfair methods, to introduce competition where there was not competition before, and that therefore it would be unwise to punish them for doing that.

Mr. WALSH. The methods would not be unfair under the circumstances the Senator talks about. They are only unfair when they contemplate the destruction or crippling of a rival or are otherwise contrary to the public interest.

Mr. BORAH. Then, if it would not be unfair, the trade commission would not have jurisdiction of it at all.

Mr. WALSH. It would have jurisdiction to inquire whether under the circumstances it is unfair.

Mr. BORAH. Exactly; and if it has a small man on one side and a large man on the other, that would settle the question.

Mr. WALSH. That would not settle the thing at all. All the facts and circumstances would be taken into consideration for the purpose of arriving at a just conclusion as to whether the continuation of the practices would be destructive of competition or whether they would be encouraging to competition.

The purpose of the legislation of which the pending bill forms a part is to preserve competition where it exists, to restore it where it is destroyed, and to permit it to spring up in new fields. It is in the last degree questionable whether more harm than good would not result from a penal statute denouncing local price cutting. The friends of the pending measure believe that the Standard Oil magnates and the officers of the Thread Trust may be and ought to be prosecuted criminally under the Sherman Act should they resort to local price cutting to destroy or cripple a weak rival. The latter would be immune, as he ought to be immune, from criminal responsibility for attempting what it is the end of the law to encourage—competition in trade.

Mr. REED. Mr. President——

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

Mr. WALSH. I do.

Mr. REED. I should like to get the Senator's idea a little clearer, if, indeed, anything can render any more clear the very lucid statement the Senator is making.

Does the Senator contend that if a large concern cuts prices locally and does it for the purpose of destroying a competitor its proprietor should be sent to jail, but that if a smaller concern does identically the same thing——

Mr. WALSH. For the purpose of destroying a competitor.

Mr. REED. For exactly the same reason and purpose does the Senator think that this proprietor should not be treated in the same way? Does the Senator think it is possible in this country to have one law for a man with a large amount of money and another law for the man with a small amount of money? If the Senator does so believe, I wish he would indicate to the Senate for its enlightenment and the enlightenment of the country just how much money a man must have to be within the purview of the criminal statutes and just how little he must have to be exempt.

Mr. WALSH. Of course I am not going to attempt to answer that kind of a question. It is not intended or calculated to elucidate any very clear idea about this legislation. You can not determine the question as to whether a certain practice is fair or unfair by the amount of money the man has who does it. If the great Standard Oil with a capital, as my recollection is now, of something like $700,000,000 should get into a certain community in which the Montana-Wyoming Oil Co. markets its product and should immediately proceed to cut prices below those prevailing there and in adjacent territory, the presumption would very likely address itself to most minds that it was done for the purpose of destroying that rival. On the other hand, if the little Montana-Wyoming Oil Co. should offer the people of Billings, for instance, oil at a less price than they sell at Sheridan, you would have to have some other proof that it started out to put the Standard Oil out of business.

Mr. REED. If the Senator will pardon me, we will concede that if the Standard Oil Co. went into the State of Montana for the purpose of driving out the Montana company and cut prices locally in Montana, and did succeed in driving out the Montana Oil Co., it would be a wrong to the Montana Oil Co. and would be something that ought to be prohibited.

Now, suppose that the Montana Oil Co., desiring to put out of business a local dealer in Billings, Mont., inspired by the same diabolic motive and pursuing the identical plan of the Standard Oil Co., were to proceed in Billings to cut the life out of the small dealer there, would not this Montana Oil Co. be subject to the same laws and the same penalties as the Standard Oil Co.?

Mr. WALSH. Unquestionably.

Mr. REED. Again, suppose that the local oil dealer in the city of Billings, being somewhat larger and more powerful than some rival he had in that city, for the purpose of driving that rival out of business cut prices locally for the same evil reason, would he not be subject to the same law?

Mr. WALSH. Undoubtedly he would.

Mr. REED. Then it seems to me, Mr. President, when we are passing this law we must make it universal in its application, and if the prison doors are to swing open to receive one man who has cut prices locally in order to destroy a rival, and if those doors will be opened by the key of the Sherman law, if I may use so poor a metaphor, then it ought to apply clear down the line.

I am, I think, a somewhat persistant advocate of the fact that trusts and monopolies ought to be wiped out, but I believe that larceny by a rich man is no worse than larceny by a poor man, and that larceny by both ought to be punished in the same way. I think they should be tried in the same tribunal, as the Senator from Michigan [Mr. SMITH] suggests to me, and subject to the same penalties.

Mr. WALSH. I will interrupt the Senator to say that they are subject to the same laws and punishable under exactly the same conditions and by exactly the same tribunals.

Mr. REED. If they are, and if the Sherman law absolutely covers them all and reaches this practice from its inception to its conclusion, has not the Senator demonstrated that there was no necessity for this practice ever to be brought before the Trade Commission? Has he not demonstrated this bill out of court?

Mr. WALSH. I have already, Mr. President, replied to the question now addressed to me by the Senator from Missouri, but I digress for the purpose of saying that as this bill came from the House it carried penalties, the theory being that it was to be enforced by penalties, and not through a commission.

It provided that local price cutting should not be criminal unless it was done with intent thereby to destroy or wrongfully injure the business of a competitor. If there is another small company engaged in the oil business in Billings, and the Montana-Wyoming Co. cuts prices for the purpose of destroying that rival it encounters the criminal penalties of the Sherman law just exactly the same as the Standard Oil Co. does.

Mr. President, in determining whether prices were cut for the purpose of destroying a rival or not, the Senator is an able criminal prosecutor, in a case of that character, when he is making a charge of that kind, he would not fail to demonstrate, by proof, if it could be secured, that the defendant was a powerful, wealthy organization and its rival was a puny and impecunious one. It is a most important consideration, Mr. President, in considering whether the criminal intent existed or not, whether the power exists to do the act—that is, if it appears that the little struggling competitor in all human experience has not the power to destroy or cripple the Standard Oil Co.—the reasonable probability is that the Trade Commission or a jury would say that it did not have any such purpose at all, and it would be acquitted.

Mr. REED. Of course, if they have not the power to injure anybody, nobody will be injured and nobody will complain. That answers itself. There must always be the power to injure before anybody is injured, and somebody must be injured before he complains. But the point is, shall we have two tribunals and two methods of procedure, one for the big man and one for the little man? I did not so understand the purpose of Congress when it enacted the Trade Commission bill. I supposed that bill was to apply to all classes of the people, big and little.

Mr. WALSH. I think that idea is generally entertained; at least the friends of the measure hold that notion about it.

And so with tying contracts. One can readily imagine, indeed, the business world can testify to the most outrageous abuses, monopolistic in character, of some of the criminal trusts through contracts of this character. They are usually employed in connection with the sale or lease of or license to use patented articles. Standard articles and those sold under well-established brands may serve as a basis for such contracts, but if abuses have sprung up in connection with the same they have not become so flagrant as to attract public notice. The party controlling the patent refuses to sell or lease or to license the use of the machine embodying it except upon condition that the purchaser, lessee, or licensee supplies himself with his needs in other lines from the owner of the patent or some one named by him. Thus is built up a monopoly not only in the patented article, but in all others, by such contracts tied to it. It is an indefensible practice. The Government gives the patentee or his assignee a monopoly of the right to manufacture, use, and sell the patented article. He has a monopoly of it and ought not to be allowed to use it to establish a monopoly of an article to which his patent does not extend.

But the bill as it came from the House penalized all tying contracts, the effect of which is to lessen competition, whether they related to patented or to unpatented articles. It prohibited, under a penalty, the making of a contract by which one obligated himself to buy of the seller, if he bought of anyone, another article as a condition of the purchase he was making, provided it had such effect. I offer my horse for sale at $200, but agree with the buyer to abate $25 from the price if he will agree to buy my carriage at $250, if he buys a carriage at all. If it should appear to a jury that competition in the sale of carriages was thereby lessened, I would be held a criminal. The Senator from Missouri himself illustrated the possibilities of a general denunciation of tying contracts. He instances as follows—and I quote from the RECORD of September 28, page 15830:

> I make a contract with A, by which, if I sell him one horse he agrees to buy five other horses from me, if he needs them.

This kind of a contract he would inhibit under a penalty. Anyone who differs with him concerning the wisdom of such a policy is a traitor to Democratic principles, a hypocrite in his profession of hostility to trusts and monopolies, and the deserving victim of the coming wrath of an outraged constituency.

He may be right in his view concerning the wisdom of the policy advocated by him that penal laws offer the only remedy for the evils with which the legislation under consideration attempts to deal. He may even be right that such contracts as the one supposed by him ought to be condemned in order that the great offenders in trust organization and direction may be reached. The majority of his colleagues do not think so. They are of the opinion that the great offenders can be punished under the Sherman law, and that in the cases to which that law, comprehensive as it is, far-reaching as the decisions under it show it to be, do not extend, in which it is charged that practices are being pursued calculated to build up a monopoly, but which are not of so flagrant a character or are not indulged in by parties so circumstanced as to fall under the condemnation of the Sherman law, the question of guilt may safely be left to the determination of the Trade Commission.

It is true that "unfair competition" in all its forms, that local price cutting and tying contracts as notorious varieties of "unfair competition" specifically denounced by this bill, may be and are practiced by the giant industrial organizations that have sprung from competing units, as well as by individuals and associations, big and little, financially and industrially, who are not amenable to the Sherman Act. It is true that with reference to the former the remedy before the Trade Commission will be cumulative, and that the officers charged with the execution of the law may choose to prosecute before the Trade Commission for such unfair practices, and omit to resort to the remedies, civil and criminal, warranted by the Sherman law.

It is conceivable that an Attorney General will tolerate the continued existence of a criminal trust, so long as it indulges in no vicious practices in trade, imposes no tying contracts on its customers, and refrains from local price cutting to ruin competitors. But why assume that he will be so indifferent or tolerant? In his department he is under a continuing obligation to carry out the policy of the President, who is responsible for his action or his inaction. A Cabinet officer can not hold his post for a day against the wishes of the President. Any dereliction on his part is, accordingly, justly attributed to his superior if dismissal does not follow on its becoming known.

The idea of making the Federal Trade Commission a haven for the trusts contemplates, accordingly, the concurrence or connivance of the President of the United States, sworn to see that the laws—all the laws—are faithfully executed, and who discharges the duties of his high office under the constant watchfulness of a jealous public, not to speak of captious critics ready to turn to political advantage any lapse from the highest standard of official rectitude. There is no more reason to apprehend that when there are three remedies open—two under the Sherman law and one under the Trade Commission law—the latter will be pursued to the exclusion of both that are available under the old law, than there is why, when the civil remedy is followed under the Sherman law, the criminal clause will be allowed to fall into innocuous desuetude. The two remedies are now being pursued concurrently in the New Haven case. The civil action is still pending to dissolve the unlawful combination, and the grand jury is now at work, under the direction of the Department of Justice, investigating the transactions on which the civil suit is founded, with a view to bringing the parties responsible for them to trial under the penal provisions of the Sherman law. Are we to believe that if the existing law had been in effect and the company had been brought in some manner before the commission, under its provisions for investigation, there would have been no prosecution under the Sherman Act? Indeed, what happened was quite analogous to what will occur regularly when proceedings are instituted under the Trade Commission act against any flagrant violator of the original antitrust law. The Senate ordered an investigation of the New Haven before the Interstate Commerce Commission. The revelations were so noisome that public opinion would have forced resort to the criminal law even by an administration not unfriendly to those responsible for the conditions exposed. Why may we not indulge the hope that similar results will flow from an investigation upon a charge before the Trade Commission of unfair competition, or before that body or the Interstate Commerce Commission under the provisions of this bill? The testimony taken would promptly reach the public ear, and a laggard Attorney General would be spurred to vigorous action in every case in which either the character of the offender or the practices shown to have been pursued merited condign punishment. The commission would enjoin any future violations of the law aimed to uproot unfair methods of competition; the Department of Justice would follow the offender through the criminal courts for past transgressions. The hope that such will be the operation of the present legislation may be vain; but is one to be maligned because he cherishes it, or to be convicted of weakness of intellect because he harbors the expectation or holds to the belief that it will?

If he does, there is but one course to pursue. It is utterly illogical to repose in the Trade Commission by one act the power to investigate charges of unfair methods of competition and to restrain all such, and to single out 2 among 20 varieties of unfair competition, attempt to define them, and affix criminal penalties by another act. The general language "unfair competition" was used in the Trade Commission bill be-

cause of the inherent difficulty of defining the several varieties. The plan of dealing with the subject by a Trade Commission having been adopted, there was no longer any reason for retaining in the pending bill the provisions, by which an attempt was made to define two varieties. The Senate pursued a perfectly logical course in striking them out altogether. But it was advanced with much reason that the Trade Commission could not declare the tying contract unlawful or assert that the use of it in connection with the sale or lease of or license to use a patented article constituted unfair competition, because the Supreme Court of the United States had approved of such a contract in the case of Henry against Dick, Two hundred and twenty-fourth United States, page 1, as being strictly within the rights of the patentee under the law as it stood. To meet such a contention, the tying contract, founded upon a patent, was declared unlawful by an amendment which has taken my name, and which specifically declared that any condition of the sale or lease or license to use a patented machine or article restricting the purchaser, lessee, or licensee in his right to buy other wares, wherever he might choose, should be void. To that amendment a penal clause was attached by an amendment offered by the Senator from Missouri. I voted against it. It was entirely unnecessary. The condition being void, it bound no one. The party signing a contract containing it was at perfect liberty to provide himself elsewhere as though he had never signed it. If, notwithstanding the invalidity of the condition in the contract, it could be made an engine of oppression—a result scarcely conceivable—the Trade Commission could give relief, as in the case of tying contracts dealing with unpatented articles; and in flagrant cases, such as the United Shoe Machinery Co., the Sherman Act might be effectually invoked. The addition of the penalty made the amendment incongruous and out of harmony with the legislation of which it formed a part.

The House conferees, acting in strict accord with the sentiment of that body, as evidenced by its adoption of the Trade Commission bill, expressive of the view that "unfair competition" as such should be dealt with by the commission and not through the machinery of the criminal law insisted on a provision that contained no penal clause and specifically reposed the enforcement of the section in the Trade Commission. The provision of the House bill denouncing all tying contracts the effect of which may be substantially to lessen competition or tend to create a monopoly was adopted. The conferees were, so far as the Representatives of the House are concerned, entirely justified in insisting on the elimination of the penal provision; they marred the symmetry of the legislation by attempting to define either the particular kind of tying contract or the particular kind of price cutting that is unlawful; that is to say, the kind that constitutes "unfair competition." I should very much have preferred to leave it to the Trade Commission to determine whether any particular contract or practice said to be unfair falls under the condemnation of the act. However, I had no hope that the conferees would adjust the differences between the two Houses exactly as I would like. The force of the amendment of which I am the reputed author is not, in my judgment, weakened in the least degree by the substitute, or rather the latter is to my mind, quite as efficacious. In one respect it is strengthened, for the substituted section extends by specific reference to the case of a discount or rebate given or a price fixed on one article upon condition that others are not procured except from the vendor, lessor, licensor, or his nominee. The conferees did, indeed, add the clause "where the effect of such lease, sale, or contract for sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I do.

Mr. CHILTON. I should like to put into the RECORD at this time, and to call the attention of the Senator from Montana to the fact, that what is known as the Walsh amendment was taken largely from what is known as the Gore bill, which was introduced in the Senate. The main part of that was taken bodily, practically word for word, from chapter 29 of seventh Edward VII, the English act regulating tying contracts, but the exceptions were not inserted. The exceptions in that original act show why the conferees made the decision which they did.

Mr. REED. May I interrupt to ask what was the penalty in the Edward VII act?

Mr. CHILTON. I do not recall; but I have the act here, and I will hand it to the Senator.

Mr. REED. There was a penalty attached, was there not?

Mr. CHILTON. I do not recall whether or not there was; but I will let the Senator know as to that later.

Mr. REED. In what year was the Edward the Seventh act passed? Can the Senator state that approximately?

Mr. CHILTON. It was during the reign of the late King Edward of England.

Mr. REED. I know; but in what year?

Mr. CHILTON. It was in the seventh year of his reign. It is a very recent act. There is no doubt in the world that the drafter of the Gore bill took the language from that act, and did not put in the exceptions which that act contains. We framed this measure in a general way, so as to make the act conform practically to the intention of the law.

Mr. WALSH. I dare say the English act is enforced through a penalty clause. Of course that is important only provided England has another act substantially the same as our Sherman Antitrust Act, and has not a commission equivalent to our trade commission, by which to enforce it. If she has both of those, and then there is a penal clause in the act, it would be pertinent in this connection. But it is only in cases in which competition is likely to be suppressed or a monopoly eventually result that we are in any wise concerned. It is for just such conditions that this legislation is intended. It is conceivable that this clause may be used as a shield by some daring buccaneer in the industrial world; but the chances of its being successfully employed are too remote to cause anyone on that account to vote to reject this report. The distinguished Senator from Minnesota, who spoke in his usual forceful style, in opposition to its adoption, pointed out the omission of the clause in the amendment offered by me, to the effect that the inhibited condition should be void. The language pointed out added no strength to the amendment. It being declared to be unlawful to insert such a condition in a contract, it becomes invalid without any specific declaration to that effect. It is well understood that the Senator from Minnesota opposes the entire bill because of the provisions in it relating to labor, and his criticism of the conference report is to be weighed in the light of that fact.

Because of my interest in the amendment which became section 2 of the Senate bill, denouncing tying contracts applicable to patented articles, representatives of many factories victimized by the practice at which is was aimed have conferred with me repeatedly concerning it. Not one has expressed to me any disappointment at or dissent from or opposition to the substitute of the conferees. If it were open to serious criticism, it is inconceivable to me that I should not have heard from them.

In view of the clamor that has been raised about the work of the conferees, it is but just that I should say that the penalty clause added to the so-called Walsh amendment on the motion of the Senator from Missouri was the only penal provision that went out in conference.

The distinguished junior Senator from Massachusetts, in his able address of Thursday, referred approvingly to an editorial appearing in the new St. Louis Star of the 29th ultimo, making mention in a commendatory way of the address of the Senator from Missouri, who is to be congratulated upon the appreciation of his effort expressed by the Senator from Massachusetts, the greater portion of whose speech consisted of a eulogy of the United Shoe Machinery Co. and a defense of its tying contracts. I ask that the article be printed as an appendix to my remarks.

The PRESIDING OFFICER. If there be no objection, it will be so ordered. The Chair hears none.

The article will be found in the appendix to Mr. WALSH'S remarks.

Mr. WALSH. I read from the editorial the following:

> During the framing of the bill and its passage through both Houses the usual influences were at work to make the bill formidable only in its aspect, but impotent in its actual power.
>
> Every effort possible was made to make the bill a "glittering generality," which would practically permit the trusts to continue undisturbed.
>
> As the bill passed the House it was powerless to destroy trust monopoly.
>
> But when it reached the Senate it was attacked for its fatal defects by Senator REED and others, and who made such a fight that it was amended so that penalties for its violation were made specific and mandatory, and interlocking directorates and holding companies were specifically forbidden.

Of course it is well known that as the bill came from the House it imposed all the penalties which the Senator from Missouri insists should be in the bill, and, of course, it contained provisions denouncing intercorporate holdings and interlocking directorates, with penalties also.

Mr. REED. Mr. President——

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

Mr. WALSH. Certainly.

Mr. REED. As I am not responsible for the editorial——

Mr. WALSH. Oh, no; but the Senator will remember that I charged a moment ago, much to his discomfiture, that he was giving this impression to the country, and I am endeavoring to show him that that is the case.

Mr. REED. Oh, Mr. President, the Senator has not added a particle to my discomfiture, except in the one respect that I had thought him to be too fair a man to misrepresent my position. The solitary discomfiture I feel is because I am compelled to revise my opinion. It is not because of anything the Senator has said in the way of argument or logic that has added anything to my discomfiture.

Now, so far as this statement in the paper is concerned, it is, of course, like many other statements, in some respects inaccurate. The House bill did contain criminal penalties. I did not originate any criminal penalty, but the Senator will have to say, I think, that in the committee I contended for a retention of the penalties, and upon the floor of the Senate I contended for their retention.

Mr. WALSH. Exactly; and in my poor way I am endeavoring to correct the misunderstanding concerning this bill that has gone out to the country, very largely, I fear by reason of the speech of the Senator from Missouri. I continue:

> That the defenders of the trusts were able to do more with the House than with the Senate was a reversal of form. In the past the Senate has been the very home of the defenders of monopoly and special interests.
>
> It was there the Democratic Party's pledge to the people was expected to be broken, not in the House, but the House broke it, unrebuked by the administration, if not approved by it, and but for the determined fight made by Senator REED and associates the Senate would have approved the betrayal.
>
> But this fight seems to have been in vain.
>
> In conference the Senate amendments, which gave the bill vitality and "teeth" with which it could attack and destroy monopoly, were either amended to make them harmless or dropped.

It will be remembered that the Senate took out every one of the penalties; they were taken out right here on the floor of the Senate in accordance with the recommendations of the Judiciary Committee; and then eventually there was restored, upon motion of the Senator from Missouri, only the penalty to the so-called Walsh amendment.

Mr. REED. But the Senator ought to add that the Senate *put in the* provision extending the statute of limitations, which was taken out in conference; that the Senate put in the provision that a corporation doing business contrary to the laws of the State of its existence or the State where it was doing business, should not be permitted to engage in interstate commerce; and the Senate put in the provision that when a corporation was convicted of being a trust it should be really dissolved; and those provisions did disappear in conference.

Mr. WALSH. We all understand, Mr. President, that the Senator has made complaint about a good many things in the conference report, but his fight has been because the penalties are not here.

I continue:

> In this emasculated form it is back in the Senate for approval, and Senator REED is again attacking it with the same vigor as he did when he forced adoption of his amendments.
>
> Should he fail, which is predicted, and the Senate approve the conference report, the bill in its impotent form will go to the President for his signature.

The Senator from Missouri can not be held responsible either for the appearance of this article nor for the gross misrepresentation of the facts made in it, and yet it is not strange that his unrestricted denunciation of the Senate conferees, of whom I was not one, should have left upon some susceptible minds the views it so unwarrantedly expresses.

The fact is that as the bill came from the House it prescribed penalties in connection with every prohibitory provision. It was framed on the theory of enforcement by penalties, not through the commissions. As the bill came from the House it was ideal in that respect in the opinion of the Senator from Missouri, and the RECORD will disclose that, never having had any confidence in the Trade Commission or in the idea of suppressing unfair trade practices through its instrumentality, his great fight made during the consideration of the bill was to restore the penalty clauses, all of which were stricken out, not by the conferees, but by the Judiciary Committee before the bill came before the Senate for debate at all; that is to say, the Judiciary Committee reported the bill with amendments providing for the elimination of the penalty clauses. It so reported because meanwhile the Senate had passed the Trade Commission bill, signifying thereby its adherence to the policy of preventing unfair practices in trade by a commission instead of through the criminal courts. The committee simply yielded to the voice of the Senate, whose servant it was. The Senator from Missouri made a most persistent fight to defeat the recommendation of the committee, but he did not prevail, and the penalty clauses of the bill as it came from the House that were excised all went out in the Senate. It afterwards added, as stated, on the motion of the Senator from Missouri, a penal clause to the so-called Walsh amendment, which alone was dropped in the conference, the substituted section being practically the provision of the House bill on the subject, without the penalty clause, but with an amendment to the appropriate section providing for enforcement through the Trade Commission. Of course, despite the statement in the editorial, the bill came to us from the House with specific provisions in relation to interlocking directors and holding companies.

The Senator from Missouri owes it to himself, to his associates, and to the paper which writes in just admiration of his talents to make a frank statement from the floor in accordance with the facts. Unfortunately, it will not be so easy to obliterate many other no less grossly erroneous ideas likely to be harbored in consequence of the address of the Senator. Much of his criticism may be justly weighed in connection with his unrestrained condemnation of the conferees for restoring the word "substantially" to the bill. It was in both clauses of section 8 as the bill came from the House—the one dealing with intercorporate holdings and the one dealing with holding companies—and though that section was considered long and earnestly by the Judiciary Committee, of which the distinguished Senator from Missouri is a member, and some changes of an important character were made in it, the word "substantially" was not touched. The House bill and the bill as reported by the Senate committee alike forbade intercorporate stockholdings and holding companies "where the effect of such acquisition is to eliminate or substantially lessen competition." The crying evil in the word "substantially" was not sufficiently audible when the bill was in the Judiciary Committee to address itself to him. I violate no confidence when I say he was not moved to action there. Moreover, though the Senator was untiring in his efforts to perfect the bill when it was before the Senate—and I credit him with the most patriotic purpose, however he may have cast suspicion on those who differ with him—it never occurred to him that there was danger lurking in "substantially." The word went out on the motion of the Senator from Tennessee [Mr. SHIELDS], and without argument; and it went out without argument because there is not enough in the word to provoke argument.

Mr. REED. Does the Senator mean to say that in the committee I did not object to the word "substantially"? Does he mean to say that in the committee I did not insist particularly, with reference to that word, that it should not be used in the section dealing with interlocking directorates and the ownership by one corporation of the stock of another? Does he mean to say that I did not insist there and here that the practice of one corporation owning the stock of another should be entirely stopped?

Mr. WALSH. Oh, no; I do not mean to say anything of that kind. The Senator was with me upon the proposition of condemning holding companies. I said, as did the Senator, that there is no occasion in the industrial world for a holding company. We were beaten on it. What I do say is that the Senator did not, either on the floor or in the Judiciary Committee, move to strike out "substantially." That motion came from the Senator from Tennessee [Mr. SHIELDS].

Mr. REED. I want to say to the Senator that his recollection——

Mr. WALSH. Of course, in speaking about the Judiciary Committee I speak solely from recollection, but it is quite definite with respect to that matter.

Mr. REED. The Senator's recollection is erroneous. Whether there was a motion made or not, I have a distinct recollection of opposing the interjection of the word "substantially" as a qualifying phrase into this legislation.

Mr. OVERMAN. Mr. President, let me see if I can refresh the Senator's recollection.

Mr. REED. Just a minute. Now, there were many things discussed there as to which no formal motions were made, because it was found to be useless to make them; but that I have opposed the word "substantially" being in this bill from the first can hardly be disputed by men who are familiar with the facts. I do not think it is very important in this discussion, however.

Mr. OVERMAN. If the Senator will recollect, his fight was not to strike out the word "substantially," but to strike out the word "eliminate," which was done.

Mr. REED. I remember making a fight to strike out the word "eliminate."

Mr. WALSH. The word "eliminate" went out.

Mr. REED. I also know that I have been opposed to the word "substantially" being in there, and the Senator will

remember that I was opposed generally to these qualifying clauses. I wanted to prohibit the act itself. Will not the Senator do me the justice of saying that that was my position?

Mr. OVERMAN. I do not doubt that that was the Senator's position; but, as far as the word "substantially" was concerned. I do not think the Senator made any point about that. I think it was the word "eliminate," which was stricken out.

Mr. REED. Oh, yes; that was one of the words. As I say, it was not very important in this discussion.

Mr. WALSH. It went out without argument, because there is not enough in the word to provoke argument. If it were out, the language would receive the same construction, because no court would find that competition was lessened unless it was "substantially" lessened. The Sherman Act denounces all combinations in restraint of commerce, but no combination falls under the ban of the statute unless commerce is restrained to a "substantial" extent. De minimis non curat lex. How much reason there is to dread disastrous results from such a construction is exhibited by the decision in the Union Pacific-Southern Pacific case, in which the traffic affected by the combination amounted only to eighty-eight one-hundredths of 1 per cent of the total tonnage of the Southern Pacific. Yet the court held that the restraint of trade was substantial enough to bring the combination under the condemnation of the law.

The bill is not in all respects as I should like to see it. It is a matter of regret to me that the House conferees did not insist on the provision of the bill as it was framed in that body, making judgments against unlawful combinations fixing their character as such, conclusive evidence of the facts adjudicated, in actions for damages brought by private parties against the outlawed organization under the Sherman Act. The Senator from Missouri was against me in my efforts to defeat the amendment proposed by the committee, making the judgment prima facie evidence only. In justice to him and to the committee it should be said that they inclined to the view that Congress is without power to give such a judgment a conclusive character in what may be called the subsidiary action. I have heard no argument, not even from the Senator from Missouri, that has shaken me in my view that such a statute is not beyond the power of Congress. I endeavored to keep in the bill the House provision, but the Senate determined otherwise, and in the debate expressed the view, which I still entertain, that the provision is of very little practical importance as it was adopted by the Senate, merely changing the burden of proof from the plaintiff to the defendant.

A very gross misapprehension has found lodgment in some minds in connection with this section. Why should not one who sues the Standard Oil Co. have the benefit of the testimony taken by the Government in that suit, is asked. There is no reason why he should not, but nothing in the bill in any of its forms gives the right to use the testimony taken in the Government action. Under the bill as it left the Senate one suing a corporation adjudged to exist in violation of the Sherman Act, or to be guilty of practices denounced by it, may introduce the judgment pronounced against it; not the testimony, but the judgment. The defendant is then at liberty to introduce its evidence. It may call the same witnesses or it may call witnesses other than those used in the Government suit. The plaintiff may then introduce his proof, if, indeed, he is not required, at the risk of being shut out altogether, to supplement his prima facie case in the first instance by such evidence as he can command. But he must call the witnesses; he can not introduce the evidence taken in the Government case. Then the whole matter is submitted upon the new as well as the old evidence to the court or jury, the side on which is the preponderance prevailing. The value of the rule established by the bill is so inconsequential from the standpoint of a trial lawyer who has actually handled cases of a like character as to be negligible. I see no reason why judgments rendered heretofore as well as those rendered hereafter should not be included within the provision. I voted for the amendment to so extend its operation offered by the Senator from Colorado [Mr. THOMAS], but the right granted is so shadowy in character, whether it is granted in connection with all judgments or only those hereafter rendered, that I shall not vote to reject the report to have the change made. Were it not for the character of the attack made by the Senator from Missouri I might be disposed to vote, in effect, to recommit that this and other important changes might be made on further reflection. But inasmuch as the rejection of the report may be interpreted as an indorsement of the wholesale charges made by him, I shall not indulge my disposition in that regard.

Mr. REED. Mr. President, I take it that the Senator, then, is going to vote for a bad bill because I made a bad speech?

Mr. WALSH. No.

Mr. REED. That is the logic of his remarks.

Mr. WALSH. I am going to vote for a bill which might have been made better were it not for the speech of the Senator.

Mr. REED. Mr. President, my speech has not tied the hands of Congress. It has not stopped the highways of virtue. Those who bear the white banners of perfection can still march along unobstructed. Their sensibilities may have been wounded, but they ought not to do evil because I have offended against what they deem correct.

Mr. WALSH. Much is made of the provision taking consent judgments out from the operation of the section. Applying the rule to the case of judgments heretofore rendered, there is a measure of justice in the contention that the stipulation for judgment was signed in view of the law as it was and the consequences which it attached to the act at the time it was entered into and that it should not be given a significance by later legislation that it did not bear when the contract—for so it may be referred to—upon which the judgment was founded was made. But my acquiescence rests upon an entirely different basis.

As illustrative of the spirit in which this measure, and particularly the report of the conferees, has been canvassed by the Senator from Missouri, I quote from his speech the following:

> Why, I say, should a tobacco dealer in any State of the Union who believes he has been robbed and despoiled by the practices of the Tobacco Trust and who desires to bring a suit for treble damages be compelled to travel up and down the earth to produce the same witnesses and bring forward the identical evidence that has already been gathered by the Government, preserved in bills of exception, approved by the final decision of the Supreme Court of the United States, and solemnly crystallized into a degree by that great court? Why this tenderness for the Tobacco Trust? Why deal so gently and so kindly with these concerns that have ridden roughshod over the law; that have defied the courts for an entire lifetime?

Section 4 as it was reported by the Judiciary Committee was the work of a subcommittee of which the Senator from Missouri was a member. It underwent no change in the Senate except that its provisions were made applicable to past judgments as well as those rendered in the future. The Senator knows—he is too good a lawyer not to know—that neither under the section as he drew it nor as it passed the Senate will it be possible to introduce, in the private action, the evidence taken in the Government suits. It is the judgment only that is admissible, not the evidence upon which it was founded. The law should provide that the evidence may be admitted; but the Senator is himself responsible, not the conferees, for the bill in that respect is as he himself drafted it.

Mr. REED. May I inquire at what time the Senator offered a motion, either in the Senate or in the committee, to include the evidence?

Mr. WALSH. I offered none.

Mr. REED. And at what time did he call the attention of either the Senate or the committee to the construction he now places upon the bill—that the evidence can not be used when preserved in bills of exception?

Mr. WALSH. I offered none. The matter never was debated, never was considered. It never occurred to the Senator from Missouri. It never occurred to me. It never occurred to the eminent lawyer who is the chairman of the committee. Why, now, should the conferees be denounced for doing something or omitting to do something of which we are all guilty, if anybody is guilty?

Mr. REED. The conferees have not been denounced, but their work has been criticized because they cut the country off from the benefit of the decisions that heretofore have been rendered in some 86 cases, and practically cut them off from the benefit of any decisions which may be rendered in any of the 46 pending cases. That has been the burden of my criticism so far as the claim that the evidence can be used is concerned.

Mr. WALSH. I have read from the RECORD the language of the Senator, who complains that they have so framed the bill that the evidence can not be used.

Mr. REED. The Senator has read a small excerpt from what I said. I undertake to say now that I can demonstrate, and will undertake to demonstrate, that in all substantial respects the benefit of this evidence could have been obtained if this bill had not been emasculated by limiting it to judgments hereafter rendered.

Mr. WALSH. As the bill passed the Senate, one damaged by the acts charged against a combination against which a consent judgment was entered would be at liberty to introduce it in his cause. What then? Then the defendant would be at liberty to introduce all the evidence which it would have introduced had the Government's case been tried. The plaintiff must then offer testimony to controvert the defendant's case. Now, what good to him is the presumption arising from the consent judgment. Simply that it balances the scale in his favor should it so chance that it hangs even. I shall not try to send the

report back under the circumstances attending this debate, because of a change of so little practical importance.

For years powerful agencies have been at work to intercept legislation, in character like the important provisions of this bill, touching the rights of labor. The Senator from Missouri rendered the country a signal service in exposing through the instrumentality of the lobby committee the pestiferous character of the means employed and the despicable character of the agents through which the enemies of the legislation acted. I am willing to accept some imperfections in this bill in view of the relief it brings to those who for 20 years have suffered from "hope deferred that maketh the heart sick."

There is, as stated, no need to burden and hamper legitimate business by added penalties in this bill in order to reach either the class of offenders or the practices so unsparingly and so justly denounced by the Senator from Missouri. If he were the Attorney General of the United States, he could feed fat his appetite for criminal prosecutions by proceeding against the notorious offenders against the Sherman law guilty of the practices against which he inveighs. He could glut his vengeance and the just anger of a long-suffering people against the oppressors of industry operating through local price cutting and villainous tying contracts by indicting them, in the language of the Sherman Act, for an "attempt to monopolize" even a "part of the trade or commerce among the several States."

He could see as many victims of outraged law through the barred doors of the prison whether the acts were made penal by one statute or by two.

But, Mr. President, he might see less with two. When two of twenty or more practices, more or less pursued, all in contravention of the existing law, all punishable by its terms, are singled out and declared to be criminal, it is at least debatable whether all other practices similar in character are not impliedly declared not to be criminal. And the argument would gain strength if the new statute imposed identically the same penalties as did the old law, as the House bill did.

Espionage is a method of unfair competition, a reprehensible trade practice, condemned by an enlightened public sentiment, no less than local price-cutting or tying contracts. Does the Senator from Missouri not feel that if one were indicted under the Sherman Act for breaking or endeavoring to break a rival by introducing spies into his counting house and robbing him of his business secrets or getting possession of information concerning the methods that brought him success, does not the Senator feel that the success of the prosecution would be imperiled by a law which specifically made local price-cutting and tying contracts criminal and said nothing about espionage?

Mr. REED. Mr. President, if that is true, if that argument is sound, then by naming the four practices that are named in this bill and denouncing them, we have absolutely limited the meaning of the term "unfair competition," and the jurisdiction of the Trade Commission to the four practices thus denounced. Moreover, if the argument be a legitimate one, as it deals with the question of trusts and trust practices, it might be argued just as well that to that extent it had altered and changed the Sherman Act; and I think there is some danger that that has been done.

Mr. WALSH. I am very much afraid that the argument will be made that because we denounce two specific kinds of unfair practices and that those are the only kind condemned we tolerate all others. I do not think it can be effectively made, but I say it was dangerous to attempt to define these particular varieties of unfair competition in this statute. It should have been left as the Senate put it in the first place, absolutely outside of this statute, to be controlled and governed by the general denunciation in the Trade Commission act of all unfair practices in trade.

Mr. REED. Then there are three additional reasons that the Senator ought to announce why the report of the conference ought to be rejected. But I suppose because I made a very bad and a very wicked speech he will, of course, swallow the wickedness of the bill without even a regret.

Mr. WALSH. Would it not be a powerful argument to say that though all forms of "unfair competition" were once criminal under the Sherman law Congress expressed the view that the two forms mentioned should be thereafter of that character, and that none others not specifically denounced by some statute should? Expressio unius est exclusio alterius. Where, then, would stand the other protean forms of unfair competition? What could be done in the way of a criminal prosecution with bogus independent companies? With fighting ships and brands? With oppression through banking connections? With exclusive sales and purchase contracts? I am glad to comfort my friend the Senator from New Jersey with the assurance that all those who oppress their competitors through these nefarious practices now make themselves amenable to the criminal law. The bill before us expressly provides that they can claim no exoneration by reason of any order of the Trade Commission. The law is weakened—not strengthened—by singling out specific practices and making them criminal.

This bill could have been returned to the committee for further correction, I should gladly myself have voted to return it in the hope that, after discussion and debate touching features that could not or did not engage the attention of the Senate when the measure was before it and open to amendment, some of its provisions not altogether to my liking might be changed. Several of them have been adverted to in the course of these remarks. But the issue has been made up by the character of the attack of the Senator from Missouri. Whatever may be the private reasons controlling the action of any Senator, the rejection of the report will be interpreted by the country as an indorsement of his attitude and a recognition that the sinister powers against which he has so impassionately inveighed were not without influence in shaping the legislation. I am not willing to give countenance by my vote to any such idea, and trust the report may have the well-nigh unanimous support of this side of the Chamber at least.

APPENDIX.

SHALL THE DEMOCRATIC PARTY KEEP FAITH?

If the Democratic Party in Congress passes the Clayton bill in the form in which it has been reported from conference it will violate its specific promise and betray the trust reposed in it by the people when the present administration and congressional majority were elected.

The Democratic Party specifically promised to pass legislation which would destroy the power of the trusts to monopolize or control business.

On this issue as much as on that of the tariff it made its campaign.

The Clayton antitrust bill is the proposed fulfillment of this promise.

It will not do the work if it passes as now before the Senate from the conference committee.

During the framing of the bill and its passage through both Houses the usual influences were at work to make the bill formidable only in its aspect, but impotent in its actual power.

Every effort possible was made to make the bill a "glittering generality" which would practically permit the trusts to continue undisturbed.

As the bill passed the House it was powerless to destroy trust monopoly.

But when it reached the Senate it was attacked for its fatal defects by Senator REED and others, and who made such a fight that it was amended so that penalties for its violation were made specific and mandatory, and interlocking directorates and holding companies were specifically forbidden.

That the defenders of the trusts were able to do more with the House than with the Senate was a reversal of form. In the past the Senate has been the very home of the defenders of monopoly and special interests.

It was there the Democratic Party's pledge to the people was expected to be broken, not in the House; but the House broke it, unrebuked by the administration, if not approved by it, and but for the determined fight made by Senator REED and associates the Senate would have approved the betrayal.

But this fight seems to have been in vain.

In conference the Senate amendments which gave the bill vitality and "teeth," with which it could attack and destroy monopoly, were either amended to make them harmless or dropped.

In this emasculated form it is back in the Senate for approval, and Senator REED is again attacking it with the same vigor as he did when he forced adoption of his amendments.

Should he fail, which is predicted, and the Senate approve the conference report, the bill in its impotent form will go to the President for his signature.

It will then depend upon President Wilson to say whether or not the promises made by the Democratic Party shall be kept.

If the President signs this bill in such a form, what are the people going to do to the Democratic Party when they realize how it has broken its promise to the hope, while pretending to keep it to the ear, and has permitted the trusts to shape the bill to prevent it from doing what the people expect it to do?

There is no such haste in this matter as will excuse any failure to make the bill rock ribbed and water-tight against trust violation of its provisions, or justify the omission of any provision necessary to put an end to monopoly practices.

There is plenty of time to make a proper bill.

If the bill in its present form is passed, President Wilson should veto it and tell Congress plainly to pass a proper one at the next session.

No excuse of haste or imperative need of immediate action can justify such a betrayal of the hopes of the people and the promises of the Democratic Party.

If this bill becomes a law in its present form, more than one Missouri Democratic seat will be vacated in November. Senator REED in making his fight on this bill is really fighting for the honor and the supremacy of the Democratic Party.

Mr. REED obtained the floor.

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

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

Mr. REED. I yield.

COTTON SITUATION IN THE SOUTH.

Mr. BANKHEAD. Mr. President, I desire to give notice that on Wednesday, immediately after the noon hour, I will address the Senate on the subject of the cotton situation in the South. I desire to present some views that, if adopted, will, in my opinion, clear up the situation and bring the relief sought.

In order that Senators may not be disappointed I will say now that there is nothing new or novel in the plan I desire to submit. It is as old as panics and threatened disasters in financial affairs. It is simple, conservative, and financially sound. I hope the Senators will do me the honor to listen. I believe that I will be able to interest them.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On October 3, 1914:

S. 1930. An act granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes; and

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

On October 5, 1914:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes.

PROPOSED ANTITRUST LEGISLATION.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. REED. Mr. President, in my entire life I have not been more greatly surprised than by the speech which the Senator from Montana [Mr. WALSH] has this moment concluded. The speech was in the nature of a personal attack. He did not attempt to reply to my argument; neither did he seek to show that I had erroneously stated the facts.

He did, however, undertake, both by direction and by innuendo, to convince the Senate that the speech I made a few days ago in support of a motion to recommit this bill was inspired by some evil purpose.

The Senator is one of the last men whom I should have expected to ascribe such motives to me. He appears to be suffering an attack of irritation occasioned by my opposition to certain features of the bill with which he has been intimately connected. I discussed these various propositions upon their merits. My argument was entirely impersonal. I attacked the principles, not their authors.

Those who live by the sword should not be so sensitive at a little bloodletting. The Senator himself handles his rapier with great skill, many graceful flourishes, and dramatic poses. All of which catch the eye, please the fancy, and are calculated to convince the observer that the performance is a mere exhibition. Nevertheless, he is a somewhat merciless antagonist. I know of no man who can more thoroughly get on one side of a case and stay there than the Senator from Montana. Upon such an occasion his ordinarily clear vision is completely obscured in a cloud of prejudice. He translates an attack upon a law into a personal assault. He allows his animosities to control his conduct. There could be no better illustration of this fact than is afforded by the statement of the Senator to which I am about to refer.

Mr. President, long ago the doctrine "Let us do evil that good may come" was condemned. To-day the Senator from Montana accentuates the ancient heresy by exclaiming, "Let us do evil because a poor speech has been made." He is irritated by the overwhelming demonstration that this bill is violative of Democratic principles. He is forced to admit the justice of the criticisms. He concedes that the bill is bad in many particulars. He states that he intended to vote to recommit it; but, now that I have made a speech he does not admire, he intends to vote for the bill. He does not claim that anything I said convinced him his opinions were wrong. He is simply irritated. The people therefore should be made to suffer. His logic is that because I made what he considers a bad speech he proposes to cast what he knows is a bad vote.

Mr. President, if this were a personal controversy between him and me, he might be excused for the unwisdom of biting off his own nose to spite his face. He perhaps might justify himself for permitting an envenomed spirit to control a calm judgment. He might be pardoned for doing something injurious to himself in order to punish me individually.

But, sir, this is not a personal controversy between the Senator from Montana and the Senator from Missouri. The question under discussion concerns neither of us personally. The legislation we are about to enact affects 90,000,000 people. It bears directly upon their welfare. If I were the most arrant knave unhung, no act or speech of mine could justify a betrayal of the high commission placed in the hands of Senators by the people who sent them here to legislate for this great country. I am unembarrassed by the criticism of any Senator who admits his course is controlled by such a motive.

The Senator states that I have given the country a wrong impression of this bill. The country is not dependent upon me for a construction. In every community of the United States there are numerous people who keep track of legislation. These myriad minds, by their own processes of independent reasoning, arrive at conclusions regardless of any man's speech.

I propose, however, just for the sake of correct history, to follow the Senator briefly through his manuscript deliverance.

The Senator, in effect, states that by opposing this bill I attacked the President of the United States. That assertion, of course, implies that the President is the responsible author of this legislation, that I knew the fact, and was actuated by a desire to embarrass the President.

Sir, things have come to a strange pass when a Senator cannot express his opinion with reference to pending legislation without subjecting himself to a charge of attacking the President. Even if the President had written the bill with his own hand and sent it to Congress, it would, nevertheless, not follow that a Senator who in the discharge of his sworn duty opposed the bill could be justly charged with attacking the President. To claim that opposition to a bill is for such a reason improper is to declare that Congress should abdicate its high duties and that the Senate of the United States and the House of Representatives should become nothing more than boards of registrars authorized to record decrees of a monarch. The establishment of such a doctrine would destroy the American Republic. It would shake the temple of liberty to its foundation. Whoever asserts the President seeks to thus usurp the powers of Congress brings against him an indictment that I utterly repudiate. Such a one gravely attacks the President.

But, sir, who has the authority to assert this is the President's bill or to say that the President demands the passage of this bill without amendment? Where is his mouthpiece and spokesman who will now and here assume to speak for the President?

If I know anything about the law of the land, the President should communicate his wishes either in person upon the floor of Congress or by written messages duly transmitted to Congress. I do not pretend to speak for the President. I know of no man authorized so to do, although frequently some assume that right.

Mr. President, I not only affirm that no man has the right to assume or assert that this is the President's bill, but I assert that the bill is utterly inconsistent with the messages and public declarations of the President. In the weak and apparently offensive argument I delivered against the conference report, I quoted somewhat from the President's utterances. I propose now to further show that the bill as reported by the conferees flouts the recommendations of the President. If I shall so demonstrate, I ought to go acquit of the charge just made that I have assailed the administration.

When did we adopt the doctrine that insistence upon the redemption of party pledges constitutes party perfidy? The only permanent injury the Democratic Party may receive is at the hands of a traitor, who betrays it. The soldier who calls upon all to defend the citadel, who helps to keep the guns manned and shotted, is a patriot. The only enemy to fear is the traitor who, loudly vowing his fidelity to the cause of Democracy, seeks to betray us into the hands of our ancient foe.

There are here a few men who appear to imagine they constitute the Democratic Party. Whoever opposes them is, in their views, an enemy of Democracy. Let me remind these modest individuals that the Democratic Party is composed of some 7,000,000 sovereign voters of the United States. This vast army of the people is devoted to the cause of human liberty. It is held together by a common belief in certain great principles of government. These principles the Democracy of the Nation has hitherto enunciated in party platforms adopted by conventions composed of delegates authorized to act for the entire body of the Democracy. This vast multitude constitutes the Democracy; not the half dozen men who in this body pose as the Democratic Party and arrogate to themselves the right to overrule party platforms and to denounce all those who do not submit to their dictation. As winter's snows vanish before the springtime sun, so will these self-anointed leaders in due course of nature disappear; and when they go, the Democracy will suffer no greater convulsion than does the ocean when a drop of water is withdrawn from its illimitable hoard. The principles of the Democratic Party will live as long as men love the name liberty. When I stand upon Democratic platforms and demand that this bill be made to accord with the

articles of our public creed. I, sir, am not attacking the Democratic Party; I am defending it.

In all that I may do, I will not be controlled by any consideration save the desire to serve my country. I can not follow the example of the Senator from Montana, who proposes to vote for a bad bill because he did not like my speech. Truly, this is a noble philosophy. If it is to be followed, then hereafter we shall not cast our votes according to the merits of matters, but as the pique, disappointment, or irritation of the moment shall dictate.

My contention is that the bill ought to be sent back to conference with instructions to reinsert the criminal penalties, and to strike out the conference amendments which have destroyed the force of this so-called antitrust legislation.

I assert that in demanding that those who control great business institutions shall be held to a personal responsibility, and that oppressive and dishonest practices shall be punished by fine and imprisonment, I am standing squarely upon the Democratic platform. I further assert that I am in strict accordance with the public declarations of the President, including his special message to Congress on January 20, 1914. I propose to discuss these two propositions in their order.

There is not a word in the Democratic literature of recent years which does not clearly demand the application of criminal penalties.

Mr. BORAH. Mr. President, before the Senator starts in on that I suggest the absence of a quorum.

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

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

Borah	Johnson	Overman	Smith, S. C.
Bryan	Jones	Owen	Smoot
Burton	Kern	Page	Sterling
Camden	Lane	Penrose	Swanson
Chamberlain	Lea, Tenn.	Perkins	Thomas
Chilton	Lee, Md.	Poindexter	Thompson
Clapp	McLean	Reed	Thornton
Culberson	Martine, N. J.	Root	Vardaman
Fletcher	Myers	Saulsbury	Walsh
Gore	Nelson	Shafroth	Warren
Gronna	Norris	Sheppard	West
Hollis	O'Gorman	Shively	White
James	Oliver	Smith, Ariz.	Williams

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Fifty-two Senators have responded to their names. A quorum is present. The Senator from Missouri.

Mr. REED. Mr. President, to present with some order this proposition I solicit attention to a clause of the Baltimore platform, which I maintain, notwithstanding the construction of my very good friend from Montana [Mr. WALSH], does demand that the existing antitrust laws shall be strengthened by supplemental legislation, and does demand the application of criminal penalties to those who violate such supplemental legislation. The platform reads:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the *criminal* as well as the civil law against trusts and trust officials, and *demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.*

There is a distinct demand for additional trust legislation; there is a distinct demand for the enforcement of its *criminal* as well as of its civil provisions. Only a lawyer accustomed through long years to find flaws in indictments or to construe a section of a law so that a criminal whom it was intended to catch can escape would, I think, claim that the spirit of that declaration is not a pledge to amend the existing trust laws and to apply criminal penalties to such amendments. In the same section of the platform is this:

> We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, *the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price*, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.
>
> We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust and its failure to—

To do what?—

> *to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undisputed facts in the record they had violated the criminal provisions of the law.*

Then follows this criticism of the Supreme Court:

> We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will *restore to the statute the strength of which it has been deprived by such interpretation.*

Mr. President, we were dealing with the subject of the anti trust law, demanding amendments to it. We specified some four or five practices that were to be expressly inhibited and demanded criminal penalties. Any attempt to evade that construction requires a species of special pleading inconsistent with candor.

But, Mr. President, that platform early received a construction by a very eminent man. I refer to the Senator from Kentucky [Mr. JAMES], who presided over the Baltimore convention. Senator JAMES was made the envoy extraordinary and minister plenipotentiary to notify Mr. Wilson of his nomination.

In his speech of notification Senator JAMES, in part, said:

> We all recognize the mighty task in front of you. Sixteen years of Republican rule have riveted the chains of monopoly, special privilege, and greed upon every field of industrial and commercial endeavor, upon every market place, upon every avenue of trade. Trust and monopoly walk with arrogant and brutal tread, fixing with equal insolence and oppression the market of the buyer and the seller. *The Republican Party has taught the trusts that it only barks and never bites.* Their prosecutions against these outlaws are but a signal to play a rising market, to drive higher the value of the stocks they own, to increase the prices of articles they sell, and to grant greater dividends to those who are interested in them. The people call for a President—and they believe they have found him in you—who will not alone proceed *in chancery* against these men who defy the laws, who oppress the people, who drive men, women, and children to desperation by reason of hunger, who deny them the necessaries of life by their monopolistic prices, *but one who will demand that the stripes of the felon shall be placed upon them and who will give a vigorous and genuine democratic people's-rule enforcement to the criminal laws against malefactors of great wealth.*

There is nothing said there about specifying acts as illegal and adding no penalty; nothing there about providing an easier and gentler method of dealing with law violators. As the great Senator from Kentucky towered above that audience, he thundered the demand for criminal penalties for those who oppress and plunder the people.

A little farther on Mr. JAMES said:

> What the people want, what they demand, is a President who will enforce the law to the utmost letter and *prosecute all trusts;* not *one who is friendly with some and unfriendly with others, but a* President friendly to the people and friendly to the law, and unfriendly to no legitimate business, one *who will draw the sword of justice and law against all monopolies.*

That is not a mewling utterance.

Mr. BORAH. It would be appropriate, in view of that deliverance, to put in here the fulfillment with reference to punishment.

Mr. REED. Very well. There will be a more appropriate occasion hereafter, but I yield now to my friend.

Mr. BORAH. Section 2 of the conference report provides:

> SEC. 2. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

And then the enforcement of it is turned over to the Trade Commission, which has no power at all to impose punishment.

Mr. REED. Mr. President, after that great speech was delivered, not for the benefit of the President but as a proclamation to all the land, the President responded. You will find that portion of his remarks to which I now refer on page 349 of the same Democratic Handbook. As I read it, ask yourselves whether this legislation was intended to deal with trusts, monopolies, and restraints of trade or whether with the little fellow at the crossroads, as my friend from Montana would have us believe. Let us determine the purpose of this legislation out of the mouth of the President—may I not be permitted to quote him without being charged with attacking the Democratic Party?

> *The general terms of the present Federal antitrust law, forbidding "combinations in restraint of trade," have apparently proved ineffectual.*

Thus said the President immediately after the convention, and thus I think he says now. I read on:

> *Trusts have grown up under its ban very luxuriantly, and have pursued the methods by which so many of them have established virtual monopolies without serious let or hindrance. It has roared against them like any sucking dove.* I am not assessing the responsibility; I am merely stating the fact. But the means and methods by which trusts have established monopolies have now become known. It will be necessary to supplement the present law with—

What? A trade commission? Ah, no—

> It will be necessary to supplement the present law with such laws, both civil and *criminal*, as will effectually *punish* and prevent—

What? The monopoly itself, the trust itself, the restraint of trade itself, now within the purview of the present law? Ah, no—

> It will be necessary to supplement the present law with such laws, both civil and *criminal*, as will effectually *punish* and prevent those methods, adding such other laws as may be necessary to provide suitable and adequate judicial processes, whether civil or *criminal*, to disclose them and follow them to final verdict and judgment. They must be specifically and directly met by law as they develop.

With that statement before him, will the Senator from Montana or any other have the temerity to say that this legislation was intended to reach only the practices of small concerns, that we did not promise to deal with the practices of trusts, that we did not propose to add to the trust statutes, that we are not pledged to proceed by fine and imprisonment? The man who so asserts is deaf to argument, blind to evidence, and either unwilling to be convinced or incapable of conviction.

A flood of light is thrown upon the statement of the President in accepting the nomination, which I have just read, by the utterance of Mr. Wilson before the American Bar Association at Chattanooga, Tenn., August 30 to September 1, 1910. No fair man can read this address and thereafter maintain that Mr. Wilson was not thoroughly committed to the doctrine of personal guilt and to the policy of the suppression of oppressive trade practices by the application of criminal penalties. In part, he said:

Corporations do not do wrong. Individuals do wrong, the individuals who direct and use them for selfish and illegitimate purposes, to the injury of society and the serious curtailment of private rights. Guilt, as has been very truly said, is always personal. You can not punish corporations. Fines fall upon the wrong persons, more heavily upon the innocent than upon the guilty as much upon those who knew nothing whatever of the transactions for which the fine is imposed as upon those who originated and carried them through—upon the stockholders and the customers rather than upon the men who direct the policy of the business.

* * * * * * *

Society can not afford to have individuals wield the power of thousands without personal responsibility. It can not afford to let its strongest men be the only men who are inaccessible to the law. Modern democratic society, in particular, can not afford to constitute its economic undertakings upon the monarchical or aristocratic principle, and adopt the fiction that the kings and great men thus set up can do no wrong which will make them personally amenable to the law which restrains smaller men; that their kingdom, not themselves, must suffer for their blindness, their follies, and their transgressions of right.

* * * * * * *

We can have corporations, can retain them in unimpaired efficiency, without depriving law of its ancient searching efficacy, its inexorable mandate that men, not societies, must suffer for wrongs done.

* * * * * * *

The major premise of all law is moral responsibility, the moral responsibility of individuals for their acts and conspiracies; and no other foundation can any man lay upon which a stable fabric of equitable justice can be reared.

* * * * * * *

The managers of corporations themselves always know the men who originated the acts charged against them as done in contravention of the law; is there no means by which their names may be disclosed to the officers of justice? *Every act, every policy in the conduct of the affairs of a corporation, originates with some particular officer, committee, or board. The officer, the committee, or the board which orders an act or originates a policy contrary to the law of the land or intended to neutralize or contravene it, is an insurgent against society; the man or men who originate any such act or policy should be punished, and them alone.*

* * * * * * *

You will say that in many instances it is not fair to pick out for punishment the particular officer who ordered a thing done, because he really had no freedom in the matter; that he is himself under orders, exercises no individual liberty of choice, is a dummy manipulated from without.

* * * * * * *

I reply that society should permit no man to carry out orders which are against law and public policy, *and that if you will but put one or two conspicuous dummies in the penitentiary there will be no more dummies for hire.* You can stop the traffic in dummies, and then, when the idea has taken root in the corporate mind that dummies will be confiscated, pardon the one or two innocent men who may happen to have got into jail. There will not be many, and the custom of the trade will change.

On January 20 the President delivered a special message to Congress, in which he specifically dealt with the question of supplemental trust legislation. In that message he said:

We are all agreed that "private monopoly is indefensible and intolerable and our program is founded upon that conviction. It will be comprehensive, but not a radial and unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits.

He then specifies the prohibition of interlocking directorates, the overcapitalization of railways, and adds:

The business of the country awaits, has long awaited and suffered because it could not obtain *further and more explicit legislative definition of the policy and meaning of the existing antitrust law.* * * * *Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate, up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain.*

He then speaks of a commission, but the plain intendment of the message is that the commission is to gather information and to act merely as a corrective agency. He then adds:

I hope that we shall all agree in giving private individuals who claim to have been injured by these processes the right to found their suits for redress upon the facts and judgment proved and entered in suits by the Government where the Government has upon its own initiative sued the companies complained of and won its suit, and that the statute of limitations shall be suffered to run against such litigants only from the date of the conclusion of the Government's action. It is not fair that the private litigant should be obliged to set up and again establish the facts which the Government has proven. He can not afford, he has not the power to make use of, such processes of inquiry as the Government has command of.

I call especial attention to the language "and the penalty being made equally plain." Was he talking about penal statutes when he used the term "penalty"? Was he talking, as my friend from Montana would have you believe, simply of little practices by little men when he went on to say, as I have read, that the practices of trusts and monopolies are now well known and should be specifically defined? Let those who seek to find an opening through that language of the President resort as much as they may to sophistry, they will convince no practical mind that the President was not talking about trusts and monopolies and their practices and demanding criminal penalties. They will not convince the public mind that the President was not demanding that the trust laws should be amended, strengthened, and made specific.

The Senator from Montana would have you believe that we were trying to do nothing but reach the little fellow and stop him from cutting prices in some neighborhood, thus injuring some other little fellow. The Government of the United States has no time to hunt for minnows in an ocean teeming with sharks; we engage in no such trifling, inconsequential, and ridiculous performance as that. Let the Senator consider his maxim, "De minimis non curat lex," in this behalf. It was not in the mind of the House of Representatives, nor in the minds of those who framed our platform.

What has the committee itself to say with reference to this message? The committee of the House, by the way, wrote so admirable a report that the Judiciary Committee of the Senate simply added a few prefatory words and adopted as its own the House report. Thus, said the committee of the House with reference to the President's message:

Your committee, after the delivery of a message by the President of the United States, on January 20 last to the Congress, making certain recommendations—

Relating to what? Relating to certain unfair practices? No—

Relating to the matter *of trusts and monopolies*, immediately prepared and published tentative bills which *were designed to give legislative expression to the views contained in the President's message.* * * * The salient principle of the tentative bills as finally agreed upon with additional provisions have been embodied in the one comprehensive bill now reported.

After some comment the committee adds:

The able and patriotic message of the President has been ever before us and the program which he proposed is contained in the provisions of the bill, and if enacted into law will in truth be "additional articles in our constitution of peace—the peace which is honor and freedom and prosperity."

What were the trust provisions in that bill which the House committee charges directly to the President, to his message, and to his influence?

They were four. The provision prohibiting local price cutting, providing that the guilty party should wear the stripes of a felon; the condemnation of tying contracts, followed by the provision that whoever violated this section should be guilty of a misdemeanor and punished by a fine of not less than $5,000 or by imprisonment for not more than one year in the penitentiary, or both, at the discretion of the court; the provision against corporations gaining control of other corporations through stock ownership. Included in which was the inhibition of holding companies, with a penal clause identical with the one which I just recited and the other provisions which I will not now stop to discuss, because it is no longer in the bill. Every one of these sections carried a criminal penalty.

If that bill was drawn in consonance with the message of the President, with the desire of his heart, with the policy in his mind, and had these criminal penalties in it, every section being penal, will some one tell me if I am wrong in my construction of the President's message, namely, that it was intended to provide criminal penalties? Has the President changed his mind since his last message to Congress? Who has warrant for so asserting? I do not believe he has changed his mind. I believe if he had he would send a message here to Congress frankly avowing his altered opinion.

But was the committee dealing with the small concerns and the trifling things, as the Senator from Montana would have us believe? Not at all. Hear the report of the committee of the House. Note whether it deals with the little or with the great thing, whether it deals with legislation to supplement and strengthen our great trust acts or was merely intended to be a pettyfogging performance, touching certain trifles.

Mr. OVERMAN. Mr. President——

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

Mr. REED. I do.

Mr. OVERMAN. The Senator will recognize the fact that when that report was prepared and when the bill was prepared the Trade Commission bill had not passed the Senate and section 5 had not been incorporated in the bill.

Mr. REED. I understand that perfectly; but section 5, when it was passed did not pretend and does not now pretend to affix any criminal penalties. Neither does it define or prohibit specifically the acts of monopoly. If we are pledged by our platform and by the messages of the President to specifically define the acts of monopoly and to penalize them, we can not escape that duty by pleading that the Senate has adopted a law dealing in some measure and to some degree with trade practices, which also fails to penalize the wrongful practices. We can not justify one failure by pleading another. Two wrongs never yet have made a right.

The argument of the Senator attempts to justify the repudiation of our platform and the message of the President upon the ground that we have enacted a law which does not provide criminal penalties. The fact is, as everyone knows, that the Trade Commission could not deal with criminal penalties because it is not a court. When, therefore, we created that body and did not provide criminal penalties in the law of its creation we by no means committed ourselves to a repudiation of the doctrine of personal guilt and responsibility. I assert that the Trade Commission bill and the trust acts can run along their separate and several roads. If this be not true, then by the enactment of the Trade Commission bill we have destroyed all of our antitrust legislation. If the Sherman Act can be enforced through the courts and the commission can at the same time exist and exercise the jurisdiction conferred upon it, then we can by this act strengthen the Sherman Act and enforce this act through the courts and impose criminal penalties, just as we can enforce the Sherman Act with its criminal penalties.

I repeat, to claim otherwise is to assert that the Trade Commission bill has destroyed our power either to enforce the Sherman Act or to amend it. No man dare here assert such a doctrine.

Mr. OVERMAN. I can not tell exactly what occurred, of course, in conference; but if the Trade Commission bill had been a law at the time that report was made I have reason to believe that it would not have been incorporated into the bill, because an entirely different policy was adopted by the Senate from that adopted by the House of Representatives.

Mr. REED. Mr. President, I have heard that argument in various forms. It embraces this idea—that when we passed the Trade Commission bill we did not intend to pass any other legislation. If it had been asserted here that the Trade Commission bill was to be the end of trust legislation at this session of Congress, it would never have passed, and the Senator knows it. On the contrary, it was during the debate on the Trade Commission bill frequently asserted that the Trade Commission bill was to be the mere handmaid of the trust statutes; that it was not to affect or destroy them; that it was not to hold back other trust legislation. It was iteratively said in reply to those who claimed that the Trade Commission bill was not sufficiently specific or drastic: "Be patient; wait. The Clayton bill is coming on, and the Clayton bill does have penalties. Wait for it and your complaint will be met." Now, when it does come on, you turn to us and say: "Having adopted the Trade Commission bill we now propose to murder the Clayton bill."

Mr. OVERMAN. In confirmation of what I said, I will remind the Senator that in the great speech made here by the Senator from Idaho [Mr. BORAH] he says:

> In fact, Mr. President, it may be said in justification of the report of the conference committee that it is in harmony, and the committee has undoubtedly sought to bring the bill into harmony, with the general trend of legislation.

Mr. REED. Oh, well, that does not answer my argument, because the Senator from Idaho takes an entirely different view of this legislation than I, and his deductions can not bind me.

Let us stop here for a moment. I was about to read this report, but I will digress. If the Trade Commission bill was intended to be the end of trust legislation, why did we not stop with it? The friends of that bill have asserted that the phrase "unfair competition" covers every practice injurious to business which is conceivable by the brain of man. If that be true, and if we are to proceed through the Trade Commission, then we should never torch that language. We should not pass the trust provisions of this bill. We should admit we have already completely covered that field by providing a commission empowered to suppress all evil practices.

But the Senate did not take that view. The Senate committee undertook to say so. The Senate disagreed with the Senate committee as to one section—that relating to tying contracts—and restored it. Then the conferees put back in the bill the sections of the Clayton bill, thus admitting that the Trade Commission bill did not cover those practices; for if it did cover them, it was utterly foolish again to inveigh against them. Having thus admitted the necessity of specifying these particular practices, they then proceeded to remove the criminal penalties.

You can not hold with the hare and run with the hounds. Driven into a corner you say, "In the first place, we did not need any law at all. We had already covered the subject by legislation." Then, when asked why you legislated, you say, "Well, it won't do any harm to legislate if you do not say anything when you legislate." That is exactly your position. You can not sustain this action on any logical ground. If it be true that these practices were covered by the Trade Commission bill, then that is the end of it. We ought to stop right there. If you say, on the other hand, that they were not covered by the Trade Commission bill, then, when we enact law here, let us have a law that does something, and not a law apologized for on the ground that is it unnecessary.

Mr. VARDAMAN. I want to ask the Senator from Missouri if it is not a fact generally understood that the President gave his approval to the bill as it passed the House, and if it was not a matter of general information also that as it came to the Senate it had the presidential indorsement?

Mr. REED. Of course I have heard numerous statements of that kind. But if that be true, how do you justify the elimination of the criminal provisions which were in the bill when it came to the Senate?

Mr. VARDAMAN. As a matter of fact, I want to interject right here that I do not think it would have ever passed the House if it had not had the approval of the President. I make that suggestion, Mr. President, in justification of the position the Senator has taken on this bill and that others take who agree with him, that the President may have changed his mind; and it is not fair, it is not legitimate argument, it does not manifest the proper spirit, for anybody to say that because a Democratic Senator happens to agree with the House and disagrees with the conference committee he is in antagonism to the President and against the head of the party. I am one of those who believe that even though a Democratic Senator happens to differ from the President on a question of policy or economics he is in no way guilty of treason to the Republic.

Mr. REED. I am obliged to the Senator.

I desire to come back now to the proposition that the House committee, in writing the substantive provisions of the Clayton bill, recognized that they were dealing with the practices of trusts and monopolies, not of the little fellow, as my friend from Montana has sought to claim.

I continue the reading of the report:

> Section 2 of the bill is intended to prevent unfair discriminations. It is expressly designed with the view of correcting and forbidding a common and widespread unfair trade practice whereby certain great corporations and also certain smaller concerns which seek to secure a monopoly in trade and commerce by aping the methods of the great corporations, have heretofore endeavored to destroy competition and render unprofitable the business of competitors by selling their goods, wares, and merchandise at a less price in the particular communities where their rivals are engaged in business than at other places throughout the country.

Then follows a description of the section, which in turn is followed by this language:

> The violation of any of the provisions of this section is made a misdemeanor, and is made punishable by fine or imprisonment, or both.

A little farther on the committee states:

> The necessity for legislation to prevent unfair discriminations in prices with a view of destroying competition needs little argument to sustain the wisdom of it. *In the past it has been a most common practice of great and powerful combinations* engaged in commerce—notably the Standard Oil Co. and the American Tobacco Co. and others of less notoriety, but of great influence—to lower prices of their commodities, oftentimes below the cost of production in certain communities and sections where they had competition, with the intent to destroy and make unprofitable the business of their competitors, and with the ultimate purpose in view of thereby acquiring a monopoly in the particular locality or section in which the discriminating price is made. Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities. Such a system or practice is so manifestly unfair and unjust, not only to competitors who are directly injured thereby but to the general public, that your committee is strongly of the opinion that the present antitrust laws ought to be supplemented by making this particular form of discrimination a specific offense under the law when practiced by those engaged in commerce.

What were you supplementing? The trust laws. For what purpose were you supplementing them? To reach certain evil practices. Who had indulged in these evil practices? The great trusts and the great monopolies. Why did you need any law? Because the present law had not effectively reached these practices. How did you propose to prevent them? By the application of the criminal penalty.

I can lay the one paragraph read down opposite the able apology for this bill delivered with a considerable manifestation of spleen by the Senator from Montana, and it utterly destroys the whole effect of his argument, which was that we ought to have a mild law with no penalties, because we are not dealing with great trusts and corporations, but simply seek to regulate the small man, the corner grocery man, or somebody like that. Such is not the fact. If the country is getting a bad opinion of this bill, it is because the bill is not drawn in accordance with the message of the President, with the pledges of our party, with the declaration of our platform, and with the protestations of the committee that drafted the bill. Were you dealing with little petty larceny concerns? Let me read further:

The necessity for such legislation is shown by the fact that 19 States have enacted laws forbidding this particular form of discrimination within their borders. These State statutes have practically all been enacted in the last few years, and most of them in the years 1911, 1912, and 1913. It is important that these State statutes be supplemented by additional legislation by Congress, for it is now possible for one of these *great corporations*—

Not the corner grocery, not the shoemaker, not the little fellow my friend from Montana fears, but *great corporations*—

doing business in not only the 48 States but throughout the world to lower the prices of its commodities in a particular State—

Not at one corner in a town, not at the forks of the road in the country, not at one place, but—

to lower the prices of its commodities in a particular State and sell within that State at a uniform price in compliance with State laws, and thereby destroy the business of all independent concerns and competitors operating within the State.

Does that mean little concerns, or does it mean an institution that does business over this round earth, that collects its toll under every sun in every clime, and out of the gigantic revenues thus gathered recoups itself for the loss it incurs when it puts down the price of a product in an entire State, thus complying with the laws of the State which prevent a price discrimination, yet crushing out and driving to bankruptcy business concerns in that line of trade in the entire State? Does the Senator from Montana still insist that we are dealing with the almost innocent practices of little concerns? Let me read further:

The loss incurred by such *gigantic effort* in destroying competition can be more than regained by general increase in the prices of their commodities in other sections. In fact, complaint has been made to your committee that efforts have been made by *certain great corporations engaged in commerce in some of the States which have enacted statutes forbidding such discrimination to circumvent the State laws by the methods above described. In seeking to enact section 2 into law we are not dealing with an imaginary evil or against ancient practices long since abandoned, but are attempting to deal with a real, existing, widespread, unfair, and unjust trade practice that ought at once to be prohibited in so far as it is within the power of Congress to deal with the subject. This we think is accomplished by section 2 of this bill.*

What says the committee? Powerful combinations now follow this practice; powerful combinations now put down the price of an article in an entire State in order to escape the State statutes which prohibit discrimination; powerful combinations are now destroying rivals in entire States; powerful combinations now are able to collect their tolls around the world, while they starve to death by unfair methods the business of competitors of a vast Commonwealth.

Such is the situation. It is not the trifling affair my friend from Montana sees. The trouble with the Senator is he has reversed the telescope. He thus sees world-wide combinations, giants of the commercial field, transformed into pigmies. Let him turn the instrument around, or, if he chooses, let him look through his own clear eyes, and he will once more behold the vision which inspired him when he thundered from the platform of his State against monopoly and pledged his powerful influence to its extermination. I also entertain the hope that he will conclude that the criminal penalties ought to be put back into this bill, even if he regards my speech as harsh and offensive.

Let me say to the Senator that my lifelong misfortune has been a total inability to employ that polite language of diplomacy to which the ears of the sensitive are attuned. In speaking of a spade, I have never been able to refer to it as "an instrument of agriculture, employed in the cultivation of flowers," nor can I describe a serpent as "a beautiful, glossy creature that glides in graceful sinuosities through the verdant grass." That sort of language is quite outside my talent. I was never able to call the one anything but a spade nor the other anything but a snake. Neither can I discuss a bill denuded of criminal penalties that substitutes the sympathetic administrations of a commission for the verdicts of juries and sentences of courts in the parlor vernacular to which the Senator from Montana is doubtless accustomed.

Mr. President, I have read from the committee's report; I have read from the President's message; I have read from the speech of notification delivered by the eloquent Senator from Kentucky [Mr. JAMES]; I have read the President's reply; I have read the report of the committee, all of which sustain my demand that the criminal penalties should be restored.

I might rest my case here; but it does me good at the present moment to transport myself back to those days when from the housetops the prophets of Democracy thundered against the evils of monopoly. Only a few of them can I refer to, but their words come to me like sweet music. I love them as a man adores the scenes of his childhood. I esteem them because they are a part of my faith, a part of the old Democratic creed. I turn to them because they have been our slogan. I have marched to battle with them ringing in my ears. I have seen my party go down to defeat for 5 and 10 and 20 years—aye, since my boyhood—believing that if we contended long enough, if when disaster came we did not despair, but upon the stricken field set up again the old standard, if we really remained steadfast champions of principle, if we were willing to suffer unto the end, some day, in God's kindly providence, the bright sun would shed its glory upon our victorious banners. I fondly dreamed and hoped when that day came I would have the pleasure of writing Democratic laws every sentence of which would be a sword piercing even to the dividing asunder of the soul and body and joints and marrow of the great monopolies that have so long oppressed the common people of this land. So I love to go back and read. Here is an old Democratic handbook. It contains a speech delivered on March 17, 1908, by Mr. FLOYD of Arkansas, who is one of the House conferees on this bill. Mr. FLOYD began by quoting at length from the Democratic platform of 1908, as follows:

TRUSTS AND UNLAWFUL COMBINES.

We recognize that the gigantic trusts and combinations designed to enable capital to secure more than its just share of the joint products of capital and labor, and which have been fostered and promoted under Republican rule, are a menace to beneficial competition and an obstacle to permanent business prosperity.

A private monopoly is indefensible and intolerable.

Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity, and any trust, combination, or monopoly tending to destroy these by controlling production, restricting competition, or fixing prices should be prohibited and punished by law. We especially denounce rebates and discrimination by transportation companies as the most potent agency in promoting and strengthening these unlawful conspiracies against trade.

Said this great Congressman, this conferee:

Now, let us turn to the consideration of practical remedies. In order that we may provide appropriate remedies for any evil, we should first analyze the same and ascertain the nature, character, and extent of such evil. Brushing aside the glow of inflammatory declamation and pyrotechnical denunciation and considering the question in the light of logic and cold facts, this analysis becomes exceedingly plain and simple. The conditions complained of in the President's message and the evils resulting therefrom may all be classed under one general head of "conporate abuses." These corporate abuses may be divided into three general classes, namely: Abuses resulting from law violations, abuses arising from absence of or lack of proper laws of restraint, and evils resulting from bad laws.

I call especial attention to the fact that at that early day this great Democrat, one of the most incisive reasoners of our party, had determined in his own mind that there were trust abuses arising from lack of proper laws. He continues:

First, I desire to call your attention to abuses resulting from violations of existing laws by the directors, agents, and officers of corporations who control their management.

The remedy for this class of evils is to punish offenders for violations of the law. If the penalties now prescribed are not severe enough to restrain the wrongdoers, amend the law and fix heavier penalties. I have no objection to imposing a fine upon the corporation also. This, however, should not be used as a reason or excuse for allowing the guilty agents to go free. Nor have I one particle of sympathy with that sentiment that excuses the subordinate for the violation of law committed in obedience to the commands of his chief or some other high officer of the corporation. I think that every man, however humble his position, ought to be made to understand and know that the mandates of the law of the land are higher than the mandates of any corporation chief, however great his wealth or however powerful his influence.

That is one of the clearest and most logical answers that has ever been made to the claim that when we seek to punish trusts we may inflict a penalty upon some subordinate.

Mr. BORAH. Mr. President——

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

Mr. REED. I do.

Mr. BORAH. I ask the Senator from whom he is reading.

Mr. REED. I am reading from Judge FLOYD, one of the conferees. I continue to read:

I therefore insist that every officer and agent of a corporation, be his position high or low, who willfully violates any of the provisions of existing law, should be made to suffer the penalties prescribed for such offense. A few conspicuous examples of rich men in the penitentiary or in the common prisons would do more to break up this species of evil than a hundred $29,000,000 fines imposed upon the corporations themselves.

"Applause," says the RECORD. It was well that applause should come. It was the response that the hearts of the hearers gave to brave words.

If it was true then that the enforcement of criminal penalties would do more than the levying of a dozen $29.000.000 fines, why should not these evils, which you have denounced as being the practices of great corporations and which you have declared are employed to despoil entire States, be punished to-day in the same way? When did we conclude to lay down the "whip of scorpions" and to begin feeding these institutions with the "milk of babes"?

Mr. President, we had the same Sherman law then we have now, as has been suggested by the Senator from Mississippi [Mr. VARDAMAN].

Mr. President, I observe that there are at present five Republican and five Democratic Senators in the Chamber. Only one of the conferees has remained to listen. I am not even permitted to talk to the "deaf ears of the adder." The exodus to the cloak room I do not regard as an expression of personal dislike. I take it gentlemen who intend to support the conference report do not enjoy my line of argument. However I shall continue to read some more Democratic doctrine even though I indulge in a solitary soliloquy. Said Mr. FLOYD:

Second, I desire to call your attention——

Mr. BORAH. Mr. President——

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

Mr. REED. I do.

Mr. BORAH. Perhaps if the Senator from Missouri began to read from the Republican textbook his associates would come in.

Mr. REED. I do not know what would bring the Republicans in, because it is not the record that any Republican ever waited and listened to me clear through. Of course there are a class of Republicans, a few of them, earnest believers in the doctrine of putting trusts out of business in order that human beings may enter business who can remain, and among that number I class the Senator from Idaho [Mr. BORAH]. He has a somewhat distinguished record as an advocate of trust elimination, and I might include, I think, all the other Senators on the other side of the Chamber who are now here. I do not observe that the "standpat" portion of the organization is at all in evidence.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. REED. I do.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Borah	Kern	Owen	Smith, Md.
Bryan	Lane	Page	Smith, S. C.
Burton	Lea, Tenn.	Penrose	Swanson
Camden	Lee, Md.	Perkins	Thornton
Chamberlain	Martin, Va.	Reed	Vardaman
Chilton	Martine, N. J.	Root	Walsh
Clapp	Myers	Saulsbury	Warren
Culberson	Nelson	Shafroth	White
Fletcher	O'Gorman	Sheppard	
Gronna	Overman	Smith, Ariz.	

The PRESIDING OFFICER. Thirty-eight Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of the absent Senators, and Mr. JOHNSON, Mr. MCCUMBER, and Mr. POINDEXTER answered to their names when called.

Mr. MARTINE of New Jersey. I am requested to state that the Senator from Arkansas [Mr. ROBINSON] is detained from the Senate on account of illness.

Mr. SIMMONS, Mr. STERLING, Mr. WILLIAMS, Mr. JONES, Mr. GORE, Mr. SHIVELY, Mr. MCLEAN, and Mr. HUGHES entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The Senator from Missouri.

Mr. REED. Mr. President, I must give expression to the regret I feel that the somnolence of the cloakroom was so rudely interrupted by the roll call, and that Senators were unnecessarily inconvenienced by being obliged to make the round trip from the cloakroom to the Senate Chamber and back again. I trust they are again enjoying the sweets of complete repose.

I am about to read further from the remarks of Mr. FLOYD. You will notice that he has discussed the enforcement of existing statutes by criminal penalties, strongly advocating the application of the merciless lash of the law to the backs of the offenders. He proceeds:

Second. I desire to call your attention to corporate abuses arising from the absence of laws on the statute books to properly prohibit and restrain directors, officers, and agents of corporations from doing things which are unfair, unjust, and morally wrong, to the detriment of the public in the organization of and in the conduct and management of their corporate affairs.

The remedy for all such abuses is to enact new laws to prohibit and restrain the wrongdoing, to fix adequate penalties for their violation, and to rigidly enforce such laws against all offenders.

After discussing the tariff a while and the fact that the trusts operated under the tariff law and despoiled the public by monopolistic practices, he adds this:

Such is our exact condition to-day. The American people are ground down, as it were, between two millstones, and the wealth of the Nation is rapidly, rapidly aggregating into the hands of a few. Who can gainsay it? The high tariff keeps out the foreigner; he no longer competes. The trust unites all concerns engaged in any one particular line of industry under one head or management, thus and thereby eliminating domestic or home competition, and in consequence thereof the American laborer, the American farmer, and all the great consuming classes of whatever vocation or calling are compelled to pay for every article of food or raiment of necessity or comfort the arbitrary and extortionate price fixed by the trust.

Mr. President, it is refreshing once more to hear the names of the farmer and the laborer. I wonder if we were to assemble the people of the United States, the farmers and the laborers, and to take a referendum vote upon the one question, Shall the criminal penalties be restored to the Clayton bill or shall they not be restored? what the answer would be. Do any of you Senators doubt what it would be? Not one man out of a hundred would fail to vote for the criminal penalties.

I still entertain the old-fashioned notion that I am here in a representative capacity and that in part I represent the people of my State. I may do so poorly and inefficiently, but I do the best I can. I know that if we had a referendum vote on this proposition to-day there would not be enough votes cast in the State of Missouri against the restoration of the criminal penalties to make it worth while to count them. The people in my section of the country do not change in a moment, in the twinkling of an eye. They have been taught for a quarter of a century the evils of trusts and combinations; they have experienced the evil results. The Democratic Party has been promising them, if it ever obtained control, that it would enact criminal penalties and enforce them, and that it would also enforce those now upon the statute books. So far as I am concerned, the only power on earth that can instruct me to turn my back on that long record of pledges is the people of my own State; let others vote as they see fit.

But I continue to read, as follows:

The Cotton Thread Trust, or that concern which has gained control of all the spool cotton thread manufactured in the United States, last summer sent an agent to Bentonville, Ark., a town in my district of about 3,000 inhabitants, with many thriving merchants who have always competed with each other for business and for trade, to notify all these local merchants to raise the price of spool cotton thread to 6 cents per spool. Some of the merchants had been selling it at 5 cents per spool. One of the most prominent firms in town refused to comply with the demand, claiming the right to sell their goods at any price they saw proper to charge. The trust agent returned to the East, and in a few days this firm received a letter from the headquarters of the trust stating that unless they raised the price of spool cotton thread to 6 cents per spool no more spool cotton thread would be shipped to their firm. Feeling indignant at such treatment, this local firm replied that they had never purchased any goods from the firm making this unreasonable demand upon them; that they purchased all their spool cotton thread from a wholesale house doing business in their own town, and that they would continue to sell cotton thread at 5 cents per spool.

In a few days the wholesale house referred to received a communication from the agent of the trust forbidding them to sell any more spool cotton thread to this recalcitrant firm, and warning them that if they did so no more spool cotton thread would be shipped to the said wholesale house. Yet this is free America under the reign of the trusts.

Proceeding, the learned and eloquent gentleman had this to say:

I tell you that the principal source of these evils is in the system and in the condition of our laws rather than the result of wrongful acts of individual men.

Rockefeller, Rogers, and Harriman will pass like all mortals must pass in this transitory world, but when these imperious Cæsars are dead and turned to clay others will rise up in their stead and do the same things that their fathers have done *until we change and modify existing laws, until we make new laws to prohibit and restrain corporations from further acts of oppression*, and until we make laws to

suppress evils that are inherent in and the inevitable outgrowth of our present trust-controlled industrial and commercial systems.

* * * * * * *

The corporation is a creature of the law. A trust is a great corporation or a combination of corporations, and, hence, likewise a creature of the law. Neither the corporation nor the trusts have any inalienable rights. What the law creates the law can destroy, or can regulate, control, or restrain within limits. This should be done by the State if the corporation is acting within the exclusive jurisdiction or control of the State, and by the National Government if acting within the scope of Federal authority. If the lawmaking power in the State or in the National Government neglects or refuses to do its duty, the ultimate remedy rests with the people.

Always the talk is about more laws, new statutes, new remedies against the trusts. Rightfully and wisely and bravely this great Congressman said:

If the lawmaking power in the State or in the National Government neglects or refuses to do its duty, the ultimate remedy rests with the people. In that event it is for the people to rise in revolt against their own leaders and hurl from power any party that favors or fosters legislative policies which operate to give special privileges to the rich against the poor. Yea, more!

It is for the people to rise up in their sovereign might and strike down any man, regardless of party, who stands for legislation in favor of the classes as against the masses.

Here are practices which, according to the report of the Judiciary Committee of the House, indorsed by the report of the Judiciary Committee of the Senate, are now and for years have been in vogue. They are the devices by which a great concern enters a sovereign State, reduces the price upon an article in that entire State, doing it for the purpose of destroying local competition. It tramples upon the large as well as the small concern. It puts out of business alike the great corporation and the private individual. It rides all to the death. And then, having destroyed all its competitors, it levies spoil in every home of the land. For such a corporation and for such piracy, what remedy do you by this bill provide? The culprit is to be invited before a commission, and, after a long hearing and inevitable and great delay, he may finally be told, "Really, now, you must stop; but you can keep all the loot you have accumulated." The eloquent Congressman declared:

It is for the people to rise up in their sovereign right and strike down any man, regardless of party, who stands for legislation in favor of the classes as against the masses.

What think you the people will say of this legislation? Is not this kind of legislation favorable to the classes? Let us look at it by comparison. I read the other day in a newspaper of this city that a man in the State of Delaware had been tried, convicted, and imprisoned for two months for stealing a pint of milk; but here is a law that proposes merely to reprimand those who plunder entire States. The pint of milk case was brought under a law that applied to the masses, to the little fellow, to the common man, to the individual; under it the theft of a pint of milk could be punished by a long term behind prison bars; but for the great monopolies that despoil entire States you provide no penalty save this gentle decree of a board, "Go thou and sin no more." What would have been the thunderous note of this great Congressman if the Republican Party had enacted a similar law? What would be the answer of the people? I continue to read:

I have already submitted to you the Democratic position upon the trust question—

Which you will remember was a penitentiary sentence, which the distinguished gentleman said was more effective than 10 $29,000,000 fines—

I have already submitted to you the Democratic position upon the trust question. I insist it is the only correct position, and must ultimately triumph.

It did triumph in the election of 1912, two years ago. I continue to quote:

Fellow Democrats, let us rally to the fight with renewed energy. The Republican Party has utterly failed to deal successfully with the trust evil. This special message of the President is tantamount to a confession of that failure. The relief of the people from present bad conditions can only be secured through Democratic success. The war is on for industrial supremacy in this country, and the Republican Party is closely allied with the trusts. The issue is sharply drawn between plutocracy on the one hand, and Democracy, or the people, on the other. The insolence and oppressions of the greatly rich and the disasters resulting from a widespread money panic make conditions ripe for a change in the national administration.

But let no one imagine that such a contest can be easily won. Those who would combat these forces of error with their millions of hoarded and ill-gotten gold, with their tens of millions of allies and hired emissaries, should have the zeal of martyrs and the courage of true patriots.

I summon you, ye gallant spirits of 1910, now to battle with these gigantic concerns; and, as we approach them upon the field, I charge you, as did the eloquent Congressman, that the spirit of the martyr and the zealot should be with you at this hour, and that you should strike, strike, strike until the last enemy of industrial liberty has been driven from the fields. The conferees turn a deaf ear to my appeal, the cloakroom reverberates with the snorings which seem to say: "Deal with the monopolist gently, kindly, mildly, tenderly; for him no prison stripes, no horrid jail in which the reluctant light serves only to expose the gloom, nor shall there be the smell of prison damp upon his costly raiment; the law and all its terrors for the poor, the weak, the common man, the individual who makes the mistake of stealing but little; for him the felon's gyves. But for the plunderer of States the sweet injunction, 'Go and sin no more.'"

Where now is the spirit of martyrs? Look and you will find it in the starless night of the mine, where men moil and toil that they may bring forth a pittance for the sustenance of wife and child. Behold it exemplified in the spirit of the man who, swinging upon a crane high above the earth, perils life and limb each moment of the day that he may keep his children in the public school. The spirit of the martyr! Look, again you may behold it exemplified on farm and field, where men in sun and storm toil on through the long days that they may gain a livelihood for those they love. But in this Chamber I do not find much of a disposition to die that other men may be free, or to suffer that these wrongs may be wiped out. I can not even find a disposition to grant such respite as the law may give. I see no stalwart soldiers here, with poised lance and burnished shield, ready for the wild charge of death; rather those who propose negotiation and kindly ministrations which do not even offend the lordly and the great.

I read on:

This is no new fight. It is the old, old struggle of the ages. It is the struggle of the greatly rich seeking to gain and maintain privileges by law, or tolerated under the law, opposed and resisted by the masses constituting the great body of the people. The issue plainly stated is whether the combines and trusts shall control the Government or whether the Government shall control the combines and trusts.

In such a contest and on such an issue the Democratic Party can and of right ought to win. It has ever been the enemy of plutocracy and special privileges. It has ever been the friend of the poor and oppressed. It has ever been the champion of equal rights and equal opportunities.

The prospects for Democratic success were never brighter. President Roosevelt has split the Republican Party on the trust question, as President Cleveland during his second administration split the Democratic Party on the money question.

How did Roosevelt split the Republican Party on the trust question? He split the Republican Party when he went over to the leadership of George W. Perkins, of the Harvester Trust. He split the Republican Party when he directed the Attorney General not to prosecute that trust. He split the Republican Party when he took gold from the great trusts for political uses. He split the Republican Party when, at the dictation of Perkins and Gary and men of that ilk, he sent a message here to Congress proposing that we handle the trusts through commissions. Thus Roosevelt split the Republican Party. His message declaring that there were "good trusts" and advocating regulation by commissions instead of prison sentences imposed by courts became the epitaph of the Republican Party. That message struck harshly upon the ears of the people. For a time the people inclined to forget or to overlook the monstrous proposition; but when they came to couple that message with certain extraneous facts their opinion began to form. The opinion of the best element of the Republican Party also began to form. Then arose that opposition which culminated in a revolt that is still represented in this Chamber by a few gallant men who refused "to bow the knee to Baal."

I continue to read:

All that we have to do in order to win is to unite all our forces and stand firmly and unalterably by the time-honored principles of Democracy, and millions of patriotic Americans, to whom these principles are ever dear, will rally to our support in this great civic conflict and will crown our efforts with a glorious victory.

I paraphrase those words: All the Democratic Party has to do to remain in power during the lifetime of every man in this body is to go boldly forward, to turn neither to the right nor to the left, to redeem its platform pledges to their letter, to show the world that at last there is a party that can look a thousand million dollars in the face unflinchingly and treat it as it would treat the pennies of the poor.

Mr. President, I have taken thus long to read this great speech. It was a great speech. Every word of it thrilled my heart as I read it four years ago, when I was gathering material for a campaign. It was to me a bugle blast summoning to battle. Very recently, Mr. President, this able Representative and associate conferees of the House were still standing firmly for criminal penalties. They came here with a bill full of criminal penalties. The Senate struck out many of the sections of the bill. The House conferees insisted upon putting the substantive provisions back in the bill, but the criminal penalties are not there. Who is responsible? I do not know.

When this bill was under discussion in the House Mr. FLOYD said (I read from page 10409 of the RECORD for June, 1914):

The purpose we had was to make it clear that, when a corporation had been guilty, those officers, agents, and directors of the corporation that either authorized, ordered, or did the thing prohibited should be

guilty. Under the existing law, and without that provision of the statute, the person who did the things would undoubtedly be guilty; but in the enforcement of the criminal provisions of the Sherman law, experience has demonstrated that both juries and courts are slow to convict men who have simply done acts authorized or ordered by some officers of the concern higher up, and the words "authorized" and "ordered" were introduced to reach the real offenders, the men who caused the things to be done; and if the language is susceptible of any ambiguity and is not clear, we desire to make it clear. I will state to the gentleman that we intended to give agents and officers a trial, and we do not mean that the guilt of the corporation shall attach to them without trial; but in order to obtain a conviction, it will be necessary for the Government to charge them specifically with authorizing, ordering, or doing of the thing prohibited, and, on proof, convict them.

Why, here was an advocacy, and a very proper advocacy, of the punishment of the officers of a corporation. Here was the explanation offered on the floor of the House with reference to this very bill, that it did not stop at the punishment of the corporation, but proposed to reach every officer of the corporation who had authorized an illegal act to be done. Singularly enough, that section remains in the bill, but the word "penal" is inserted; so that only the officers who have authorized *penal* acts can be held. Now, note that all the penal sections have been taken out of the bill so far as they apply to trusts and monopolies. Hence the section as to the officers of trusts is a dead letter; it means nothing.

Now, Mr. President, a quotation from the author of this bill, Mr. Clayton, who has since been elevated to a high position on the bench, who was retained as a Member of the House, it was understood, for some weeks while his appointment was pending in order that he might perfect this very bill. His views on this particular bill and upon the subject generally are of importance. He was the gentleman selected to notify Mr. Bryan in 1908 of his nomination. I shall quote only briefly. After reading the platform, which I have already put in the RECORD, Mr. Clayton said:

We know that our party, platform, and candidate stand for the best interests of all the people. We know that success is deserved. We believe that our party and candidate, animated by the wisest and most patriotic purposes, will achieve victory in November. On no political issue is the platform a straddle or evasion, and its every declaration squares with the principles of old-fashioned Democracy. It is essentially a Democratic instrument, preserving and applying the faith of the fathers to existing conditions. * * *

It is equally gratifying that there is nothing in the platform calling for apology. There is nothing that you would avoid or run away from. There is nothing omitted that you need supply by giving your individual views. In these respects you have a tremendous advantage of your Republican opponent.

Mr. Bryan replied to that address at the time, from which reply I desire to read a few words. After quoting at length from Mr. Taft's speech, in which Mr. Taft had described the deplorable conditions existing, Mr. Bryan said:

Mr. Taft says that these evils have crept in during the last 10 years. He declares that, during this time, some "prominent and influential members of the community, spurred by financial success and in their hurry for greater wealth, became unmindful of the common rules of business honesty and fidelity, and of the limitations imposed by law upon their actions"; and that "the revelations of the breaches of trusts, the disclosures as to rebates and discriminations by railroads, the accumulating evidence of the violations of the antitrust laws, by a number of corporations, and the overissue of stocks and bonds of interstate railroads for the unlawful enriching of directors and for the purpose of concentrating the control of the railroads under one management"—all these, he charges, "quickened the conscience of the people and brought on a moral awakening."

Then Mr. Bryan notes the fact that during all of this time the Republicans controlled every department of the Government, and adds:

Why were these "known abuses" permitted to develop? Why have they not been corrected? If existing laws are sufficient, why have they not been enforced? All of the executive machinery of the Federal Government is in the hands of the Republican Party. Are new laws necessary? Why have they not been enacted?

And so forth. Then he makes this statement:

So long as the Republican Party remains in power it is powerless to regenerate itself. It can not attack wrongdoing in high places without disgracing many of its prominent members, and it, therefore, uses opiates instead of the surgeon's knife.

"It, therefore, uses opiates instead of the surgeon's knife." What is this bill, with the criminal sections gone, with all punishment taken out of it, so far as trusts are concerned? Is it a method of using opiates? Surely it is not the surgeon's knife.

I read on:

Its malefactors construe each Republican victory as an indorsement of their conduct and threaten the party with defeat if they are interfered with. Not until that party passes through a period of fasting in the wilderness will the Republican leaders learn to study public questions from the standpoint of the masses. Just as with individuals "the cares of this world and the deceitfulness of riches choke the truth," so in politics, when party leaders serve far away from home and are not in constant contact with the voters, continued party success blinds their eyes to the needs of the people and makes them deaf to the cry of distress.

Mr. President, rightly construed, that platform, that speech of notification, and that reply outlined the policy of the Democratic Party at that day to be one of extermination of trusts and monopolies.

I want to read now briefly from the language of others of the conferees when they took this bill before the lower House of Congress and asked for and obtained the overwhelming vote in favor of the bill with the criminal sections in it which the Senator from Montana failed to mention.

Mr. WEBB gave a very lucid and distinct analysis of the bill. I can not reconcile it, however, with the new doctrine promulgated by the Senator from Montana, who says that we are not engaged in antitrust legislation at all; that we are simply trying to reach some little practices that do not hurt much. Mr. WEBB said this:

The Democratic Party in their convention in 1912, among other things, declared in favor of supplemental legislation to the now existing antitrust laws, such as prevention of holding companies, interlocking directorates, discrimination in price, and so forth. The Judiciary Committee, in obedience to that plank in the platform, for the last four or five months have sat patiently and diligently in an effort to present to this House some bill which would carry out the reasonable demand found in that platform. It is proper to say, gentlemen, that the committee has dealt with this question faithfully, conscientiously, and studiously. For nealy four months the entire membership of that committee, or as many as could attend, sat and listened to witnesses from all parts of the United States on proposed or tentative bills. The subcommittee spent much time and great patience in trying to present a bill which would remedy the evils that are almost universally complained of and at the same time unfetter and unshackle legitimate business in the United States.

And the remedies in every instance were fine and imprisonment.

Mr. WEBB continued:

The President has never at any time suggested or demanded that no amendment should be added to this bill. He has never at any time suggested that this bill should be put through as it is presented here to-day.

He has acted as any other great Executive should act who is anxious about the good of his country, about the unshackling and protection of honest business, and about the restraint and punishment of unscrupulous business.

Find in this bill a word providing for the punishment of unscrupulous trust business. You can not. It was all taken out.

Mr. WEBB continued:

The President has not said that no amendment shall be offered or adopted to this bill. He has simply said that the general provisions of this bill meet his approval.

If the President said that the general provisions of this bill, then drawn and laid before the House of Representatives, met his approval, and if the bill at that time contained criminal penalties for every one of these trust practices, will some one tell me what right the Senator from Montana—who now honors me by his absence—had to charge that I was attacking the Democratic Party, when, by the word of one of the leading conferees, Mr. WEBB, uttered as late as the 23d day of May, 1914, the bill at that time, surcharged as it was with penal provisions, had the approval of the President? What right has any Senator to stand upon this floor and make charges such as were made here this morning, namely, that I was attacking the Democratic administration, when I am only insisting on putting back in the bill the provisions that the House conferee, Mr. WEBB, said had been approved by the President? If the President now occupies a different ground, I do not know it; and I challenge the right of any man to stand here and say that he represents the President and is authorized to declare that he has changed his position since the 23d day of May, 1914.

Mr. WEBB described the bill. His address was one of analysis of the terms of the bill rather than comment. It was a very lucid statement—as, indeed, is every statement that comes from the lips of Mr. WEBB, a very competent lawyer and a very excellent gentleman. In discussing section 2 he states:

The violation of this provision subjects a person to a fine of not exceeding $5,000 or to imprisonment not exceeding one year, or both.

And, mark you, that provision had the approval of the President on the 23d day of May, 1914, according to the statement of Mr. WEBB.

Mr. OLIVER. Mr. President, I rise to a point of order. I wish to inquire whether it is in order for a Senator to quote the language of a Member of the other House?

Mr. REED. Mr. President, I am astounded that the Senator or anybody else thinks I am out of order in reading from the CONGRESSIONAL RECORD upon the floor of Congress.

Mr. OLIVER. That was my impression, although——

The VICE PRESIDENT. There is nothing in the rules upon the subject. Jefferson's Manual has held that it is improper to criticize the language of a Member of the other House.

Mr. REED. But, Mr. President, I am not criticizing. I am commending. I am eulogizing. I am stamping my approval upon what these gentlemen have said. I am appealing to the Senate out of their eloquent lips. I am asserting, as better reasons than I can advance, the reasons they have given. I am as highly complimentary as it possible for me to be. I could add greater praise only if the Lord should touch my faltering

tongue with the flame of genius. As matters stand, I am doing the best I can to pronounce a suitable encomium. I read on:

The necessity for legislation of this character is apparent—

That is, the necessity for a prohibition with a criminal penalty, for that is what the House had done.

The orator continued:

Discriminating in price is a bludgeon which *the trusts have often used to put competitors "out of business." For the last 20 years this practice has been one of the handmaids of monopoly, the advance guard of an army of arbitrary methods, which has injured and destroyed the business of thousands of smaller concerns.*

The violation of this section subjects the person violating it to a fine of not exceeding $5,000 or a punishment not exceeding one year's imprisonment.

And that criminal provision had the O. K. of the President, according to the statement of this distinguished Congressman, whose word no one will challenge. The practice was 20 years old. It was a bludgeon used by trusts to put down a little or a weak concern. The Senator from Montana, who is not here, would probably even yet deny that this bill was designed to deal with trusts and monopolies. He doubtless would asseverate that we are engaged in the petit larceny business of hunting field mice while lions and tigers roam at large.

Mr. WEBB continues:

You will find that the evil in selecting customers is not in the mere selection of customers, but in the selection of a customer on condition that that customer will not sell a competitive article. We destroy the right to do that and make a person guilty of crime if a trust undertakes to sell an article to a merchant on condition that that merchant shall sell no competitive article.

Again the criminal penalty. Again the prison walls loom before the eyes of the gentleman who engages in the practice of tying contracts. Again before his vision is presented the striped suit and the long line practicing the lock step. According to the statement of the distinguished Congressman on May 23, 1914, the President demanded, or at least approved, that method of handling trusts.

Mr. NORRIS. Mr. President——

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

Mr. REED. I do.

Mr. NORRIS. Assuming that the President was properly quoted—and I do assume that, because I know Mr. WEBB would not have said that if it were not true—does the Senator think the President, holding the same view still, as I understand the Senator does assume, and we have a right to assume, because he has not notified Congress of anything to the contrary, would approve this bill if we passed it in its present form?

Mr. REED. Mr. President, the question is not exactly a fair one to put to me under the circumstances. I think my friend the Senator from Nebraska intends fairly. He is one of the fairest and best men I have ever met. But the President of the United States must settle that question when it comes to him. What I am inveighing against is the broad innuendo if not the charge of the Senator from Montana, that because I dare criticize this bill in its present emasculated, expurgated, enervated, disemboweled condition, I thereby attack the policies of the President.

I have established the President's position to be in favor of the doctrine of personal responsibility and criminal penalties by his speech before the American Bar Association, delivered in 1910. I have established the President's position by his speech of acceptance in the summer of 1912. I have established his position by his message to Congress on the 20th of January, 1914. I have established his position on the 23d day of May, 1914, by the quotation I have made from the remarks of the distinguished conferee, Mr. WEBB, and now I turn again and challenge anyone to rise on this floor and say, representing the President, that he has changed since May 23.

Mr. WEBB very distinctly points out the object and purpose of this legislation. I pause to remark that it is diametrically opposed to the contention of the distinguished Senator from Montana, who says that because he does not like my speech he is going to vote for the bill, although he knows it ought to be recommitted—a reason which, by the way, classes him in the matter of fairness and logic with that illustrious gentleman immortalized by Shakespeare, who being asked why he pursued his grudge against Antonio replied:

Some men there are love not a gaping pig;
Some, that are mad if they behold a cat.
As there is no firm reason to be rend'red
Why he can not abide a gaping pig;
Why he, a harmless necessary cat;
So can I give no reason, nor I will not,
More than a lodg'd hate and a certain loathing
I bear Antonio.

In like manner does the Senator follow his dislikes.

Coming back to the text: Mr. BARTLETT, of the House, said to Mr. WEBB:

In what way does this section which you are now discussing change the law as it now is, as construed by the Supreme Court in the Tobacco case? Is it not a fact that one of the practices condemned by the Supreme Court in that case was the very thing that you now propose to prohibit?

Mr. WEBB replied:

The difference between this section and the Tobacco case is this: Under this section there may be a hundred different offenses which are condemned, whereas under the Tobacco case it took all of those offenses combined to make them guilty of a restraint of interstate trade under the Sherman law. We condemn the individual acts which lead to a restraint of interstate trade, whereas at present you must show a sufficient number of such acts of restraint to make such a restraint as the Supreme Court will declare illegal under the trust laws.

There is the well-stated reason for this legislation. I have already adverted to it on another occasion. To-day, when it charges a restraint of trade, the Government is obliged to prove facts which warrant the deduction not that a practice in some one community may have had a tendency to restrain the trade of some individual, but that the restraint is of such a nature as to put restrictions upon commerce generally. Under the section as passed by the House it was not at all necessary to prove a general restraint. It was sufficient to prove that an institution had suddenly dropped the price in the field occupied by a competitor; that it had kept the price up elsewhere; that there was no natural reason for the local reduction; thereupon a case would have been made out. Such a showing could ordinarily be made by a litigant without going beyond the borders of his own country for the facts, except, perhaps, to examine the books of the company in order to show the prices charged in other localities. The House was trying to reach the particular practice, to make it easy to secure a conviction upon proof that the particular practice had been followed. The House bill sought to relieve the litigant of the difficulty of proving a general restraint of trade or the existence of a general monopoly.

I illustrated the distinction the other day and I return to that illustration. A man is engaged in running an independent oil company and is selling oil in the eastern half of the State of Missouri. The Standard Oil Co. comes into that field and cuts the price of oil 2 or 3 cents below the cost of production. It does not cut the price elsewhere. The case comes on for trial. If this statute is upon the books, what follows? The independent dealer simply shows the price at which oil was selling. He shows the sudden and radical cut by the Standard Oil Co. He shows that it did not cut the price in the adjacent territory or State. He has made his prima facie case. If we had the law as it passed in the House, somebody would go to jail. Now, what happens to the Standard Oil? If the injured party proceeds under this bill, he must go before a commission. In all human probability six or eight months elapse before a decree. Then what? Then an appeal to the court of appeals, and another delay of months or perhaps years. Then what? Then an appeal to the Supreme Court of the United States, with another delay of months or years; at the end of all of which a decree is entered that the Standard Oil shall no longer continue to locally cut prices. But in the meantime, in the intervening years, the poor independent dealer has been bankrupted. The Standard Oil Co. has rid itself of a competitor, established a complete monopoly, and, so far as this bill is concerned, can not be punished even to the extent of the costs.

Mr. SMITH of Michigan. Mr. President——

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

Mr. REED. I do.

Mr. SMITH of Michigan. Directly in point with the statement of the Senator from Missouri, the American Sugar Refining Co. did go into the Middle West, where a company had been organized to produce beet sugar in competition with the refining company, and they did reduce the price of sugar below the general market price in that community, the effect of their action being to discourage the investment in the domestic factory and practically put them out of business. I think there are innumerable instances where large corporations have menaced development in various lines of industry by just that course.

I can not understand why there should not be a sharp and responsive remedy for a situation like that. It is harmful, discouraging, and tends to prevent the development of our domestic industries.

Mr. REED. Suppose we take the facts as given by the Senator and vary them slightly. Suppose a sugar company of moderate capital has already been organized in that community, and the American Sugar Refining Co. enters its trade territory,

wherever it has a customer, and undersells it. In the meantime the local sugar company complains to the commission. The practice goes one. The concern that is being attacked probably can not stand that kind of competition for six months without bankruptcy. At the end of three or four years the independent concern gains its contention in the commission and finally in the court. Then what happens?

Mr. NORRIS. Mr. President——

Mr. REED. In just one moment. In the meantime the concern has been killed; it is buried, and almost forgotten, and not a single penalty can be visited upon the trust that murdered it. There is not in this conference bill even a provision for the assessment of the costs against the American Sugar Refining Co. that we are now using in this illustration. Immediately, after having succeeded in crushing that rival, without any penalty following, the Sugar Trust can go into any other trade territory, repeat the operation, and continue to kill its antagonists until the end of time and escape without the payment of any penalty. And you call that antitrust legislation! I yield to the Senator from Nebraska.

Mr. NORRIS. I was going to say to the Senator that in the instance given by the Senator from Michigan [Mr. SMITH] I think the facts were as the Senator from Missouri modified them. They did this at a time when their rivals in that particular community, some beet-sugar companies, had borrowed a whole lot of money and were required to pay it at the time when they were accustomed to sell their sugar. They ran the sugar in all through the Middle West there and sold it below cost, so that their rivals were unable to sell their sugar, or, if they did, they had to sell it at a great loss. In either case it meant bankruptcy, and the result was—I think that is the case—the American Sugar Refining Co. began to buy up the beet-sugar companies. They bought some at that time. If I am not mistaken, they had them right up against a condition the effect of which was that they were unable to sell their product to meet their obligations.

Mr. SMITH of Michigan. The effect of the action was to discourage investors and diminish interest in the concern.

Mr. OVERMAN. Those acts, Mr. President——

Mr. SMITH of Michigan. If the Senator will pardon me, it costs about $600,000 to start a beet-sugar factory.

Mr. OVERMAN. I will ask the Senator from Missouri if he does not think that is in violation of the Sherman antitrust law?

Mr. REED. Mr. President, I have entered that particular rat hole and performed the office of a ferret in driving the animal out into the open until my skin is almost worn off.

Mr. OVERMAN. The Senator does not answer the question whether that is in violation of the Sherman antitrust law.

Mr. REED. I will answer that, in my opinion, it is in violation of the antitrust act, provided you can make a sufficient showing so that a court will hold that the act is a restraint of trade.

Now, if the Sherman Act covers just such a case as this we are discussing, it is absolutely idiotic to pass another law covering the same thing unless the new law, in addition to prohibiting the act already covered by the Sherman law makes conviction easier, which is just what this bill was intended to accomplish.

I have discussed at length, time and again, the proposition that the object of this legislation was to provide a new, short, and sharp remedy which the person injured could effectively employ without being compelled to prove that the defendant was a trust or that a practice complained of operated as a general restraint of trade. It was intended to limit the scope of the inquiry so that mere proof of some act or practice denounced by the bill would be sufficient to make out a case, whereupon the penalty of the law would follow.

That is the object of this legislation; that is what we have been sitting here all these weeks for; and now every time the bill as reported is shown to be innocuous, to be without virtue, to be without life, these Senators go back and say, "Well, you can get it under the present law anyway." That is begging the question; that is equivalent to saying that no legislation is necessary. If no legislation is necessary, then why are we considering this bill? If the Sherman law is all-pervading, if it touches at every point the oppressions of the trusts, if it is simple in its administration and easy of enforcement, then we need nothing else. It is upon the presumption, as the President has said in his message and as the committee said in its report and as the members of the committee have said in their speeches, that the Sherman law fails in some respects, that we formulated this legislation. Having formulated it, so far as the House was concerned, so that it filled the full measure of these demands, the conferees proceeded to emasculate it, to make it worthless; and every time one demonstrates its worthlessness the reply is, "Well, we did not need it anyway." If "we did not need it anyway," why are we creating it?

Mr. SMITH of Michigan. Mr. President, I think the Senator from Missouri will be quite willing to admit that whatever virtue the Sherman antitrust law has, it is universal in its application and has no pets or favorites, if it is properly enforced.

Mr. REED. That is the way every law ought to be drawn.

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

Mr. SMITH of Michigan. Certainly.

Mr. OVERMAN. Are you in favor of criminal penalties for tying contracts?

Mr. SMITH of Michigan. I am in favor of penalizing the violator of the law.

Mr. OVERMAN. I did not ask the Senator that. I asked him if he was in favor of penal criminal statutes being added to the tying-contract proposition?

Mr. SMITH of Michigan. As I said a moment ago, I am in favor of penalizing every violator of the law, and I would have no hand in the preparation of immunity baths either for the infant industry or for the giant octopus.

Mr. OVERMAN. And yet the Senator has not answered my question.

Mr. SMITH of Michigan. I think I have come very close to answering it. Perhaps the Senator from North Carolina is a little dense this afternoon.

Mr. OVERMAN. I am asking the Senator if he is in favor of a criminal penalty being added to a tying-contract proposition?

Mr. SMITH of Michigan. I know what the Senator is driving at. The Senator does not wish to have me apply my rule of law to the infant in its cradle; he wants an official doctor for the infant; he does not desire that we shall penalize the infant; but he has attempted by his legislation to prescribe the clothes that that infant shall wear at every stage of its existence, although he does not know whether it will tower like the giant or be cut off like a pigmy.

Mr. OVERMAN. Still the Senator has not answered my question.

Mr. SMITH of Michigan. No; I do not suppose anybody can answer the Senator's question. The Senator favors the immunity bath, the preliminary inquiry into the intention of the offender when it begins business. He would call him into a dark room, surround him by a few distinguished gentlemen, and ask him just what his intentions are.

Mr. OVERMAN. Would the Senator from Michigan send him to the penitentiary if he made tying contracts?

Mr. SMITH of Michigan. If he, by his contract, undertakes to restrain trade and foster monopoly, he violates the Sherman antitrust law and should be punished.

Mr. OVERMAN. Well, we have got plenty of remedies against the restraint of trade. Here is a clause of the Sherman antitrust law that would put such an offender in the penitentiary.

Mr. SMITH of Michigan. I know there is a clause in the Sherman antitrust law which, if enforced, affords all the remedy that is necessary to meet this situation; but the difference between my attitude and the attitude of the Senator from North Carolina is that he wants to bring these little offenders up in a warm room and see just how large they are to grow and just how humane their disposition and just how altruistic their purpose.

I would not cramp industry or development in that way; I would not cramp it at all. If the industry grows to its fullest fruition and respects the law under which it is permitted to grow, well and good; it will have no trouble with the Government. Corporations are useful and are quite necessary in our present-day form of conducting business and meeting the competition that is upon all sides; but they should not be permitted to make the laws nor to break the laws at any stage of their existence. This quiet little antidote for future activities which is prescribed by the Senator from North Carolina and his brethren may have a wholesome educational effect upon them; I do not know whether it will or not; but the Senator from Missouri [Mr. REED] propounded the very crux of that situation to the Senator from Montana [Mr. WALSH] this morning when he asked him to define, first, how offensive the institution should be before it would come under the scrutinizing eye of the court, and when it would graduate from the patronizing attentions of this commission.

Mr. REED. Mr. President, I ask the Senator from North Carolina if he believes that the Sherman antitrust law covers the practices denounced in this bill?

Mr. OVERMAN. It covers all of them that are in restraint of trade. I can not see why any of them which are in restraint of trade——

Mr. REED. The Senator says "all of them that are in restraint of trade." Does the Senator think that it covers all of them?

Mr. OVERMAN. There may be some acts for which men ought not to be put in the penitentiary, where they are innocent men.

Mr. REED. It is not a question of who ought to be in the penitentiary; but does the law cover——

Mr. OVERMAN. I think all cases where there is any restraint of trade whatever are covered by the Sherman antitrust law, which makes such an act a penitentiary offense, and a high authority, one of the great lawyers of the Senate, says we need no such legislation as this; that the Sherman antitrust law covers it all.

Mr. REED. Does the Senator from North Carolina so think?

Mr. OVERMAN. I rather think it does.

Mr. REED. Then, if the Senator so thinks, for what are we enacting this legislation?

Mr. OVERMAN. And I think the Senator from Missouri agrees with me.

Mr. REED. Then why were we held here through the dog days and on to the autumn frosts enacting a law that is already covered by the statutes?

Mr. OVERMAN. Does not the Senator from Missouri agree that every act which is in restraint of trade is covered by the Sherman antitrust law, and that a man violating that law can be put in the penitentiary? I ask the Senator that question.

Mr. REED. I have already answered it.

Mr. OVERMAN. Well, answer it now.

Mr. REED. I will answer, if the Senator will be patient. It is my opinion that whenever you can prove a restraint of trade it is covered by that act; but it is also my opinion that the difficulty of proving a general restraint of trade is so great that this legislation is necessary. I agree with the statement made by Mr. WEBB upon the floor of the House of Representatives that this legislation was undertaken for the purpose of providing a means by which we can bring the culprit to the bar of justice and secure a conviction by merely showing a particular act. We have, however, utterly destroyed the effectiveness of the bill, because where a case has been proven under it no penalty is visited upon the guilty party.

Mr. OVERMAN. I want to ask the Senator another question. He has tried to give us an instance where offenders ought to be sent to the penitentiary. I will ask the Senator if he has given us a single instance that would not have been, upon the very statement of the case, a restraint of trade? Neither the Senator from Missouri nor the Senator from Michigan has cited a single case where a restraint of trade was not involved.

Mr. REED. Mr. President, if that is true, if the position of the Senator from North Carolina is correct, that the Sherman law covers everything and that every act that is covered by this bill can be punished as a crime under the Sherman Act, we are enacting a farce here and not a law. The Senator argues too much.

Mr. OVERMAN. The Senator has not answered my question.

Mr. REED. This bill either has virtue in it or it does not have virtue. If it has virtue, it must consist of one of two things—it must either cover acts which are not covered by the Sherman law or it must provide a more speedy and convenient remedy.

Mr. OVERMAN. I challenge the Senator from Missouri to give me a case of discrimination in trade that is not also a restraint of trade and that does not come under the provisions of the Sherman antitrust law. He has not done so, and he knows he has not done so.

Mr. REED. I frankly say I have not done so; but when the Senator has argued that, he has argued himself out of court; there is no reason for his existence; he might as well never have been on the earth, so far as this particular legislation is concerned; and all that we are doing here is a hopeless farce.

I might concede that there is no restraint of trade that is not covered by the Sherman Act; I might concede that the acts denounced in this bill are all in restraint of trade—indeed, that was largely my argument—but I do not thereby concede that this may not be made a highly remedial statute, because it might afford the means to the litigant of proving a particular act and of obtaining a decree based upon that proof, instead of compelling him, as he is now compelled, to prove a general restraint of trade.

Now, let me illustrate to the Senator. Suppose we take the case of the sugar company, put by the Senator from Michigan [Mr. SMITH]. The Senator starts the work of building an independent plant. The sugar company comes in and cuts prices, and the Senator is put out of business; he realizes that he can not compete with them, and he quits business. If the Senator proves those facts and no more, to-day, under the Sherman Act, he would not have made a case, in my opinion, that could go to a jury or to a court. It would be demurrable; he would have to go further than that in his proof. Accordingly the Government in all of these cases where it is sought to show a restraint of trade has set forth the method of organization, the amount of capital; it has shown the tremendous power of the offending corporation; and it has been able to prove a general conspiracy to destroy a competitor and that such extraneous circumstances have made his destruction inevitable. It has to prove all of those things under the present condition of the law; but if this bill were enacted in proper form, you could make a complete case when you prove that the price was cut locally; that it was not cut elsewhere; that it was put at a figure so low that no profit could result but, indeed, loss must follow. Having proven those facts, the burden undoubtedly would immediately shift to the defendant; explanation would be necessary, and unless he could give it he could be convicted. The difference is one of procedure, largely. This bill did provide a means by which you could reach this class of offenders by a short cut.

What I complain of is that having gotten your "varmint" under this bill you can not do anything with him but turn him loose. You can say to the fox that has been robbing your henroost: "You are guilty; you must not come back to this henroost any more; but we will not penalize you; we will not singe a hair on your body; we will not turn you over to the dogs; we will not cage you; we will not do anything with you, but you must not come back to this particular hencoop. If you do, then we are going to do something terrible to you; we may send you to jail for disobeying our august order. But over there in the next field, at the next farmhouse, is another chicken roost; you can venture there in perfect safety until some one catches you and files a complaint, when we will have jurisdiction, and may again order you to 'move on.'" Of course if the Trade Commission should follow the fox around until he had plundered all the chicken houses in the world, he might then have to embark in other business. All this is fine for the fox, but what of the chickens?

Mr. OVERMAN. The Senator has given the most narrow construction to the Sherman antitrust law that has ever been given by any court.

Mr. REED. I have been contending for a wide construction of that law, and my utterances are here in the RECORD. I am sorry that the Senator can not see that this is a method of procedure that we are now endeavoring to enact, and that it affords an easy way to bring offenders to the bar of justice, but it is utterly inadequate when it comes to the matter of penalties. Let me illustrate. Here is a man arrested for larceny. Of course you must prove that he stole the goods. That can be done by direct or circumstantial evidence. Such proof was frequently hard to make. Finally it came to be the law that proof that the accused had in his possession goods recently stolen was sufficient; thereupon it became easy to secure convictions. But of what avail would be the presumption of guilt if the convicted thief could keep what he had stolen and the court could go no further than to issue an injunction forbidding him to sin any more at that particular place?

There are certain practices which, as the Senator has said, are all condemned by the Sherman law. There is no reason in the world, then, for enacting any additional legislation unless it be to provide a simpler means by which offenders can be convicted. We have provided that simpler means, because it is only necessary to show certain facts, whereas before a broad field of facts had to be covered. Now, however, having provided the easy means to prove the facts, we deny the penalty; we take the sword from the hand of justice; we rob the law of any potentiality.

I will make the Senator the prophecy now that it will not be a year's time until he will be here upon the floor of the Senate ready to vote to put criminal penalties back into this statute. Indeed, the argument is being surreptitiously circulated now: "We are all tired and want to go home. Let us pass the bill as it is. At the next session of Congress we will plant a few teeth in its harmless gums." My experience has been that it is not wise to pass laws and trust future Congresses to remedy the defects.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield to me for just a moment?

The PRESIDING OFFICER (Mr. SMOOT in the chair). Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. REED. I do.

Mr. MARTINE of New Jersey. I received this morning, by special delivery, a letter with a little clipping fastened to it that is so entirely apropos to the suggestions and thoughts of the Senator from Missouri that I desire to read it. It happens to come from St. Louis. It is as follows:

ST. LOUIS, *October 3, 1914.*

Senator MARTINE, *Washington, D. C.*

DEAR SENATOR. Your remarks, as stated in the attached clipping, are correct—

Referring to some remarks I made in this Chamber on last Friday—

The only way to make trust officials behave and respect the laws is to send them to the penitentiary for violation of same. Fining a trust is a joke. Every time a trust is fined, prices advance and the public laughs.

The original antitrust bill was a dandy until its teeth were extracted.

Yours, for a law which will produce results,

BELL OIL CO.,
F. C. BRETSNYDER,
President.

This is an independent oil company; and it seems so fitting and so apropos to this discussion that I felt it would be a crime to allow it to go by without being noticed.

Mr. REED. Mr. President, the most astounding statement I have heard on the floor of the Senate in a long while was made by the Senator from Montana when he asserted that this law was intended to reach the small man who is engaging in these evil practices; that it is not to have anything to do with the big man or big concern engaging in exactly the same practices.

There are two answers to that. The first one has already been made in the showing I have advanced—that the purpose of this law, as detailed by every man, big and little, from the President down, was to reach the great trusts and monopolies. The second answer is that Congress has not yet reached that low estate where it proposes to make exactly the same act, done with the same motive and having the same effect, a crime when it is done by one man or one institution and not a crime when it is done by another.

The Senator asked me if I would be willing to see a small man who engaged in these practices sent to jail or the penitentiary. I answer that question unhesitatingly. I believe that the man who commits petit larceny should be tried in the same court and under the same rule of law as the man who commits grand larceny; but I believe the penalty which follows ought, by the discretion of the court, to be meted out in accordance with the enormity of the offense. Just as we send to jail for one day or one week the man who steals a dollar, whereas we send or pretend to send the man who steals a hundred thousand dollars to the penitentiary for a term of years, just as the punishment is of like character in both cases but differs in degree, so would I make the punishment to be meted out to the great trust and to the small man pursuing exactly the same methods with the design and purpose similar in character but different in degree. Under the criminal clauses of the Sherman Act, as well as under the criminal clauses which were once attached to this bill, that latitude is allowed which it is necessary for the judge to exercise. It is not necessary to fine a man $5,000 and send him to the penitentiary for a year, but any fine from $1 up may be levied, and any sentence from one day up may be imposed, or, indeed, no jail sentence at all need be inflicted. That latitude is permitted under the Sherman law, and was given by provisions of this bill as it came to us from the House.

It is an astounding thing for a Senator of the United States to stand here and practically assert that the same character of act, done with the same evil motive and purpose, should in one case be tried in a court and punished by imprisonment and fine and in another case be tried before a commission with no penalty. That kind of justice has not yet been ingrafted upon our jurisprudence.

Besides, what difference does it make to the man who is crushed whether the man who crushed him is a big man or a little man? It makes little difference to one about to be executed whether a 22-caliber bullet is fired through his heart or a 14-inch shell through his body. In either event he must die. It makes very little difference to the small dealer in business whether the particular individual who crushes him by unjust and discriminating practices is worth a thousand dollars or a hundred million dollars; the individual crushed suffers the same in one case as in the other.

The Senator from Montana spoke of the powers of the Trade Commission to investigate. I have heard no word upon the floor of the Senate against reposing in the Trade Commission the powers to investigate. The Senator from Montana, however, almost in effect said that it was the investigation by the Senate which forced the prosecution of the New Haven officials. If that be true, it is a sad commentary upon our Department of Justice. I bring no such indictment; but the logical deduction from the Senator's argument was that it was desirable to have a Trade Commission in order to compel the Department of Justice to do its duty. I maintain no such view, but I have all along been willing that a Trade Commission should be created with full authority to investigate trade conditions and to ascertain whether there be violations of the law.

The Senator made some reference to my position upon the labor question, and there was a covert innuendo—whether intentional or not I do not pretend to say—that those who now seek to have this bill recommitted have it in their hearts to defeat those sections of the bill which are favorable to labor. I do not need to repudiate any such purpose. The Senator from Montana knows that in the committee I contended for days to retain in all their strength the so-called labor provisions of this bill. He knows that I have been in favor of that kind of legislation for many years. He also knows that many men who now favor this bill in its present form were utterly opposed to the labor provisions being put in the bill.

But, sir, it is not yet necessary to defeat this entire bill with its labor provisions or to accept it with its inefficient trust provisions. The bill is still in our hands. We have the right to send it back to conference and to demand that our conferees shall endeavor to perfect it. That is the position I take on the bill.

I say frankly, if it is not referred back, if we must accept this bill as it is now or defeat its labor provisions, I and every Senator will be put to the necessity of answering the question whether he will defeat the good labor provisions because there are bad antitrust provisions in the bill. The gentlemen who have brought in these antitrust provisions are hoping, as usual, that labor, on its sturdy back, shall bear the burden; that the labor provisions of the bill will carry through these provisions that are without merit, that will be a disappointment to the country, and that are in the teeth of our platform declarations.

Mr. President, I should not have made these remarks at all except for the somewhat personal, and I thought very unfair, statements of the Senator from Montana.

The Senator from Massachusetts [Mr. WEEKS] made a speech here upon the question of tying contracts, and the relation of the Shoe Machinery Trust thereto. A citizen of my State who is engaged in the shoe manufacturing business has prepared a statement and sent it to me asking that it be laid before the Senate, and without stopping to read it, I ask that there may be printed in the RECORD the statement which I now send to the desk. I will say in conclusion that if anyone has been misled or is wavering on account of the argument of the Senator from Massachusetts, it is my opinion that if he will read this reply, of which I am not the author, the mind of such a Senator will be disabused and the Senator's argument will be found answered.

The PRESIDING OFFICER. Without objection, the statement will be so printed.

The matter referred to is as follows:

Senator WEEKS in his speech in the Senate in defense of the United Shoe Machinery Co. discusses, as do the officials of that company and its publicity agents, all matters pertaining to shoe machinery except the real issue.

This issue is simplicity itself. It, however, has taken a very complex form, owing to the numerous articles appearing in the public press and the advertisements of the United Shoe Machinery Co., which have treated almost every subject in shoe machinery except the principal one, which is the restricted leases of the United Shoe Machinery Co., which prohibit competition.

He praises the policy of this company and exploits the small shoe manufacturer much as the common people are made an issue in politics, but he does not say one word about the small shoe-machinery manufacturer.

He treats alone of the subjects that the United Co. have had in the public press from one end of the country to the other for the last few years.

Senator WEEKS says:

"It is true that the United Shoe Machinery Co. is now being proceeded against by the Government, which has asked for a dissolution of the company. That in itself should be sufficient reason, I think, why legislation should not be passed which is going to affect the operations of that company.

"Under the circumstances I think Congress might well refrain from legislating in a way which is intended to affect directly that great industry until our courts have determined what course should be taken."

This argument is in entire accord with the past and present policy of the United Shoe Machinery Co.

In this instance delay means a harvest to the company of millions of dollars as between the present and the time the Government suit is decided by the Supreme Court of the United States.

Will the Senator inform us how any laws against trusts can be enacted if such laws are not to affect trusts now being "proceeded against"?

The Senator apparently forgets the protests of the people of his own State against these very restrictions of the United Shoe Machinery Co.'s leases.

PUBLIC OPINION RE LEASES.

The restrictive leases with tying clauses were put out by the United Shoe Machinery Co. in 1901. At that time and for years thereafter there was a continual demand among the shoe manufacturers the country over for the removal of these restrictive leases.

The following excerpts from the trade papers and press express the views of the trade and people regarding these leases, showing the opinions in 1901, 1907, and 1911:

Leases of the United Shoe Machinery Co. in 1901:

"The fact is the great strides made by American inventors and manufacturers of shoe machinery were made under competitive conditions. It has been so and will be so again. As sure as day succeeds the night the establishment of a virile opposition to the present machinery monopoly will bring to life new ideas and appliances in this field as the showers and sunshine bring forth the flowers of the fields." (Shoe and Leather Gazette, Feb. 23, 1901.)

"All 'handcuff clauses' ought to come out of those leases before they are signed." (Shoe and Leather Reporter, Jan. 3, 1901.)

Leases of the United Shoe Machinery Co. in 1907:

"No person, firm, corporation, or association shall insert in or make it a condition or provision of any sale or lease of any tool, implement, appliance, or machinery that the purchaser or lessee thereof shall not buy, lease, or use machinery, tools, implements, or appliances or material or merchandise of any person, firm, corporation, or association, other than such vendor or lessor." (Extract, "shoe-machinery bill," enacted by Massachusetts Legislature, 1907.)

Leases of the United Shoe Machinery Co. in 1911:

"It was voted that this association places itself on record as in favor of a continuance of the present lease system as used by the United Shoe Machinery Co., provided such portions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machinery be modified or wiped out." (Brockton Shoe Manufacturers' Association, recently adopted resolution.)

The shoe-machinery issue first, last, and always—

The removal of lease restrictions which "operate to exclude the use of competitive machines."

MASSACHUSETTS LEGISLATURE, 1907.

In 1907 the Massachusetts Legislature passed a law for the purpose of invalidating the restrictive clauses of the United Co.'s leases. It was a general law and did not mention the United Co., but the circumstances then existing, as well as the wording of the act, make it clear that the controlling purpose was to rid the industry of these very tying and exclusive use clauses.

Representatives of the shoe manufacturers and of the United Co. appeared before the legislative committee and respectively advocated and opposed the bill.

The legislature sought and obtained the opinion of the supreme court of the Commonwealth as to the constitutionality of the proposed act, and asked to be advised particularly as to whether or not the act could be made to apply to machinery protected by patents. The court advised that the legislature had the power to pass such act, and could make it apply to patented as well as unpatented machinery.

LAW AS PASSED.

"To regulate the lease and sale of machinery, tools, implements, and appliances." (Acts and Resolves of Massachusetts, 1907, p. 419, ch. 469.)

The act provides:

"SECTION 1. No person, firm, corporation, or association shall insert in or make it a condition or provision of any sale or lease of any tool, implement, appliance, or machinery that the purchaser or lessee thereof shall not buy, lease, or use machinery, tools, implements, or appliances of material or merchandise of any person, firm, corporation, or association other than such vendor, or lessor; but this provision shall not impair the right, if any, of the vendor or lessor of any tool, implement, appliance, or machinery protected by a lawful patent right vested in such vendor or lessor to require by virtue of such patent right the vendee or lessee to purchase or lease from such vendor ar lessor such component and constituent parts of said tool, implement, appliance, or machinery as the vendee or lessee may thereafter require during the continuance of such patent right: *Provided*, That nothing in this act shall be construed to prohibit the appointment of agents or sole agents to sell or lease machinery, tools, implements, or appliances.

"SEC. 2. Any person, firm, corporation, or association, or the agent of any such person, firm, corporation, or association that violates the provisions of this act shall be punished for each offense by a fine not exceeding $5,000.

"All leases, sales, or agreements therefor hereafter made in violation of any of the provisions of this act shall be void as to any and all of the terms or conditions thereof in violation of said provisions."

UNITED'S CONTEMPT FOR LAW.

Almost immediately after this act was passed the United Shoe Machinery Co., with characteristic adroitness, forthwith circumvented the new law. It attached to all Massachusetts leases a rider providing, in substance:

First. That all stipulations "which are in violation" of the act, "if there are any such," should be stricken out and not regarded as parts of the lease; and

Second. That the United Co. should have the right to cancel the leases upon 30 days' notice.

Notwithstanding the statute denounced the restriction under severe penalties, the leases with these restrictions have remained in Massachusetts just as if *no law had ever been passed*.

The restrictions were outlawed in Massachusetts, yet it was perfectly plain to every shoe manufacturer that an attempt to enjoy the freedom contemplated in the statute by installing competitive machines might result in having his factory stripped of all the United machines at the end of 30 days.

United's monopoly so perfect that it did make the consequences of enforcing the law so dreaded and ruinous to the shoe manufacturers that they unhesitatingly acquiesced in its violation. They did not dare to provoke the vengeance of the United Co.

No attempt ever made to enforce the statute.

No instance in which a single corporation has overthrown a penal statute by threatening the victims of its wrongdoing with still greater injury if they invoke the law. A perfect example of the United's contempt of the law and the subjection of the shoe manufacturers to its purposes.

UNITED'S ORIGINAL ORGANIZATION—COMPETITIVE MACHINES.

Again, the Senator says: "I may well say at this point, Mr. President, that when the United Shoe Machinery Co. was formed it was a combination of three fundamental machines—the Goodyear Shoe Machinery Co., the McKay Shoe Machinery Co., and the McKay Lasting Machine Co.—all different in their purposes, one supplementary to the other, *but not in any degree competitive*."

But he fails to mention the Eppler Welt Machine Co., which was a distinct and considerable competitor of the Goodyear Co., and put out machines at a lower royalty.

EXCERPTS FROM THE BRIEF FOR THE UNITED STATES IN THE SUIT AGAINST UNITED SHOE MACHINERY CO.

"(1) There was active and substantial competition between Consolidated & McKay Lasting Machine Co. and Goodyear Shoe Machinery Co. in interstate trade and commerce in lasting machines, which competition was wholly destroyed by such combination, and a complete monopoly of interstate and foreign trade and commerce in such machines created thereby" (p. 10).

"(2) There was active and substantial competition between the Goodyear Shoe Machinery Co. and the Eppler Welt Machine Co. in interstate trade and commerce in welt sewing machines and out-sole stitching machines and machines auxiliary thereto, which competition was wholly destroyed by the organization of the United Shoe Machinery Co., and the conveyance thereto of the properties of said companies, and practically a complete monopoly of the interstate and foreign trade and commerce in such machines was created thereby" (p. 26).

There was before the formation of the United Shoe Machinery Co. competition in essential machines as well as other kinds of machines, and competitive machines of the same kind were used in the same factory side by side, and this continued from the formation of the United Co. in 1899 until the tying clauses which prohibited competition in essential machines were put into the United's leases in 1901.

The leases prohibited competition.

Now, in 1914 the United Co. controls the essential machines for welt work in this country to the extent of 99½ per cent; that is, 99½ per cent of all welt shoes made in this country are made on the United's machines (machine made).

On other grades of shoes (machine made) about 95 per cent of all the shoes of these grades are made on United's machines.

Of all the shoes made in this country (machine made), from 95 to 98 per cent are made on United's machines.

UNITED MACHINES.

Senator WEEKS says:

"The United Shoe Machinery Co. does not furnish the machinery which is used in making the uppers of shoes. Much of that machinery is made by the Singer Sewing Machine Co., which puts out many machines a day where the United Shoe Machinery Co. puts out one for use in the shoe-manufacturing business."

The United Co. has frequently put forth similar statements, viz, that they do not make the machines for making the uppers of boots and shoes; that such concerns as Singer, Wheeler & Wilson, Wilcox & Gibbs make these machines; and there being a greater number of upper-making machines in the shoe factories than the other machines such as the United makes, they seek to impress the public with competition in shoe machinery.

The above machines were technically *never* known as shoe machines, though they are used in shoe factories.

The machines of the United Co. are those used in attaching the bottoms to the uppers, and machines used in finishing the bottoms of boots and shoes.

The first machines (attaching) are known as *essential* machines, the latter (finishing) are known as *minor* machines.

ESSENTIAL MACHINES (ALWAYS LEASED, NEVER SOLD).

Lasting system.

1. Puller over (pulling upper over the last; royalty).
2. Consolidated laster (lasting sides, sometimes entire shoe; royalty).
3. Bed laster (lasting heel and toe).

Metallic system.

4. Sole tacker (tacking uppers to insole; wire; sales).
5. Loose nailer (fastening upper to insole at heel; nails; sales).
6. Slugger (inserting wire in bottom of heel; wire; sales).
7. Standard screw (attaching outersole to insole work shoe; wire; sales).

Pegging system.

8. Pegger (attaching outersole to insole; work shoes; royalty).

Heeling system.

9. Heel compressor (compressing heels; royalty).
10. Heel attacher (attaching heels; royalty).

Goodyear system.

11. Welter (sewing welt to insole; royalty).
12. Stitcher (sewing outersole to welt; royalty).

Eyeleting system.

13. Eyeleting machine (inserting eyelets to uppers; eyelets; sales).

The above machines are used in connection with auxiliary machines, which auxiliary machines are tied to the principal machines.

MINOR MACHINES.

Various minor machines, such as buffers, sole rounders, edge setters, sole cutters, and the like, are either sold outright or rented.

When rented, the price or rental is so low that no single concern can afford to make and market these machines in competition with the United Co. unless it can also make and market the principal or essential machine and from the profit derived from these essential machines make up its losses on the minor machines.

The Senator admits there is one shoe manufacturer in the United States—Richard H. Long—making men's welt shoes without the use of any of the United machines.

This is true; and he also might have said that there are three other very small concerns making welt shoes without the use of said machines.

Foreign machines are an element in all of the above-mentioned concerns.

Again, Senator WEEKS said:

"The reason why manufacturers use the machinery of the United Shoe Machinery Co. is because it is the best machinery. It is a test of efficiency, pure and simple; it is not a question of a lease or of a tying clause or of a sale or of anything of that kind."

Again we think the Senator is wrong as to his facts.

The United Shoe Machinery Co. have so completely preempted the market that no one can equip a shoe factory in the United States of

any size adapted to make welt shoes with American-made machines other than those of the United Shoe Machinery Co.

How futile is the argument of the Senator that it is "the best machinery" or "efficiency" that compels the shoe manufacturer to use the machines of the United Shoe Machinery Co.!

It is the restrictions in the leases of the United Shoe Machinery Co., and those restrictions alone, that have stopped competition.

In Europe, where the field is open and where the shoe manufacturer has the privilege of determining what machinery is best adapted for his needs, there are many factories making shoes without the use of machines of the United Co., and also instances where there are competitive machines and United machines side by side in the same factory.

Nowhere in the United States to-day is any shoe manufacturer using a welter or stitcher of an outside manufacturer on welt work alongside a welter or stitcher of the United Co. This never has been permitted. When it comes to the other essential machines of the United Co. the shoe manufacturer is given the privilege of using them alongside competitive machines, but only upon making an initial payment or lease premium that from a business standpoint renders the use of competing machines prohibitive. This is, in effect, to penalize the use of competing machines and shut them out as completely as if their use was absolutely forbidden.

The policy of putting out machines without initial payment and giving efficient service without charge was old long before that concern was organized. In the early nineties Gordon McKay was forced by competition to cease requiring initial payments, and he did give free service. After the United Co. had bought up all of the competing concerns, it was able to—and did, in fact—reinaugurate the initial payments or lease premiums as a penalty for using competing machines. All of the advantages of competition among shoe-machinery concerns to shoe manufacturers were wiped out by this penalty. The United Co. characterized this practice as its wholesale and retail prices; but after all is said, whether a shoe manufacturer pays the higher or lower price depends on whether or not he used competitive machines.

The Senator extolled the inventive progress of the United Co. and mentions as an example the pulling-over machine "which has cost $1,000,000."

As a matter of fact, this invention was conceived before the United Co. was formed, and the application for its fundamental patent was made either just before or immediately after the formation of the United Shoe Machinery Co.

What the United Co. did was to perfect and refine this machine exactly as it has done with other machines that it took over.

Progress in shoe machinery since the formation of the United Shoe Machinery Co. is not comparable with the progress made in shoe machinery during the 10 years preceding its formation.

THE UNITED SHOE MACHINERY CO. NEVER "BLAZED A TRAIL."

It is a law of economics that progress and efficiency are greatest where there is competition, not where there is monopoly. This applies to the United Shoe Machinery Co

Senator WEEKS says, in substance, that the United Shoe Machinery Co. (composed of some 50 or more concerns) prevents a trust of shoe manufacturers. (There are about 1,200 shoe manufacturers in the United States.)

The nearest approach to a trust of shoe manufacturers in this country is the aggregation of shoe manufacturers owned by and allied with the United Shoe Machinery Co.

The Senator makes prominent the fact that the United Shoe Machinery Co. leases its machines without cost to the shoe manufacturer.

This is true. It is also true that when the United Co. leases machines without any initial payment they put into the lease a return premium, so that when a shoe manufacturer returns the machines he must pay the United Co. a large sum of money as a return charge.

This return premium constitutes a distinct liability of the shoe manufacturer and is so considered by bankers extending credit to shoe manufacturers.

The initial payment is transferred from the beginning of a lease period to the end of a lease period.

Senator WEEKS exploits the small shoe manufacturer and says, in substance, that were it not for the protective system of the United Co. the small shoe manufacturer might have to go out of business.

As the "small manufacturers" existed in larger numbers and thrived, and many became large manufacturers long before the shoe machinery combination of 1899 was effected, there is no *logical* reason to suppose or believe that if again afforded the benefits of competition in shoe machinery they would not flourish and be as successful as in ante-combination days

It has been claimed that the essential machinery of the "small manufacturer" costs him "nothing"—a claim which is antagonistic to the truism that "no one gets something for nothing." Technically, perhaps—or through a play upon words—this claim may be generally regarded as within the facts. The "small manufacturer" obtains such machinery from the United Co. without *initial* payment. At this time, however, he executes a contract under which he assumes obligations of paying return premiums and cost of repairing the machines when they are returned to their owner—the combination—upon the termination of the lease period, or previously, if he discontinues business before that time. Thus he assumes a substantial liability when executing the contract under which he obtains his machinery for "nothing."

During the contract period the "small manufacturer" *pays for everything he gets.* He pays a substantial royalty on every pair of shoes manufactured by him for the use of the combination's machinery and for all parts and repairs to such machinery, all of such payments being obligations under the contract, concerning which the "small manufacturer" has no voice. The "small manufacturer" is aware of these facts, and is under no illusion of receiving benefits for which he does not pay in full.

Senator WEEKS says:

"Now, if it were necessary to buy such machines at a cost of $3,000 or $3,500, in addition to the great number of other machines which are necessary in making a shoe, it would be impossible for the smaller shoe manufacturers to purchase sufficient equipment to conduct their business."

In Europe, where there is competition in all kinds of shoe machinery, machines can be purchased on the installment plan, which monthly installments are made equal, in many cases, to the monthly royalty of the United Co. on the same type of machine purchased.

When these installments are paid, the title of the machine passes to the purchaser and becomes an asset of his business, whereas the lease of a United machine constitutes a liability of said manufacturer.

In the end the foreign manufacturer has paid for his machine by installments equal to the sum of the royalties he would have paid on the United machine for the same period, and thereafter owns his machine and has to pay no royalty.

Were it not for the lease restriction of the United Co., the same condition would exist in the United States.

If the United Co. continues its monopoly and they adopt the policy of selling their essential machines, the manufacturers might have to pay $3,000 apiece.

If there was competition, as there is abroad, they would probably sell on the same basis as their competitors, which abroad is from $500 to $1,000, according to the machine

Abroad you can buy outright welters, stitchers, heelers, lasters, sluggers, loose nailers, pullers over from $500 to $1,000 apiece, according to the machine.

Mr. Fish, in his closing argument in the Government suit, says: "The machines have been patented machines, always patented, and likely to be patented for an indefinite time in the future, because this art is not in the slightest degree exhausted or saturated or finished."

Thus by interlocking patents their monopoly will be perpetual.

Interlocking patents make possible interlocking leases.

Interlocking leases perpetuate the monopoly.

Interlocking leases deprive the public of the right to use and to make machines of expired patents.

"The grant of a patent of the United States is a contract between the American public and the patentee where, in consideration of a full disclosure of the invention, through specifications and drawings filed at the Patent Office, the patentee is granted a monopoly in the invention for 17 years, at the end of which time the invention is to be open to the public to make, use, and vend."

Perhaps Senator WEEKS can explain why the citizens of the United States should be deprived of the right to use shoe machinery of expired patents.

Senator WEEKS says:

"I want to emphasize that by saying that when an improvement on a machine is made by the United Co., it takes out the old machine and puts in the new one without any cost to the manufacturer."

The United Co. have always, when the patents of a machine were about to expire, taken out the old machine and replaced it with a new machine which had new patents.

The United Co. always scrap the old machines.

The effect of this was, first, to get the old machine out of the reach of the manufacturer, and, second, to prolong the life of their monopoly by interlocking patents and interlocking leases.

ROYALTIES.

Senator WEEKS says:

"The highest possible machinery cost in making shoes is less than 6 cents a pair. The average is 2⅞ cents a pair. There are some grades of shoes where the cost is less than 1 cent a pair. On all the McKay shoes, not Goodyear shoes, manufactured in this country the machinery cost averages 1¼ cents a pair. It is the only element entering into the manufacture of shoes which has not increased in cost since the organization of the United Shoe Machinery Co. in 1899."

Just prior to the formation of the United Co. there were many essential machines in this country that were sold outright without any royalty, and some put out at a less royalty than is now being charged.

Competition before 1899 was lessening the price or cost to the shoe manufacturer of essential machines.

After the formation of the United Shoe Machinery Co. they put out no essential machines except on a royalty and bought or traded for practically all that had been sold outright, and also eliminated by trading out all the essential machines that prior to their formation had been put out at a less royalty than they are now charging.

Without the restrictive leases it is fair to assume that the conditions in this country would be exactly as they are in Europe, and the manufacturers would then have the privilege of selecting machines best adapted for his business.

The royalty, including the indirect royalty on materials used, in many instances is greater than the manufacturing profit of the shoe manufacturer.

Senator WEEKS says:

"The International Shoe Co. comes nearer than any other concern in the word to being a shoe trust, and it is constantly reaching out for more. The only thing that stands in its way is the United Shoe Machinery Co., and that, in my judgment, accounts for its *animus against* that company.

"It is not necessary for me to discuss any other phase of this attack on the United Shoe Machinery Co., as applied to large companies, than simply to give the details which I have given of the organization of the International Shoe Co. It in itself, as far as it can be, is a combination intended to dominate the shoe-manufacturing business in the section of the South and Southwest which is tributary to its factories, and, as far as it has been able to do it, it has done so, so that to-day it is the largest shoe-manufacturing concern in the world. All of the attacks—and the records bear me out in this statement—that are made on the United Shoe Machinery Co. are made by concerns similar to the International Shoe Co., big people doing a large business, who want to get their machines at wholesale prices and under such conditions that the small manufacturer can not buy them. That is the animus behind this whole attack."

The United Shoe Machinery Co. controls about 97 per cent of the shoe-machinery business of this country.

The International Shoe Co. controls about 7 per cent of the shoe business of this country.

The United Shoe Machinery Co. have practically no competition.

The International Shoe Co. has at least a thousand competitors.

Why this comparison?

There is no animus among the shoe manufacturers against the United Co. as Senator WEEKS would have us believe.

Shoe manufacturers want the privilege now as they had prior to 1899 of determining what machines are best adapted for their own use, in their own factories, and in their business, exactly as the European manufacturer has.

Shoe manufacturers are not such fools as to use inferior machines and spoil their goods and ruin their business.

The Senator does not give the shoe manufacturers of the United States the credit of having ordinary common sense.

It is only from the standpoint of the United Shoe Machinery Co. that paternalism is urged.

If the United Shoe Machinery Co. can continue to hold the shoe manufacturers of the United States in leash, they can continue to collect their pound of flesh, and in no other way.

As the Senator has not informed the Senate as to the real cause of the time contract, a statement of the president of the United Shoe Machinery Co., and comments thereon, will be enlightening.

THE CRUX OF THE SHOE-MACHINERY SITUATION—MR. WINSLOW'S ADMISSION.

[Reprinted from the issue of July 29, 1911.]

CHAPTER VIII.

AT THE STATE HOUSE.

To the Editor of the Weekly Bulletin:

If the account of the shoe machinery hearing of yesterday, as reported by the daily papers, is correct, it seems that the whole matter sums itself down to this: That Mr. Winslow has finally admitted—

"Mr. Winslow said that his company doesn't offer to furnish a lasting machine to be used in conjunction with another man's machines. If it did, its machines would sit idle in the shops while the machines which do not pay a royalty were used."

Which evidently means that his company will not place its lasting machine in a factory to be used side by side with a competitive lasting machine, for the reason that, if it did, its lasting machine would "sit idle" and the competitive lasting machine would do the work.

If this is correct, does it not apply to all of Mr. Winslow's company's essential machines, and might he not as well have said, "We will not place our welter and stitcher in a factory with a competitive welter and stitcher, for the reason that the competitive welter and stitcher will do the work and our machines will 'sit idle'"; or that "We will not place our metallic system in a factory with a competitive metallic system, for the reason that our metallic system will 'sit idle' and the competitive metallic system will do the work"; or that "We will not place our heeling machine in a factory with a competitive heeling machine, for the reason that the competitive heeling machine will do the work and our machine will 'sit idle'"?

Apparently Mr. Winslow has been finally forced squarely and flatly against the issue involved, and, brushing aside technicalities and claims to general beneficence, admits that if he allows competition his machines will "sit idle" and that competitive machines will do the work. In the last analysis, does it not mean that if Mr. Winslow's essential machines—and I take it for granted that his lasting machine is included in his essential machines—are used competitively they will stop; if they stop, they pay no royalty; if they pay no royalty, the major portion of the earnings of his company cease?

In other words, has not Mr. Winslow, in substance, admitted that his company can not stand competition and does not propose to?

—

In all shoe-machinery discussions there has been nothing that so clearly states the whole situation as the letter of the W. H. McElwain Co. and the statement of the Shoe Manufacturers' Alliance, as follows:

THE POSITION OF SHOE MANUFACTURERS.

[W. H. McElwain Co., makers of shoes. General offices, 348 Congress Street, Boston.]

JANUARY 8, 1912.

E. S. GILE, Esq.,
Editor The Weekly Bulletin, Boston, Mass.

DEAR SIR: You have asked us as to whether we agree with the position of the Brockton Shoe Manufacturers' Association with respect to the policy of the United Shoe Machinery Co. We absolutely agree with this position, namely:

"That this association places itself on record as in favor of a continuance of the present lease system as used by the United Shoe Machinery Co., provided such provisions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machines be modified or wiped out."

Freedom for fair competition in shoe machinery, we are convinced, is desirable from the standpoint of the manufacturer, who wishes the right to elect what machinery he shall use; from the standpoint of those who may wish to engage in the manufacture of shoe machinery; and from the standpoint of the consumer, who is the ultimate beneficiary of any improvement in the conditions of production.

We believe that shoe manufacturers should be able to use in their business such machinery, of any machinery manufacturer, as may from time to time seem best fitted for their needs. Such a possibility, in our opinion, does not now exist and can not be brought about unless—

1. The "tying clauses" are expunged from the leases of the company; and

2. A system is adopted whereby the shoe manufacturer, using only machines of this company, is given no preferential treatment in respect to prices, rentals, royalties, or service over the manufacturer employing to some extent machinery of other machinery makers.

We believe that the United Shoe Machinery Co. is in many respects rendering efficient service to shoe manufacturers. Our relations with its officers, employees, and agents have been friendly and pleasant. We have sufficient confidence in the strength of this company to believe that it will stand in the forefront of shoe-machinery makers even with the removal of the restrictions which have been mentioned. Its position, however, would then be based upon the firm foundations of efficient service to the community and would be regulated by the possibility of a fair and healthy competition.

Yours, truly,

W. H. MCELWAIN CO.,
J. F. MCELWAIN, *President.*

Extract from supplemental brief for the United States:

AN EXTRACT FROM THE SUPPLEMENTAL BRIEF FOR THE UNITED STATES IN THE CASE OF THE UNITED STATES V. THE UNITED SHOE MACHINERY CO.

"Shoe Manufacturers' Alliance and the evidence furnished by it.

"This is an organization consisting of some half a dozen large manufacturers who have been active in their opposition to the United Shoe Machinery Co. It consists of Charles H. Jones, of the Commonwealth Shoe & Leather Co.; Jackson Johnson; Henry Peters; Frank C. Rand, formerly of Roberts, Johnson & Rand, now of the International Shoe Machinery Co.; Milton Florsheim; and Emanuel Selz." (Jones, record, pp. 792–793.)

The above statement is inaccurate and misleading in that the testimony of Jones did not state that the Shoe Manufacturers' Alliance consisted only of the shoe manufacturers named. What he did testify to was that these manufacturers had been members of the Shoe Manufacturers' Alliance. In this connection the following circular, printed in the Weekly Bulletin, of Boston, Mass., a trade publication, issue of January 20, 1912 (p. 7), is quoted herewith:

"INVITATION TO JOIN ALLIANCE.

"We invite you to become a member of the Shoe Manufacturers' Alliance.

"The alliance was organized to restore competitive conditions in shoe machinery. Its membership now comprises the manufacturers of about 40 per cent of all the shoes produced in the United States. The general aim of the alliance is to secure for manufacturers some voice in the direction of the shoe machinery department of their own business. The purpose of the organization is set forth more specifically in the resolutions unanimously adopted at the meeting of the alliance held at Cincinnati on June 29, 1911, as follows:

"'The purpose of this organization (the Shoe Manufacturers' Alliance) is to secure to shoe manufacturers the right to use in their business such machines as may seem to them from time to time best fitted for their needs, and to remove conditions which now discourage the invention and development of shoe machinery.

"'We believe that to accomplish this purpose it is necessary to secure a change in the methods now pursued by the United Shoe Machinery Corporation, which to-day in effect monopolizes the shoe machinery business in this country through its system of leases (with tying clauses) under which shoe manufacturers are now compelled to operate.

"'We believe it to be essential that shoe machinery, whether it be leased or sold, be put out on such terms as will leave the manufacturer free to take from the United or from any other company one or more of the same or of different machines at a fixed unit price.

"'We believe the adoption of such a method will alone remove the restraint upon the invention and development of shoe machinery from which the trade now suffers and will secure a reduction in the unnecessary cost of manufacturing shoes, due to the present demand of the United Co., and which imposes undue burdens upon the manufacturer and consumer.'

"At present practically all of the essential machinery used in bottoming shoes in this country is owned by a single corporation, which is dominated practically by one man. This is a condition permitting the exercise of complete and arbitrary control of our business. It is contrary to the very spirit of liberty and as such humiliating to us as shoe manufacturers. It also necessarily tends to retard and to restrict improvements in shoe machinery.

"That it does so restrict development will be clear to those who compare the progress of shoe machinery during the last 12 years with the advances made from year to year prior to that date. Shoe manufacturing in America is to-day efficient, and much of that efficiency is due to the extraordinary advances in shoe machinery made prior to the organization of the Shoe Machinery Trust. Nearly every one of the 30 years prior to 1900 witnessed some marked advance in shoe machinery. That was a period of open competition in the production of shoe machinery. Those who controlled the successful inventions reaped rich rewards. The activities of inventors and mechanics were stimulated, and the results were revolutionary in character. Wages increased, but the unit labor cost of producing shoes was being continually and substantially lowered.

"Since 1900 the development in essential shoe machinery has not been marked by any important invention materially reducing the cost or improving the quality of work. Such new inventions as have been made are confined to details of minor consequence, as compared with the advances made prior to the formation of the Shoe Machinery Trust. This check upon the development of essential shoe machinery is believed to be a necessary result of the formation of the combination. It has removed the stimulus of competition.

"The alliance makes no attack upon the leasing system as such. Its protest is against methods which suppress competition. That protest is voiced also by the resolution recently adopted by the Brockton Shoe Manufacturers' Association, as follows:

"'That this association places itself on record as in favor of the continuance of the present lease system as used by the United Shoe Machinery Co., provided such portions of the lease as operate to exclude the use of competitive machines be abolished and the penalty or charges for returning used machinery be modified or wiped out.'

"The Federal Government has undertaken to suppress the illegal operations of the Shoe Machinery Trust, but relief can not be had through Government prosecution alone. It is essential that those directly and vitally interested in the restoration of competition should cooperate to that end, and it is hoped that you will do your part.

"Awaiting your reply,

"Yours, very truly,

"A. D. BROWN. "E. E. P. REED.
"C. H. KRIPPENDORF. "IRWIN M. KROHN.
"P. E. SELBY. "C. H. JONES.
"J. B. HOWARTH. "H. W. SNECK."

Inasmuch as the statement that this organization consisted of the few members noted only has not been based upon the record, it is submitted it is not going too far afield to correct this statement by inserting herein a partial list of the members of the Shoe Manufacturers' Alliance at about the time the original petition in the case was filed—December, 1911:

American Specialty Shoe Co., Milwaukee, Wis.
Beals & Torrey Shoe Co., Milwaukee, Wis.
The Bering Shoe Co., Cincinnati, Ohio.
Bradley & Metcalf Co., Milwaukee, Wis.
Brennan & White, Brooklyn, N. Y.
The Brown Shoe Co., St. Louis, Mo.
Burrow, Jones & Dyer Shoe Co., St. Louis, Mo.
The Cahill Shoe Co., Cincinnati, Ohio.
Carruthers-Jones Shoe Co., St. Louis, Mo.
The Colombia Shoe Mfg. Co., Cincinnati, Ohio.
The Commonwealth Shoe & Leather Co., Boston, Mass.
Geo. F. Dittman Boot & Shoe Co., St. Louis, Mo.
Dugan & Hudson Co., Rochester, N. Y.
The Val Dutenhofer Sons Co., Cincinnati, Ohio.
Florsheim Shoe Co., Chicago, Ill.
Foote, Schulze & Co., St. Paul, Minn.
Friedman-Shelby Shoe Co., St. Louis, Mo.
C. Gotzian & Co., St. Paul, Minn.
Harsh & Edmonds Shoe Co., Milwaukee, Wis.
Helmers-Bettman & Co., Cincinnati, Ohio.
The Hogan Shoe Co., Cincinnati, Ohio.
The Julian & Kokenage Co., Cincinnati, Ohio.
Kalt-Zimmers Mfg. Co., Milwaukee, Wis.
John Kelly (Inc.), Rochester, N. Y.
The Krippendorf-Dittmann Co., Cincinnati, Ohio.

Krohn-Fechheimer Co., Cincinnati, Ohio.
Luedke-Schaefer-Buttles Co., Milwaukee, Wis.
The Manss Shoe Mfg. Co., Cincinnati, Ohio.
F. Meyer Boot & Shoe Co., Milwaukee, Wis.
The Miller Shoe Mfg. Co., Cincinnati, Ohio.
The Model Baby Shoe Co., St. Louis, Mo.
O'Donnell Shoe Co., St. Paul, Minn.
Peters Shoe Co., St. Louis, Mo.
Piehler Shoe Co., Rochester, N. Y.
The Pingree Co., Detroit, Mich.
The Ramsfelder-Erlick Co., Cincinnati, Ohio.
E. P. Reed & Co., Rochester, N. Y.
Regal Shoe Co., Boston, Mass.
Rich Shoe Co., Milwaukee, Wis.
Roberts, Johnson & Rand Shoe Co., St. Louis, Mo.
The Sachs Shoe Mfg. Co., Cincinnati, Ohio.
The Schieffele Shoe Mfg. Co., Cincinnati, Ohio.
V. Schoenecker Boot & Shoe Co., Milwaukee, Wis.
The Selby Shoe Co., Portsmouth, Ohio.
Selz, Schwab & Co., Chicago, Ill.
Stern-Auer & Co., Cincinnati, Ohio.
Tappan Shoe Mfg. Co., Coldwater, Mich.
Fred S. Todd Co., Rochester, N. Y.
Utz & Dunn, Rochester, N. Y.
Venor Shoe Co., Rochester, N. Y.
W. H. Weinbrenner Co., Milwaukee, Wis.
Wertheimer-Swarts Shoe Co., St. Louis, Mo.
Weyenberg Shoe Mfg. Co., Milwaukee, Wis.
The Wise, Shaw & Feder Co., Cincinnati, Ohio.
The Wolf Bros. Co., Cincinnati, Ohio.
Wrensch-Herman Shoe Co., Milwaukee, Wis.
Chas. K. Fox (Inc.), Haverhill, Mass.
Curtis & Jones Shoe Co., Reading, Pa.
H. E. Guptill, Haverhill, Mass.
H. B. Reed Co., Manchester, N. H.
Quaker Shoe Co., Weare, N. H.
Geo. A. Learned Co., Newburyport, Mass.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota [Mr. MCCUMBER].

Mr. GRONNA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Fletcher	Nelson	Smith, Ariz.
Bankhead	Gore	Norris	Smith, Md.
Bristow	Gronna	O'Gorman	Smoot
Bryan	Hollis	Oliver	Swanson
Burton	Jones	Owen	Thomas
Camden	Lane	Page	Thornton
Chamberlain	McCumber	Penrose	West
Chilton	Martin, Va.	Perkins	White
Culberson	Martine, N. J.	Reed	Williams
du Pont	Myers	Sheppard	

Mr. THOMAS. I was requested to announce that the senior Senator from Georgia [Mr. SMITH] is absent on account of illness.

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. POINDEXTER, Mr. SHAFROTH, Mr. SHIVELY, and Mr. STONE answered to their names when called.

Mr. SIMMONS, Mr. WARREN, Mr. MCLEAN, Mr. JOHNSON, Mr. SMITH of South Carolina, Mr. STERLING, and Mr. BORAH entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators have answered to the roll call. There is a quorum present. The question before the Senate is the motion submitted by the Senator from North Dakota [Mr. MCCUMBER] that the further consideration of the conference report be postponed until the first Monday in December, 1914.

Mr. LANE. Mr. President, before the motion is put I wish to say a few words, but I will not detain the Senate long.

I had hoped that when this measure came into the Senate we would have a bill which would provide a remedy for the existing condition, and would be something positive. I did not desire to secure the passage of a bill for the mere purpose of punishing some one, but I was and am in favor of the passage of a measure which would put a stop to unfair business methods. I suppose it to be necessary to provide a penalty in order to enforce a law that will be of any practical benefit to the people of this country.

If it is true, as is conceded here, that the Sherman antitrust law supplies every remedy which this bill is supposed to afford there is no use whatever in passing the measure. If, on the other hand, it affords a loophole and an indirect method by which those who are guilty of practicing these unfair methods upon the people can escape from being brought to justice under the Sherman law, then it is more than an innocuous measure, it is a dangerous one. It is in that event an evil measure and one which ought to be defeated in fairness to the people of this country.

The Democratic Party has gone before the people in the past and pledged itself that it would undertake to enact legislation in Congress which would relieve the people of this country from certain onerous and unfair business methods and conditions which impoverish the people, and which bring misery upon millions and millions of innocent people who are not in any wise to blame for the unfortunate condition in which they find themselves. This bill merely states that these methods are wrong, and they are declared to be unlawful, and that is all, and there is nothing in the way of any penalty by which they may be stopped.

I was reading in the Washington Times of Saturday an item which I think will interest the Members of the Senate. Here is a bill for which the Democratic Party, of which I am a member, stands sponsor, which pretends to eliminate discrimination in prices and to protect honest business men against unfair competitors, but fails to do so.

Last Saturday my attention was attracted to an item which I will read to you. It is dated Wilmington, Del., October 3:

TWO MONTHS' TERM FOR 2-CENT THEFT OF MILK.

WILMINGTON, DEL., *October 3.*

Two months' imprisonment for stealing 2 cents' worth of milk was the sentence imposed upon John Peters, 21, in the Newcastle county court here. He was indicted for the theft of a half pint of milk, worth 2 cents, and a bottle, worth 4 cents.

For the theft of 6 cents' worth of property—2 cents' worth of milk and a bottle worth 4 cents—this man went to jail for two months.

Now, that is what we can accomplish when we legislate to punish the small criminal, the least harmful one, the man who does the least damage to the community through his criminal instincts and methods and practices. But when we reach out for the large business man, who uses his wealth and his power to grind down and impoverish others—and practically does deprive them dishonestly of their world's goods—we provide no punishment. We provide no penalty which would absolutely forbid or make him afraid to continue his dishonest methods; but the little fellow, like this man over in Delaware, who steals 2 cents' worth of milk—who, perhaps, was hungry, and could not have stolen 2 cents' worth of milk for profit—he gets two months in jail. As to the larger, the enormous combinations, who are literally rotting this country, rotting its Government, rotting its citizenship, setting an example to young folks, showing that the best method for them to pursue if they are to prosper and wax fat in their line is not by honest industry and fair dealing, but by unfair advantage and grasping methods, we have no remedy; we provide no penalty for such men as that or for such combinations.

I would say—and I will close in saying it—that I went out on the platform to the people who sent me here and represented to them that if the opportunity were given to me I would do all in my power to put a stop to such methods of carrying on the business affairs of this country, without malice, without prejudice, without endeavoring to unjustly take one penny away from any corporation or business man, however rich he may be, if he had honestly obtained it, without any attempt to seek revenge upon him, but in the hope that it would be for the benefit of the country and in the realization that if we do not put a stop to it the country as a nation will go down to ruin.

The little fellow who went to jail for stealing 2 cents' worth of milk is one of the class of criminals all over this country who get punished. I have seen a man go to the penitentiary for five years for stealing a $5 pair of pantaloons, five years of hard labor—the first year pitching pig iron—for stealing $5 worth of property. Pig iron is rough; it is hard to handle. It had been molded in sand, and the skin came off the palms of his hands. They were raw, and the blood was trickling down between his fingers. He protested to the foreman and asked to be allowed some other easier work until such time as his hands got well. It was against the rules for him to talk, and the foreman took him to the superintendent. He told the warden, "I am glad to be brought before you; you are a man of education and of intelligence or you would not be warden of this institution. I am glad to be able to present my case to you."

I knew the superintendent. He was neither a man of intelligence nor honesty.

Mr. MYERS. May I ask a question? In what State prison was this—the State prison of Oregon?

Mr. LANE. It was; that is the condition which existed in the past. A decided relief was brought about when my friend Senator CHAMBERLAIN became governor. The condition before that time was different.

What happens to small malefactors? The little fellow goes to jail for 2 cents' worth of milk, and the other man goes to the penitentiary for five years for stealing a $5 pair of pantaloons; and the people who know about it know that this Senate, this body, will not place a penalty upon men of larger fortunes who are unjustly acquiring millions upon millions of dollars equally

as unfairly, and they become discontented. They lose their respect for Congress and for the law. Later along they are to be seen carrying red flags down the streets; they become anarchists; and we by our methods of lawmaking are breeding them here. This kind of legislation is one of the causes for the discontent.

I hope that the Democratic Party, the party of the people, that announces its allegiance to the principle of Thomas Jefferson of "equal rights to all and special privileges to none," equal law to all, equal punishment to all, will be big enough now, when the time is ripe and the occasion is here, to rise up and meet the situation, and, as I said, without prejudice and without any attempt to do any injustice to any man, be he rich or poor, place a sufficient penalty upon these practices to put a stop to them.

I feel almost sure that, after having made this appeal to you, you will vote to recommit the conference report to the committee in order that it may be done.

Mr. CULBERSON. Mr. President, I move to lay the motion of the Senator from North Dakota [Mr. MCCUMBER] on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas to lay the motion of the Senator from North Dakota on the table.

Mr. REED. Mr. President, I trust the Senator from Texas will withdraw that motion. We are about to reach a vote. There is no occasion for doing anything except to proceed in the ordinary way.

SEVERAL SENATORS. Question!

The VICE PRESIDENT. The question is on the motion of the Senator from Texas [Mr. CULBERSON]. [Putting the question.] The ayes seem to have it. The ayes have it, and the motion to lay on the table is agreed to.

Mr. REED. Mr President, I move that the bill be recommitted and that the conferees be instructed to insist upon the insertion into the bill of the criminal penalties substantially as they were contained in the House bill at the time that bill was passed by the House; and, further, to insist that the word "heretofore," which was stricken out of the section relating to the use of decrees in evidence in other cases, shall be reinserted in the bill.

Mr. CULBERSON. I raise the point of order that the motion of the Senator from Missouri is out of order in the form presented.

Mr. MARTINE of new Jersey. Mr. President, before the vote shall be taken, if we are about to vote, and as I understand the proposition——

The VICE PRESIDENT. The Chair must rule on the point of order. The Chair, upon investigation of the entire course of procedure in the Senate of the United States, has discovered that the Senate has done about everything with reference to conference reports. It has rereferred them with instructions; it has rereferred them without instructions; it has laid them on the table; it has indefinitely postponed the consideration of such reports. Precedents could be found, the Chair thinks, for ruling upon either side of the question. The Chair, however, believes that the Senate of the United States voted for a full and free conference upon the question of this bill. To send it back to the committee with instructions would not be a full and free conference. The Chair thinks that to send it back to the committee with such instructions would be simply to serve notice upon the House of Representatives and upon the conferees that the bill must be in certain particulars as the Senate of the United States has determined it should be or that there should be no bill.

The Chair desires to thank the Senate of the United States, because, while he knew this matter was under discussion, he is proud to say that no Senator has suggested what the ruling of the Chair should be. After much consideration of the question and full knowledge upon the part of the Chair that the Senate will do as it pleases about the matter, the Chair desires to state that he does not believe that when the Senate has voted for a full and free conference it can return the bill to the conferees with instructions as to what they shall do touching an agreement between the two Houses. The Chair believes that he is justified in making this ruling, for the reasons, first, that such an instruction as that would be service of notice upon the House of Representatives that it must consent to the things which the Senate desires to put into the bill; and, secondly, that there having been now a week of full discussion on the conference report, and the objections to it being thoroughly understood by the conferees upon the part of the Senate, a speedier agreement between the two bodies is to be reached—and that is always the thing to be looked after in parliamentary procedure—by concurring in the conference report, if the Senate desires to concur in it, and, if not, by rejecting the conference report, whereupon the matter will go back to a full and free conference and the conferees will know the objections the Senate of the United States has to the conference report.

The Chair is therefore, in the light of the later decisions of the Senate, and manifestly in conformity with the principles that ought to govern a full and free conference, compelled to sustain the point of order.

Mr. REED. Mr. President, of course I understand the conclusion reached by the Chair, but there is one part of the Vice President's remarks that I am not sure I understand; that is, the Senate having voted for a full and free conference, to return the bill to conference with instructions to the Senate conferees would be in the face or teeth of the previous instructions. If that is any controlling consideration in the mind of the Chair, I desire to change the form of the motion.

The VICE PRESIDENT. The Chair will say to the Senator from Missouri that changing the form would not change the opinion of the Chair. An appeal is a matter of right, and it will be cheerfully granted for the consideration and determination of the Senate; but the Chair can not see how there can be a full and free conference between the conferees of the House and the conferees of the Senate if instructions go to the conferees of the Senate as to what they shall do. That does not seem to the Chair to be a full and free conference.

Mr. REED. That is the point the Chair dwelt upon, and I was asking the question whether it would make any difference if the motion were changed to refer the bill back to the conferees without instructions.

Mr. BORAH. Mr. President——

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

Mr. REED. I do.

Mr. BORAH. In the orderly course of procedure the vote would come on the mere question of the adoption of the report of the conference committee. If that report were rejected, it would go back to the conference committee, with the benefit which they would have from the discussion which has taken place; which, in my opinion, would accomplish what the Senator from Missouri desires to accomplish.

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

Mr. REED. I yield.

Mr. SMOOT. I agree with what the Senator from Idaho [Mr. BORAH] has stated; but I believe, Mr. President, that, under the rules, the motion to recommit is in order. Not only that, but I believe that under the rules of the Senate the motion to recommit is a privileged question, and I should dislike to see any ruling made to the effect that the motion to recommit was not in order. I wish to say——

Mr. WILLIAMS. Mr. President——

Mr. SMOOT. Just a word further. I wish to say that the result of a vote on the adoption of the report would be just as the Senator from Idaho has indicated; but I believe that any Senator, under the rules of the Senate, has the right to move to recommit; that that is a privileged question and for a purpose; and I believe that the Senator from Missouri is well within his rights when he makes that motion, but not if he makes the motion with instructions.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Utah if he thinks that a motion pending to bring the two Houses together has not preference over any motion pending to keep them apart and as to whether the privileged motion to adopt a conference report has not preference over a motion to recommit?

Mr. SMOOT. The question of the adoption of a conference report, Mr. President, is not a privileged question. The question of presenting a conference report is privileged, and the question of recommitting a bill of any kind is a privileged question under Rule XXII.

Mr. WILLIAMS. I take the position that any motion pending to bring the two Houses together has preference over a motion which keeps them apart; and I think the Senator, upon examining Jefferson's Manual, will find that to be the general declaration; and, upon examining the House and Senate rules, he will find that to be the special declaration.

Mr. SMOOT. The object of the motion to recommit the bill to the conferees would be for the purpose of bringing the two Houses together. If a majority of the Senate desire the bill to be reconsidered by the conferees, then they will vote "yea"; but if there is a majority that is not in favor of it, they will vote "nay." The question itself, however, is a privileged question, and the Senator from Missouri, I believe, has a right to make that motion, but he had no right, in my opinion, to make the motion to recommit with instructions.

Mr. CULBERSON. I understood, Mr. President, that the Chair had ruled the motion out of order.

The VICE PRESIDENT. The Chair has sustained the point of order as to the first motion. The Chair now understands that the Senator from Missouri moves to recommit the conference report to the committee of conference.

Mr. CULBERSON. I myself did not understand that the Senator from Missouri had made any such motion. He may have made it.

Mr. REED. I indicated pretty clearly what I desired to do.

The VICE PRESIDENT. It was not exactly in form, but the discussion started before the Senator from Missouri had concluded.

Mr. REED. Mr. President, I make the motion to recommit the conference report, and I want to say this: What I desire, and what I think the Senate ought to be willing to give on this bill, is a square vote upon the question whether the Senate wants to strike out the criminal penalties of the bill. Against that a point of order has been injected. The Chair has ruled, under the precedents, that, in his opinion, that motion can not be made if the point of order is made. I have no desire to delay this matter a moment. I should like to have had a vote on that question; but as I can not get it without an appeal from the decision of the Chair, which would probably involve a long discussion and probably an affirmance of the Chair's decision, and as I do not want to engage in the slightest cavil about it, I make the motion now that the conference report be recommitted.

Mr. MARTINE of New Jersey. Mr. President, is that motion now before the Senate?

The VICE PRESIDENT. The motion is before the Senate.

Mr. MARTINE of New Jersey. Then I desire, Mr. President, to make a brief statement. I have received to-day a number of telegrams from trades-unions and workingmen. One goes on to say:

MY DEAR MARTINE: You have ever been a true friend of labor. We therefore appeal to you to sustain the Clayton antitrust bill.

Another reads:

In behalf of the trainmen and other railroad employees of New Jersey I urge you to stand by the Clayton trust bill.

True enough, as this telegram says, I have ever been the friend of labor. I have been brought up with the laboring man from my early youth; I left school at 12 years of age, and since then I have been a worker. My sympathies have naturally been with the laboring man, and they are touched and aroused on the labor question. Wherever their case needed a sponsor or a defender I have been their defender, not for the purpose of elevation or the hope of reward, but because of the fact that the principles of honest labor were so deeply instilled within me that I could not rid myself of them if I would.

I stood in favor of the Clayton antitrust bill when it was first presented from the House, because, as I said on Friday last, I believed it was a step in the direction of aiding men in business and in the general walks of life who were under the ban of and were being crushed by the mighty influence of combinations of money; and God knows there is no State in this Union that has seen more of such evils than we have had in New Jersey. So, in all sincerity and earnestness, I stood for the Clayton antitrust bill as it originally came from the House; but as I have seen it since it left the hands of the conferees, emasculated and changed, I have felt, as I have expressed myself before and as I express myself now, that it is not in the interest of labor. Even though there are some few lines in the bill favoring labor and laboring organizations, yet there is an evil lurking beneath it all which more than counterbalances all the blessings that might come to labor from it.

Mr. President, since I can not vote to recommit this bill, I shall then have to vote to reject the conference report. I can not believe that there is a man in the Senate or in the other House who would dare, in the face of the enlightened sentiment which to-day pervades this land, to stand up against legitimate labor organizations or oppose the declaration that labor is not a commodity. It would be his death knell politically; but, better and higher and loftier than that, I trust that no man would be imbued with the sentiment of considering labor as a commodity—lofty, honest labor, earning its bread, according to the edict of our God, by the sweat of its brow.

I say to these men: "My friends, men with whom I have conferred, men with whom I have advised as to the wisest and best way to recognize legitimate and honest labor, there are none of you in any State of this Union or outside of it that will charge, whatever my vote may be, that my heart is arrayed against labor in this struggle and strife for daily bread and butter. I oppose this measure because I believe that some influence—I can not say what influence, but some influence, it seems to me uncanny, dangerous to the Republic—has changed the text and character of the bill until it does not stand for the smaller man or the middle man, but tends to advance to further supremacy the giant monopolies that you and I, in both platforms, have pledged ourselves to destroy, and for whose destruction these many years we have struggled."

Since the ruling of the Chair is as it is, I shall have to vote most regretfully against this measure, trusting, believing—yes, knowing—that the eternal principles of right and justice will again triumph in the formulation of another bill, and that it will not have to run the gantlet that this unfortunate measure seems to have had to run.

Mr. LANE. Mr. President, I should like to ask the Senator a question, if he will permit me.

Mr. MARTINE of New Jersey. Yes; go ahead.

Mr. LANE. Does not the Senator from New Jersey think that the small bit of relief which is given in section 20 to the laboring man will cost him tenfold, indirectly, through the other provisions of the bill?

Mr. MARTINE of New Jersey. Why, unquestionably, sir.

Mr. LANE. And that it is in no wise to his benefit?

Mr. MARTINE of New Jersey. None whatever. It is the cheapest sort of sop that can be offered to a laboring man. You have always, whenever you did get in power, saddled many of these men on the back of labor. You are the laborer's friend now, but in ninety-nine cases out of one hundred in which you have had the opportunity to declare and to declaim yourselves you have treated it as a jest and as an absurdity.

Mr. CULBERSON. Mr. President, I move, as a substitute for the motion of the Senator from Missouri, that the Senate agree to the conference report.

Mr. SMOOT. Mr. President, the motion of the Senator from Missouri being a privileged question, I do not believe the motion made by the Senator from Texas is in order.

Mr. CULBERSON. The motion of the Senator from Missouri is not a privileged matter. A motion to agree to a conference report takes precedence of all other motions on the subject.

Mr. REED. Mr. President, I call the attention of the Chair to Rule XXII:

PRECEDENCE OF MOTIONS.

When a question is pending, no motion shall be received but—
To adjourn.
To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.
To take a recess.
To proceed to the consideration of executive business.
To lay on the table.
To postpone indefinitely.
To postpone to a day certain.
To commit.
To amend.
Which several motions shall have precedence as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate.

This looks to me very much like a privileged motion. I call the attention of the Chair now to Gilfry's Precedents, page 889, paragraph 4, which was handed to me by the Senator from Mississippi [Mr. VARDAMAN], and which reads:

It is in order in the Senate to recommit a conference report to the committee of conference, but not with instructions.

I am very sorry the sponsors for this bill are not willing to give the Senate the opportunity to vote squarely on whether it wants criminal clauses in the bill. It would be interesting to have that question before the Senate. It ought not to be denied. In any event, I insist that it is in order to recommit a report, and that the recommittal of a report—and I call the Chair's attention to this—may be absolutely in the interest of the passage of the bill. Legislation is the object for which we meet. Recommitting a report may be a necessary step to the enactment of any bill into a law, because it might be in such shape that it would be liable to rejection. A motion to recommit, therefore, may be as much a friendly motion or a more friendly motion than one to force a bill in an imperfect form to an immediate vote.

The VICE PRESIDENT. The pending question was, of course, and has been for days, on agreeing to the conference report. The Senator from Missouri now moves to recommit the bill to the conferees. The Chair, in the course of a week, has examined most of the decisions of the Senate of the United States upon the question. There have been some rulings against the recommittal of a conference report, but the great majority of the rulings are to the effect that if the Senate chooses so to do it can recommit a conference report. The Chair holds the motion to recommit without instructions to be in order.

Mr. CULBERSON. Mr. President, I call the attention of the Chair to the fact that, representing the conferees, I have never yet made a motion to agree to the conference report. It has

only been submitted and considered. For the first time, just a moment ago, I made the motion, as a substitute for the motion of the Senator from Missouri, that the Senate agree to the conference report. I have the RECORD here, showing that no formal motion has heretofore been made for the Senate to agree to the conference report.

Mr. REED. Mr. President, the question has been stated to the Senate not less than twenty times in the course of this debate, "The question is upon agreeing to the conference report." whereupon somebody would take the floor and proceed to speak.

Mr. OVERMAN. The motion was to proceed with the consideration of the conference report. That was what was asked for—to proceed with its consideration.

Mr. CULBERSON. I present the RECORD to the Chair for its consideration.

Mr. SMOOT. Mr. President, I want to say to the Senator from North Carolina——

The VICE PRESIDENT. There is no doubt about this matter. The Chair reads from the RECORD of September 25:

Mr. CULBERSON. Mr. President, I move that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. Mr. President, a motion to consider a conference report when presented to the Senate, according to the rules, must be put without debate; and if that is the position the Senator from Texas takes, all the debate that has been going on has been out of order. The only motion that can be debated upon a conference report is a motion to agree to the conference report.

Mr. CULBERSON. The question which has been before the Senate was what it should do with this report. No formal motion was made to agree to it until a moment ago, and then as a substitute for a motion to recommit.

Mr. SMOOT. I want to read Rule XXVII, Mr. President.

REPORTS OF CONFERENCE COMMITTEES.

The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put and shall be determined without debate.

That is Rule XXVII.

Mr. OVERMAN. Nobody made the point of order on that. It is too late to make it now. We have been going on by unanimous consent to consider the report all the time, and that has been the question—Shall we proceed to the consideration of the report? That is what we have been debating.

Mr. SMOOT. Mr. President, I understand, and I think it has been so stated by the Chair several times, that the question is, Shall the Senate agree to the conference report? That was the only motion that could be debated as it has been debated for the last week.

Mr. WILLIAMS. If the Senator will pardon me, the first question is, Shall the Senate proceed to the consideration of the report?—regardless of the motion before the Senate.

Mr. SMOOT. And that is without debate.

Mr. WILLIAMS. And then the various motions named are in order according to their priority.

Mr. BORAH. Mr. President, a motion to proceed to the consideration of the conference report was put, and the Senate did proceed to its consideration. That was carried and has been disposed of. It is a thing of the past. That motion prevailed days ago, and we have been proceeding with it ever since. Time and time again it has been said during its consideration, when the debate would cease, that "the question is upon agreeing to the report of the conference committee." The proposition that we proceed to the consideration of the report was disposed of at the time we did proceed to its consideration.

Mr. OVERMAN. There has been no motion made since.

The VICE PRESIDENT. The Chair has been proceeding here for a week upon the theory that the pending question before the Senate was upon agreeing to the report of the conferees. The Chair has stated it some dozen times as being the pending question. Nobody has ever disputed it until just now.

Mr. WARREN. Mr. President, there is no question but that when a conference report is first presented to the Senate if a motion is then made for the acceptance of the agreement it is decided without debate. If it is objected to, it goes over, as this did, and may become unfinished business, or it may remain to be called up at some later time, the question still remaining to be decided whether it shall be agreed to or not and coming up in due course by a motion to agree. That motion having been decided adversely, the next step usually is for the ranking member of the conference committee who has the measure in charge to move for a further conference and that the Senate insist upon its amendments, and so forth. Now, an open motion to recommit, if made, would, of course, take it back to the conferees, the same end being reached in either case.

Mr. CHILTON. Mr. President, I do not know whether it will contribute to the information of the Senate or not, but I do not think the actual situation has yet been stated.

Some time last week the Senator from North Dakota [Mr. MCCUMBER] moved that this matter be postponed until the first day of the next session. Since that motion was made we have understood that that was the pending question. A few moments ago that question was settled in the negative by a vote of the Senate. Now the question is, What is the parliamentary situation?

I simply wanted that fact to be stated before the Chair ruled on the question.

The VICE PRESIDENT. The Chair has stated for a week, every time on resuming the chair, that the pending question was on agreeing to the conference report, and nobody has disputed it.

Mr. OVERMAN. Suppose the Chair has stated it. Does that make it so?

The VICE PRESIDENT. The Chair does not like to be put in that position.

Mr. OVERMAN. If the RECORD does not show that any motion at all was made, the fact that the Chair so stated can not make it so.

The VICE PRESIDENT. Mr. Cleaves on Parliamentary Law lays it down that, without the motion ever being made, that is the only question that is pending, unless there be a motion to recommit.

Mr. OVERMAN. Not when a motion was made to proceed with the consideration of the conference report.

The VICE PRESIDENT. That was settled a week ago.

Mr. OVERMAN. That was the motion then pending.

The VICE PRESIDENT. The Chair rules that the motion to recommit is in order.

Mr. REED. I call for the yeas and nays.

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

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. Under the terms of it I have a right to vote upon this question. I vote "nay."

Mr. GORE (when his name was called). I announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. HOLLIS (when his name was called). I am paired with the junior Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CLAPP (when Mr. KENYON'S name was called). I desire to announce the unavoidable absence of the junior Senator from Iowa [Mr. KENYON]. I am authorized to state that if he were present he would vote "yea" on the motion to recommit this bill.

Mr. LEA of Tennessee (when his name was called). I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER] which I transfer to the junior Senator from Arkansas [Mr. ROBINSON] and vote "nay."

Mr. OWEN (when his name was called). I transfer my pair with the junior Senator from New Mexico [Mr. CATRON] to the senior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SMITH of Maryland (when Mr. SAULSBURY'S name was called). I was requested to state that the junior Senator from Delaware [Mr. SAULSBURY] is absent on account of sickness. He is paired with the Senator from Rhode Island [Mr. COLT].

Mr. STERLING (when Mr. SHERMAN'S name was called). I was requested to announce the unavoidable absence of the Senator from Illinois [Mr. SHERMAN] and to state that if he were present he would vote "yea" on this motion.

Mr. BRYAN (when the name of Mr. SMITH of Georgia was called). The senior Senator from Georgia [Mr. SMITH] is detained from the Senate on account of illness. He is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Louisiana [Mr. RANSDELL] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. In his absence and not being able to secure a transfer of the pair I shall have to withhold my vote.

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). My colleague [Mr. TOWNSEND] is necessarily absent from the Chamber. He has a general pair with the junior Senator from Arkansas [Mr. ROBINSON]. If my colleague were present, he would vote "yea."

Mr. VARDAMAN (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. BRADY]. I understand that if he were present he would vote as I should on this question. So I shall vote. I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Tennessee [Mr. SHIELDS] and vote. I vote "nay."

The roll call was concluded.

Mr. PAGE. I desire to announce the necessary absence of my colleague [Mr. DILLINGHAM] and to state that he has a general pair with the senior Senator from Maryland [Mr. SMITH].

Mr. SMITH of Michigan. I stated that my colleague [Mr. TOWNSEND] is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I have no recent authority for making that statement, and I therefore desire to change it and to announce the unavoidable absence of my colleague and to state that if he were present he would vote "yea."

Mr. LANE. I understand that the junior Senator from Arkansas [Mr. ROBINSON] is detained at home by illness.

Mr. SMOOT. I wish to announce the following pairs:

The junior Senator from Rhode Island [Mr. COLT] with the junior Senator from Delaware [Mr. SAULSBURY];

The senior Senator from New Mexico [Mr. FALL] with the senior Senator from West Virginia [Mr. CHILTON];

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN]; and

My colleague [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 25, nays 35, as follows:

YEAS—25.

Borah	Lane	Page	Thomas
Bristow	McCumber	Penrose	Vardaman
Burton	McLean	Perkins	Warren
Clapp	Martine, N. J.	Reed	Williams
du Pont	Nelson	Smith, Mich.	
Gronna	Norris	Smoot	
Jones	Oliver	Sterling	

NAYS—35.

Ashurst	Hughes	Owen	Smith, Md.
Bankhead	Johnson	Poindexter	Smith, S. C.
Bryan	Kern	Pomerene	Swanson
Camden	Lea, Tenn.	Root	Thompson
Chamberlain	Lee, Md.	Shafroth	Thornton
Chilton	Martin, Va.	Sheppard	Walsh
Culberson	Myers	Shively	West
Fletcher	O'Gorman	Simmons	White
Hollis	Overman	Smith, Ariz.	

NOT VOTING—36.

Brady	Dillingham	Lewis	Shields
Brandegee	Fall	Lippitt	Smith, Ga.
Burleigh	Gallinger	Lodge	Stephenson
Catron	Goff	Newlands	Stone
Clark, Wyo.	Gore	Pittman	Sutherland
Clarke, Ark.	Hitchcock	Ransdell	Tillman
Colt	James	Robinson	Townsend
Crawford	Kenyon	Saulsbury	Weeks
Cummins	La Follette	Sherman	Works

So Mr. REED's motion to recommit the report was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the conference report.

Mr. CULBERSON. On that I ask for the yeas and nays.

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

Mr. CHILTON (when his name was called). Making the same announcement as on the former vote, I vote "yea."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote, unless it is necessary to make a quorum.

Mr. HOLLIS (when his name was called). I announce my pair and its transfer as before and vote "yea."

Mr. CLAPP (when Mr. KENYON's name was called). I desire to make the same announcement as before regarding the necessary absence of the junior Senator from Iowa [Mr. KENYON] and to state that if he were present he would vote "nay."

Mr. LEA of Tennessee (when his name was called). I repeat the announcement of my pair and its transfer and vote "yea."

Mr. O'GORMAN (when his name was called). I repeat the announcement regarding my pair and its transfer and vote "yea."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. STERLING (when Mr. SHERMAN's name was called). I again announce the necessary absence of the Senator from Illinois [Mr. SHERMAN] and state that if he were present he would vote "nay."

Mr. BRYAN (when the name of Mr. SMITH of Georgia was called). I repeat the announcement as to the absence of the senior Senator from Georgia [Mr. SMITH] made on the last roll call, and announce further that if he were present he would vote "yea."

Mr. SMITH of Maryland (when his name was called). I transfer my pair as upon the last vote and vote "yea."

Mr. STONE (when his name was called). I make the same announcement that I made on the last vote as to my pair and withhold my vote. If I were at liberty to vote I should vote "yea."

Mr. VARDAMAN (when his name was called). I have a pair with the junior Senator from Idaho [Mr. BRADY] and withhold my vote.

Mr. WALSH (when his name was called). I renew the statement made on the preceding roll call, making the same transfer of my pair, and vote "yea."

The roll call was concluded.

Mr. JAMES. I desire to inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a pair with that Senator and in his absence withhold my vote, being unable to secure a transfer. If permitted to vote I should vote "yea."

The result was announced—yeas 35, nays 24, as follows:

YEAS—35.

Ashurst	Hughes	Owen	Smith, S. C.
Bankhead	Johnson	Poindexter	Swanson
Bryan	Kern	Pomerene	Thompson
Camden	Lea, Tenn.	Shafroth	Thornton
Chamberlain	Lee, Md.	Sheppard	Walsh
Chilton	Martin, Va.	Shively	West
Culberson	Myers	Simmons	White
Fletcher	O'Gorman	Smith, Ariz.	Williams
Hollis	Overman	Smith, Md.	

NAYS—24.

Borah	Jones	Norris	Root
Bristow	Lane	Oliver	Smith, Mich.
Burton	McCumber	Page	Smoot
Clapp	McLean	Penrose	Sterling
du Pont	Martine, N. J.	Perkins	Townsend
Gronna	Nelson	Reed	Warren

NOT VOTING—37.

Brady	Fall	Lodge,	Stone
Brandegee	Gallinger	Newlands	Sutherland
Burleigh	Goff	Pittman	Thomas
Catron	Gore	Ransdell,	Tillman
Clark, Wyo.	Hitchcock	Robinson	Vardaman
Clarke, Ark.	James	Saulsbury	Weeks
Colt,	Kenyon	Sherman	Works
Crawford,	La Follette	Shields	
Cummins,	Lewis	Smith, Ga.	
Dillingham,	Lippitt,	Stephenson	

So the conference report was agreed to.

Mr. REED. Mr. President, in view of the fact that by the interjection of a point of order the Senate was deprived of the opportunity to express its opinion as to whether it desires criminal penalties in the antitrust legislation or not, I simply wish to say that I propose immediately to introduce a bill to add criminal penalties to these sections as soon as the bill becomes a law.

Mr. VARDAMAN. Mr. President, I wish to say that I was very desirous that this conference report should be recommitted, so that it might be amended in accordance with Democratic promise and fulfill the hopes and absolve the party's obligation to the American people. The junior Senator from Missouri [Mr. REED] has won the everlasting gratitude of the American people by his able effort to protect their interests and by the enactment of a law to punish the trust makers of the land. I desire to pay him the tribute of my admiration and gratitude for his superb effort in the cause of the people. But the Senate refuses to recommit the conference report. I prefer the measure as reported from the committee to nothing; so if I had been permitted to vote I should have voted for the adoption of the report as it came from the committee. It is the next best thing, which I make it a rule to accept if I can not get the best.

VOTES ON FEDERAL RESERVE ACT.

Mr. OWEN. Mr. President, I have in my hand a statement prepared in the office of the Secretary of the Senate relative to the yea-and-nay votes of the Senate during the consideration of the Federal reserve act, approved December 23, 1913. I ask that the statement may be printed as a public document.

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

Mr. SMOOT. What was the request?

Mr. WILLIAMS. Does it contemplate a payment out of the contingent fund of the Senate?

Mr. OWEN. I should think so. I do not know just what the custom has been. The Secretary of the Senate has had this record prepared.

Mr. WILLIAMS. There is an absolute rule of the Senate which forbids anything from being paid out of the contingent fund of the Senate until after it has been adopted by the Committee to Audit and Control the Contingent Expenses of the Senate. If that be the case, I move the reference to that committee.

Mr. OWEN. I have no objection to the reference suggested.

Mr. WILLIAMS. That is all right. I ask that it be referred to the committee.

The VICE PRESIDENT. It will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ADJOURNMENT TO WEDNESDAY.

Mr. KERN. I move that when the Senate adjourns to-day it be to meet on Wednesday at 12 o'clock meridian.

The motion was agreed to.

WASHINGTON STATE MEMORIAL STONE.

Mr. POINDEXTER. On the 1st day of October, 1914, it being the twenty-fifth anniversary of the ratification of the constitution of the State of Washington, a stone presented by the State of Washington was placed in the Washington Monument in this city, and certain proceedings were had upon that occasion. I ask unanimous consent that those proceedings may be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. FLETCHER. I should like to know just the extent of the proceedings referred to.

Mr. POINDEXTER. The extent of them is not great. It consists of very brief five-minute addresses that were made by the members of the delegation from the State of Washington upon the occasion of the dedication of the memorial stone placed in the Washington Monument by the State of Washington.

Mr. FLETCHER. Where were the exercises held?

Mr. POINDEXTER. The exercises were held in the Washington Monument.

Mr. FLETCHER. Of course, in view of the Senator's statement, I make no objection to it. I did not understand the request previously.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

PROCEEDINGS HELD IN THE WASHINGTON MONUMENT, WASHINGTON, D. C., OCTOBER 1, 1914, UPON THE DEDICATION OF A MEMORIAL STONE PLACED IN THAT MONUMENT BY THE STATE OF WASHINGTON.

Rev. Forrest J. Prettyman, Chaplain of the United States Senate, offered the following invocation:

Almighty God, who dost from Thy throne behold all the dwellers upon earth, grant us, we beseech Thee, a due sense of Thy marvelous dealing with us as a Nation. From the beginning of our national life to this good hour Thou hast guided us in the way of continual progress and happiness, and hast bestowed upon us the riches of Thy grace and care. Thy Name has made us great. By Thy favor we have grown to our present state of prosperity. There are no other Gods beside Thee. Thou art the author of every good and perfect gift.

We thank Thee for all the God-fearing men who have been called into the public service and have left their influence upon the State. We remember to-day with thankful hearts the name that we have not been willing to let die from our national life. One who revered Thy name, and by Thy grace achieved the early victories of our national life. His fame ever increases among us. The impress of his spirit is still upon us. To-day the citizens of a great State bring their tribute to his blessed memory, and build into this national monument their token of appreciation of one who feared God alone, and gave his life to his country.

Look with Thy favor, we pray Thee, upon the men and women and children of the great State of Washington, who by their representatives perform this sacred act at this time. May their freedom be preserved, may their fair fields yield their increase, may they hold with loving zeal the faith of the fathers, and may they hold in sacred trust the name of the first President of our Nation. We pray also for all nations. Let the spirit of the Christ come upon those that are to-day engaged in awful conflict. Teach men the unspeakable folly and crime of war. Pity those who are led into the battle of nations through their love of country and the high calls of duty. O God, let peace come again in all the earth and good will animate all people.

We make our prayer in the name of the Prince of Peace. Amen.

LETTER FROM GOV. LISTER.

Senator MILES POINDEXTER, the presiding officer, read the following letter from Gov. Ernest Lister, of the State of Washington:

OCTOBER 1, 1914.

Hon. MILES POINDEXTER,
United States Senate, Washington, D. C.:

MY DEAR SENATOR POINDEXTER: I deeply regret that distance and the press of work here render it impossible for me to be with you and the other members of the Washington delegation to-day on occasion of the unveiling of the Washington State stone in the Washington Monument.

The date selected for the ceremonies is, indeed, a happy one. It enables the State of Washington to assume not only a proprietary but a fine sentimental interest in one of the world's noblest structures—the memorial with which it shares the name of the Father of His Country—on the day which marks its twenty-fifth year under the principle of government which George Washington fought for and led.

That the State of Washington has not heretofore been represented in the monument is explained by the fact that in a vast new Western State, such as is ours, men have been rather too busily engaged in the task of practical building to give much thought or attention to the sentimental things. The placing of the stone that is to-day unveiled is, first of all, an act of sentiment. The stone itself means no more than does any other stone, but the spirit that inspired the building of the great shaft of which it now forms a part, the spirit that has already led most of the States of the Union to place slabs of their native rock within the monument, has real significance.

The stone unveiled to-day, with the stones to which it now becomes companion, represents the sterling manhood and womanhood that has made the State of Washington great, and will make it still greater, and that has placed the United States in the position of leadership among nations.

I am pleased indeed, and I am sure every citizen of the great State of Washington will be gratified in knowing that our State to-day takes its proper representation in connection with an institution which typifies Americanism, as does the Washington Monument.

While I deeply regret that I can not personally be present at the unveiling ceremonies, I am honored in knowing that I am to be personally represented by a man who spent several years of his life in the State of Washington, and to whom the State proudly points as a foster son. I refer to the Hon. Franklin K. Lane, Secretary of the Interior, who has very kindly consented to spare a few moments from the great tasks that are absorbing his attention at this time and represent and speak for me. I am under a debt of gratitude to Mr. Lane for his kindness in complying with my request in this connection. He knows the West; he knows the State of Washington. What he shall say to you will be what I would say to you had I his ability.

With assurances of my high personal esteem, I have the honor to be,
Sincerely, yours,

ERNEST LISTER, *Governor.*

ADDRESS BY SECRETARY LANE.

Hon. Franklin K. Lane, Secretary of the Interior, delivered the presentation address. In presenting the stone he said:

Mr. Chairman, ladies, and gentlemen, as has been said by the chairman, I am, in a sense, a Washingtonian, almost a pioneer in that State. Something over 20 years ago I lived in Tacoma, and while there I found a young man working in a foundry, helped nominate him for membership in the municipal council and elect him, and that young man is now Gov. Lister, of the State of Washington. And because, perhaps of that sentimental connection between us he has asked me to present this stone on behalf of the State.

Men will follow me, I see by the program, far more capable of presenting to you the glories of that State than I am; more familiar with the majesty of its scenery, the almost untouched resources of the State, and the great possibilities which that farthermost State has. Suffice it for me to say that if Gen. Washington could look down over the parapets and survey the State that has been named after him, or even if his devoted and admiring wife were to survey that State, she would say that the State was in all ways worthy of its name.

In this monument I take it that we have not merely erected a personal tribute to the man who made this great Nation possible. It is in itself a thing of extreme and rare beauty. I was surprised some months ago to read in a book by Mr. Arnold Bennett—one of those English gentlemen who spends two weeks in the United States and feels himself fitted to pass upon the spirit and resources, the peculiarities, and the possibilities of the United States—I was surprised to find that he spoke of the Washington Monument as a thing that was ugly, even to the point of hideousness. It is ununderstandable to me that a man who is in any sense artistic could make any criticism of this wonderful structure. And I have sometimes thought when reading the automobile opinions of these men from foreign countries that it might be well, perhaps, if we entered into a game of reprisal and chose some of our literary men of rare descriptive power, such a man perhaps as Mr. Robert Herrick, to take a walk through the Strand and around Trafalgar Square and see what they could find that might be subject to the artistic criticism of the cultured American.

This monument, I think we can say without any spirit of national boasting, is the most impressive and, all things considered, the most beautiful structure ever erected by a Nation as a tribute to one of its own people. [Applause.]

It is more than that, it is a national pledge. It is the upraised arm of the Nation, swearing an allegiance as lasting as stone itself to those principles, those ideals, those emotions, all those mysterious things which go to make up what we call democracy. [Applause.] And in the name of Washington, chief among our patriots, the State of Washington dedicates this stone. [Applause.]

MISS JONES UNVEILS THE STONE.

The Washington State stone was unveiled, amid applause, by Miss Hazel Jones, daughter of Hon. WESLEY L. JONES, senior Senator from the State of Washington, the orchestra playing the national anthem. Miss Jones is a native of Washington, having been born at North Yakima.

The stone is of native sandstone, hewn from the Hercules quarry at Tenino. On it are carved the words "State of Washington," and below is the great seal of the State of Washington.

Very brief five-minute addresses were made by the members of the delegation from the State of Washington.

ACCEPTANCE BY COL. HARTS.

Col. William W. Harts, United States Army, in charge of public buildings and grounds and Washington Monument, accepted the Washington State stone with the following remarks.

Ladies and gentlemen, it is with peculiar pleasure that I find myself in the position where I can represent the Government on such an enjoyable occasion.

The American people have always taken great pride in the patriotism and achievements of Gen. Washington, whom they regard universally as the Father of his Country and its most illustrious defender. So high has this regard been that the Nation, in grateful memory, has erected this monument, to stand for all time, not only to commemorate his public service, but to serve as a reminder to others who may see it, that it may stimulate their emulation to follow his principles.

This Monument has been erected by a grateful Nation in which all States have participated, but in order to feel greater interest in this memorial it has been the practice for separate States to have inserted in its walls their own special stones, inscribed with their names and seals. This practice is founded on sentiment, but a sentiment which is beautiful and praiseworthy. I take much pleasure, as a Government officer, in welcoming to this Monument the stone of the great State of Washington.

ADDRESS BY SENATOR JONES.

Hon. WESLEY L. JONES, senior Senator from the State of Washington, delivered the following address:

Mr. Chairman and citizens of the State of Washington, to do or die was the spirit of the fathers. "Give me liberty or give me death" moved their hearts, nerved their arms, and brought this Nation of ours into being. Its hopes and ideals were wrested from the womb of time amid shot and shell and blood. The perils and dangers, the battles and struggles, the sorrows and privations braved, suffered, and endured by those who gave the world a new birth of freedom are a priceless heritage for the children of men who to-day enjoy the blessings of that free government which they set up. American citizenship is a priceless boon of the ages. It was the dream of the ancients, the ideal of the Middle Ages, and is the acme of the present. Its rights, duties, and privileges are made precious by those who have nobly lived and bravely died. Everyone who dons this priceless toga should know and fully realize—

"What anvils rang, what hammers beat,
In what a forge and what a heat
Were wrought the anchors of our hope."

True to the principles that moved the fathers, we come on behalf of a million and a quarter of as brave, loyal, intelligent, high minded, and patriotic people as live beneath the flag to pay our tribute of love and admiration to him whose honored name is borne by our great Commonwealth. We will place in this lofty shaft a product from our mines as a token of our love and respect not only to the life and character of the greatest figure of his time, but also to the spirit and motives which moved him and those who like him dared the wrath of a mighty people that liberty and freedom might have an eternal abiding place from which to move the world until all people shall enjoy the blessings of freedom which every human heart desires. As we place here this stone we pledge ourselves to do our part in our great national fabric to uphold and maintain those principles and perform our task in the work of the ages.

This shapely, towering shaft typifies the lofty character of him whom we delight to honor, and the stability and surpassing grandeur of this Nation dedicated to liberty and good Government. It symbolizes the unity of distinct States and the strength of national sovereignty. As we take our place in this common tribute to the man who "was first in war, first in peace, and first in the hearts of his countrymen," and who is growing greater and greater in the world's developing life as the years go by, we pledge our people to do their duty in maintaining the strength of this Republic and the principles which it represents, and to aid in the solution of those problems of a higher and grander civilization, so that the comfort, happiness, and joy of all the people may be more full. Our State and our people are in the forefront of progress, enlightenment, and good government. With resources of every kind and character beyond measure, expanding commerce, commodious harbors, exhaustless fisheries, illimitable forests, splendid mines, rich and varied agriculture, diversified manufactures, stupendous water powers, we are striving to build a State and develop a people who shall be and will be worthy of the great name we bear, Washington.

ADDRESS BY CONGRESSMAN HUMPHREY.

Congressman WILLIAM E. HUMPHREY, senior Member of the House of Representatives from the State of Washington, delivered the following address:

It is most fitting that the State that bears the name of one of the greatest of earth should contribute her tablet to be placed in the monument dedicated to his illustrious memory. It is most fitting that this ceremony should be performed upon the day that the State of Washington adopted its constitution. The State and the constitution are worthy of Washington and of the mighty Nation that he founded.

Our constitution, adopted by the patriotic pioneers, is in harmony with the genius of our institutions, giving liberty under law, and unmarred by the dangerous theories of socialistic dreamers.

Our State in the vastness and the variety of its natural resources stands first in this great Nation. The wealth of field and forest, of plain and valley, of mountain and sea are all found in matchless measure in Washington. In the products of our forests, and in the output of our fisheries, the Evergreen State stands first. In climate and scenery we have the most inviting and varied, the most magnificent and beautiful in all the circle of the globe.

We are, indeed, a State of infinite variety. We have sunshine and shadow. We have the wonderful Puget Sound country in the west, with the mightiest forests of all the world, ever green from the life-giving rains of the great Pacific; and we have the arid regions of the east, that under irrigation have been made to bloom and blossom as no other part of this earth. We have the majestic, rugged mountains of the west, the great rolling plains of the east. We have the most wonderful wheat fields that bloom and blossom in the east, and in the west we have the most valuable fisheries of all the waters of the seas. In the west we know not the breath of winter nor the torrid heat of summer; roses bloom every month in the year, and our hills and valleys are as green in January as in June, and in our majestic mountains mighty rivers rushing to the sea contain sufficient energy to turn all the wheels of industry. In the east the frost of winter, the sunshine of summer, the matchless soil combine to produce a harvest perfect and matchless.

The measureless wealth of land and sea, mountain and plain, of forest and field, of climate and scenery, is all found in the State of Washington. Ours is, indeed, a State of infinite resources, of marvelous wealth, and matchless opportunity.

Another century and Washington will be first in wealth, first in population, first in opportunity, first in all that goes to make up a contented and happy people of all the States of this mighty Nation.

As we stand here now and think of the days of the Revolution, as we think of the times then and now, as we think of the progress of the world since our Nation was born, what a rebuke it is to the chronic pessimist, that forever looks upon things with a jaundiced eye and croaks that the world grows worse. If the Father of his Country could stand here to-day, he would be little more surprised at the railroad and at the telegraph, at the telephone and the automobile, at the wireless telegraph and the flying machine, at the marvelous triumphs of mechanical genius, than he would at the growth of individual liberty, general enlightenment, and universal progress of the human race.

There is more comfort and luxury and less poverty and crime in this world to-day than ever before. There is more humanity and charity to-day than ever before. There is more liberty and justice than ever before. There is nearer equality than ever before The individual has a larger share in the affairs of government than ever before. There is more honesty in public and private life to-day than ever before. There is more honor among men and more virtue among women to-day than ever before.

Washington the State, Washington the man! The greatest State of the Union, the greatest man of the Nation! How fitting that our State should have been the one selected to perpetuate his memory and keep his deeds ever before the minds of men. How fitting that the State that bears his name should be one over which no other flag has ever floated but the Stars and Stripes. How fitting that no other flag should ever shadow the State that bears his immortal name but the one that he unfurled in defiance in the blue air of heaven, to float forever over a free people.

ADDRESS BY GEN. WILSON.

Brig. Gen. John M. Wilson, United States Army, retired, the oldest cadet from the State of Washington, was introduced by the presiding officer. Gen. Wilson was appointed a cadet to West Point in 1854 by Columbia Lancaster, the first Delegate in Congress from the Territory of Washington. Gen. Wilson's address follows:

Mr. Chairman, ladies and gentlemen, among the many honors conferred upon me during my long, busy, and eventful life of nearly 77 years, none has touched me more deeply than that of being invited to appear to-day before this galaxy of beautiful and charming women and of noble, brave, accomplished statesmen, professional and business men, representing particularly the grand, superb northwestern State of our glorious Union, named after the Father of his Country, which to-day unveils the beautiful stone placed in this glorious monument erected in memory of the immortal Washington.

I present myself in a trinity of positions—first, as one born in the Capital City of the Nation, now a member of the Washington National Monument Society, whose first president was that great Chief Justice of the United States, Hon. John Marshall, who was elected in October, 1833, just 81 years ago, a society which has had among its members eminent statesmen, soldiers, and other distinguished citizens.

This society, organized in 1833, was incorporated by act of Congress on February 22, 1859, which act provided that thereafter the President of the United States should be ex officio its President, and to-day the Hon. Woodrow Wilson, President of the United States, occupies the position, and our secretary is that able, esteemed and accomplished gentleman Mr. Frederick L. Harvey, who is ever vigilant, watchful, and interested in everything connected with this superb structure.

Second, I appear as a former resident of the State of Washington, one who was a page in the United States Senate from 1849 to 1853, in the days of Webster, Clay, Calhoun, Cass, Douglas, Benton, Jefferson Davis, Sumner, Seward, Hale, and other great statesmen of the Thirty-first and Thirty-second Congresses, and who at the age of 16 emigrated to the golden West, crossed the Isthmus of Panama on a mule, reaching San Francisco after a journey of a month, and thence pushed forward to Washington Territory and located in Olympia on Puget Sound, then a small town of 150 white people and about 300 Indians, the present great city of Seattle at that time consisting of a few log cabins, while the site now occupied by the beautiful city of Tacoma was a superb forest.

A boy, a stranger, far from his original home, I was welcomed and kindly treated by the people of the town, and was soon hard at work and recognized as a resident of the Territory of which at that time that magnificent soldier and ideal gentleman, Gen. Isaac I. Stevens, was governor. He was more than friendly and cordial, greeting me most kindly, and when in 1854 the Hon. Columbia Lancaster, then a Delegate in Congress from the Territory, wrote to him that the War Department had called upon him to nominate a youth for appointment to the West Point Military Academy and requested the governor to recommend some one, the governor and others nominated me, and I was the first West Point cadet and the first graduate of the Military Academy from the now superb State of Washington. I mention these personal facts simply to show why I am, and always will be as long as life lasts, interested in and devoted to the welfare and prosperity of this grand and magnificent extreme northwestern State of our glorious Republic.

Third, I appear as one who saw the corner stone of this monument laid on July 4, 1848, and heard that grand and eloquent oration of the Hon. Robert C. Winthrop, of Massachusetts, in which he paid that exquisite tribute to the memory of Washington when he said:

> Lay the corner stone of a monument which shall adequately bespeak the gratitude of the whole American people to the illustrious Father of his Country. Build it to the skies, you can not outreach the loftiness of his principles. Found it upon the massive and eternal rock, you can not make it more enduring than his fame. Construct it of peerless Parian marble, you can not make it purer than his life. Exhaust upon it the rules and principles of ancient and modern art, you can not make it more proportionate than his character.

It has been well said that the whole world, occidental and oriental, has shown its appreciation of the fame of George Washington, and memorial stones were sent from all portions of the globe to be built in this obelisk.

To-day, the twenty-fifth anniversary of the entrance into the Union of the magnificent State of Washington, it presents to the Nation its memorial stone for this stately and beautiful monument, and now, I believe, only five States of our glorious Union are without mark within this structure of their admiration and love for the hero and statesman in whose memory it has been erected; he who was honorable in every sense, firm and true in peace and war, and for whom we all join in proclaiming that generations will come and pass away ere the beautiful and beloved memory of George Washington shall be forgotten.

The State of Washington is glorious in every sense of the word; its citizens are patriotic, broad-minded, intellectual, true people of the highest type of character; its climate is delightful; its fields of grain are enormous not only in size but in the quantity and quality of their produce; its orchards are grand and prolific in delicious fruits; its beautiful Puget Sound is a harbor that can float at anchor the fleets of the world; its cities are rapidly growing in size, wealth, and importance, while the beauty of its scenery compares favorably with that of Switzerland or any other of the countries of the Eastern or Western Continents.

If I may be excused for thus speaking of my admiration of this northwestern mosaic block of our Union, I will mention one instance alone descriptive of its scenery.

In 1877 I was locating the exact site of a lighthouse to be erected on Point Wilson on the west side of Admiralty Inlet, where Puget Sound empties its waters into the Straits of Fuca; the afternoon was glorious, the sun in its gorgeous brilliancy was nearing the horizon; as I faced to the south the waters of the sound sparkled like a myriad of diamonds; off to the southeast Mount Rainier raised its snow-capped peak several thousand feet above the level of the sea, a wide band of beautiful clouds encircling it halfway between its base and summit; on the west side of the sound the top of the Olympian Range was covered with snow, rendered beautiful by an exquisite pink tinge, the like of which I have never seen elsewhere, while off to the south, on the other side of the grand Columbia River, Mount Hood, Mount St. Helens, and the Three Sisters raised their snow-capped peaks nearly to the clouds, all sparkling in the sunshine as if of brilliant crystal.

As I turned my face to the north Mount Baker appeared in all its grandeur to the northeast, while the hills of Vancouver Island were spread out in all their beauty and the magnificent Straits of Fuca flowed gently and smoothly toward the Pacific Ocean. Although this occurred 37 years ago, it is so photographed on my memory that I can close my eyes at any time and again look upon this scene of grandeur, the most beautiful of its kind, I believe, in this or any other country.

The construction of this great monument to our first President was continued by subscription under the direction of the Washington National Monument Society with more or less trouble from certain sources, when, in 1854, after the monument had reached a height of 153 feet above the foundation and the society had expended about $230,000 upon the structure, work was suspended.

The great War between the States of 1861–1865 withdrew public interest to some extent from this grand and glorious monument and work was not really resumed until Congress in the name of the people of the United States, by the act approved August 2, 1876, assumed charge of the structure and made the necessary appropriations from time to time for the work.

That able, accomplished, and distinguished officer, Gen. Thomas L. Casey, of the Corps of Engineers of the United States Army, a man of the highest type of ability and integrity, was placed in charge, and with the aid of his two able, accomplished, and admirable assistants, Capt. George W. Davis, now Maj. Gen. George W. Davis, a most distinguished officer of the United States Army, and Mr. Bernard R. Green, an able and highly accomplished civil engineer, the great structure was completed in 1884 and dedicated in the most solemn and impressive manner on February 21, 1885.

It was my good fortune to have been present at the dedication ceremonies and, after the promotion of Gen. Casey to the position of Chief of Engineers of the United States Army, to have been assigned to the duty of contructing the mound around the monument, filling up the ponds near it, laying out the roads and grounds, erecting the office building, and placing within the inner walls of the structure sections of the beautiful stones which, although of material not sufficiently strong and durable for the great work, could well appear in the inner walls in sections of 6 inches in thickness, coming as they had done, with the love, devotion, and admiration of the people of the nation.

This monument is the highest obelisk in the world; it is 555 feet 5 inches in height from floor of shaft to apex, weighs 81,120 tons, and cost $1,300,000.

Gen. Wilson then read a telegram of greetings from Mr. Scott C. Bone, editor of the Post-Intelligencer, Seattle, Wash.

ADDRESS BY CONGRESSMAN LA FOLLETTE.

Congressman WILLIAM L. LA FOLLETTE delivered the following address:

Mr. Chairman, members of the Washington delegation in Congress, citizens of the State of Washington, and friends, it is indeed fitting that in this great obelisk of stone erected in honor of the Father of his Country there should be placed an inscribed tablet of enduring sandstone quarried in and transplanted from that far western State on the Pacific slope named for him to whose undying fame this shaft was dedicated—the State of Washington.

This huge shaft, pointing upward into the heavens to a height of 555 feet, is known all over the world as one of its greatest monuments, as he whom it commemorates is known as one of its greatest men. We of the State of Washington are proud of this monument to the memory of Washington in the city of Washington, the capital of the greatest and politically the freest nation on the face of the earth. We are glad that it has been erected here on the eastern slope of the Appalachian Range of mountains, whose shore is washed by the great Atlantic Ocean, near to the State that gave him birth, the Old Dominion State, Virginia; in sight of the noble Potomac River, even to where that river laves the banks of his beloved Mount Vernon. Yes; we are glad that the people of our country have builded this monument.

But, O my countrymen, we of the Pacific coast have what will prove to be a more enduring monument than this one, of which we are all so proud—the young but great State of Washington, already, in proportion to population, the first in education, the first in forest, and one of the first in field, with its mammoth rivers, its mountain ranges, and dazzling snow-clad peaks, monuments of grandeur and purity—St. Helens, Mount Adams, and that great mountain, called by the Indians "Tacoma," geographically known as Mount Rainier; Mount Baker, and the magnificent Olympics, the wonderful Puget Sound.

O Washington, my Washington; its streams, its lakes and dells, its plains and woodland swells; Washington, my Washington! Its soil, marvelous in productiveness; its fruits of vine and tree; its thriving villages and towns; its great cities that only the other day were villages; its million and a half of happy, hustling people, composed of strong adults, confident youth, and happy children—O what a monument is that one we are erecting there to the Father of his Country! Washington, my Washington! We are proud of this monument and glad to have a part in it; but way out yonder we are erecting to him a greater one.

ADDRESS BY CONGRESSMAN BRYAN.

Congressman JAMES W. BRYAN delivered the following address:

Mr. Chairman, Senators, colleagues, fellow citizens of the State of Washington, ladies, and gentlemen, after a long and lonesome voyage, at the first sight of land the heart of the wearied mariner leaps with joy and his lips exclaim with thanksgiving, "Home, sweet home," although there may yet remain days and days of tiresome labor with wind and wave ere his bark puts in to that haven of rest and benediction called home. And so this morning, after this long and tiresome session of Congress here at the Nation's Capital, 3,000 miles from home, my heart beats with rapture and my soul exults in praise as I participate in these exercises, which turn our minds to the achievements of our own fellow citizens within the confines of our own Commonwealth and cause us to mingle with such a large company of men and women who are inhabitants of our own proud State.

We have caused to be engraved upon the polished surface of this splendid specimen of the product of a Washington quarry the name and seal of our beloved State, Washington, and to-day we firmly place it here among similar tokens from the other States which compose the glorious Republic in which we live.

And well may it rest here, proud and dignified, a worthy peer of its colleagues in statehood, for while the colonies were perplexing their minds with the problem of ratifying the Constitution and becoming States in the infant Republic, just ready for its swaddling clothes, Robert Gray and John Kendrick, under authority and inspiration of the flag intrusted to them by John Hancock, governor of Massachusetts, were cruising about the coast of Washington from Puget Sound to the Columbia River, and thereby asserting title by discovery and insuring to the Republic yet to be a world destiny and a supremacy in the greatest of all the oceans, the Pacific, the extent and the responsibility of which we have as yet not even dreamed.

The settlement and development of this territory was the very substance of the "high aim" that has made of Columbia a great predominant American Republic, a world power, rather than an inconsequential unit in the family of nations. The history of the Northwest and the development of our State is replete with glory, but this tablet will occupy its place in this great monument with pride, because the State of Washington has within its border such unlimited resources of forest, of mine, and domain yet owned and held by the public, always to be retained in fee by all the people, but to be used, necessarily, for the immediate benefit of all the people of our State, share and share alike.

Still we must be measured not by glory of history or wealth of public store, but rather by achievements for the betterment of humanity in the use of these opportunities and resources. Here again our State, as the roll is called and the name "Washington" is heard, can hold its head erect and answer that these resources are being developed with due regard for the human element, because in our law books are found the most progressive of laws, enactments which insure fair and honest elections, equality for all in the rights and privileges of government, limitation of hours and regulation of wages for those who toil, powerful corporations subjected to control, municipalities encouraged to own and operate their public utilities, water power held out of monopoly, and rates for its use held within reach of all.

There is not to be found a citizen of the State of Washington who is not proud of his State or who hesitates to proclaim its history, its resources, its high standards of equality and fairness, and its wonderful future.

This tablet is its own testimonial. "Washington," the name thereon inscribed, like the State it designates, stands for all that is best in American history, American life, and American destiny.

ADDRESS BY CONGRESSMAN FALCONER.

Congressman J. A. FALCONER delivered the following address:

Mr. Chairman, ladies, and gentlemen, the spirit of this occasion enlivens our patriotism. These decorations of evergreen and flowers carry to us the scent of our mountains and forests; the familiar seal engraven on this stone takes us back to the great State which we all love so well.

This monument, the finished product of labor and enterprise, is a fact, because of the patriotic integrity of men; its purpose is to serve as a memorial to a soldier-statesman. In a way it stands as the character-temple of this Republic. Its foundation, substantial and strong, represents the bulwark of American liberty; its great height, in the freshness of this autumn morning, suggests life, and the desire for the high standard to which we, a favored Nation, would attain. Builded here in the Capital City directly west of the great white dome yonder and as directly east of another monument (Lincoln) now building there on the banks of the Potomac, this stately shaft carries testimonials from the several States, expressing a principle of united effort and a common purpose.

We are assembled here to-day, the twenty-fifth anniversary of the adoption of our State constitution, to present this token from the citizens of the State of Washington, Washington, the northwest corner State of the Union, 3,000 miles away, where the great Pacific lavishes her waters at the feet of the snow-crest Olympic Mountains.

We are a favored State in name; we are a favored State in citizenship; we are a favored State in our 69,180 square miles of territory, greater than all New England; we are a favored State in natural resources; we are a favored State in firs and fishes; we are a favored State in splendid harbors; and, sir, we are a favored State in a large and rich variety of building and ornamental stones. The sandstone of Tenino, here represented; the Wilkeson, Cumberland, Sucia Island, and Chuckanut, of excellent quality; the granite of Okanogan, Kittitas, Whitman, Chelan, and the mountains of granite of superior quality and easy accessability at Index, Snohomish, all furnish substantial constructive material.

For building and ornamental marble of surpassing beauty we could have presented to you here had we chosen any one of a variety of colors, purple, green, white, pink, black, mottled, gray, cream, or blue from our numerous quarries.

Since a day early in the sixteenth century, when Juan De Fuca called his Spanish sailors onto the deck of his ship to look out upon the ever green shores of the straits which now bear his name, our climate, tempered by the warm currents of the Orient, has been the boast of America. Since James Cook, in 1778, named and sailed from Cape Flattery on return trip to England with the first shipment of our forest product in the

nature of long fir spars, the quality of our timber has been the wonder of the world. Since George Vancouver, on errand from King George III, explored and named Puget Sound, that inland sea has been an ever-increasing joy and delight. From these placid waters are seen mighty sentinels of the Cascades standing guard.

To the north, Mount Baker, with 10,827 feet altitude, marks the north point of the Cascade Range. To the south is the majestic Rainier, standing like a great crystal monument in eternal snow, its altitude, 14,526 feet, carried above the clouds. It is known as Mount Tacoma and as Mount Rainier, but it is loved as "The mountain that was God." To the east is Glacier Peak, and in the depths of beautiful Lake Chelan its lights and shadows fall. Again to the south, midway between the Sound and the Columbia River, is Mount St. Helens, altitude 10,000 feet, and Mount Adams, altitude 12,470 feet. The ice and snows of these great mountains are perpetual, and in glaciers and cataracts creep and tumble on down to the sea, and in their fall there is wrapped up power sufficient to move the industries of the world.

At this time and on this occasion I would not dwell on the natural and commercial advantages peculiar to Washington State. Briefly, I would, in passing, refer to advanced conditions bespeaking enterprising men and intelligent women. In Washington State our school system ranks first in the Union. Our advanced legislation embracing the welfare of men, women, and children has been enacted by the united wisdom of men and women in legislative assembly.

The science of our lumbermen leads the world.

Our paper mills, our iron foundries, our shipbuilding add to our industry and enrich our commerce.

Our coal, iron, and copper mines engage labor.

In horticulture, the rich lands of the Yakima vie with the productive lands of the Wenatchee and Chelan; the valleys of the Okanogan and the Pend D'Oreille class with those of the Columbia, and all surpass in a product of general excellence.

In agriculture, the grain lands in eastern Washington have an average acreage value nearly double that of any other grain-producing State in the Union. The La Connor Flats and adjacent territory are the richest producing oat lands in the world. Sheep and cattle thrive on the buttes and highlands of the Blue Mountains and away across the Columbia Plateau to the foothills of the Cascades; and dairying and general farming are important lines of activity in all Washington.

CITIES.

Our cities stand as monuments of progress. In the heart of the great inland empire, Spokane is the seat of commercial activity, rich in wealth, and specially favored by the falls of the Spokane River, which furnish light and power. To the south, Colfax, Pomeroy, and Dayton, in rich agricultural belts, and Walla Walla, occupying the site of the old fort and called the Garden City of the State. In central Washington, Yakima, Ellensburg, and Wenatchee, the cities of fat bank accounts. On the west coast, Vancouver, of early historical interest; Raymond, Aberdeen, and Hoquiam, thriving lumber cities; Olympia, the beautiful capital city; Tacoma, the electric city of the Pacific coast, with its manufacturing and foreign shipping; Seattle, the city that washes mountains into the sea, with its beautiful parks and lakes, and its 16 to 42 story buildings; Everett, the largest shingle and lumber output city in the world; Mount Vernon, the metropolis of the Skagit; and Bellingham, with her excellent harbor, her canneries, shipbuilding, and educational institutions—these cities all are the pride of our people.

HISTORY.

We are proud of our history, the pages of which recite the virtues of Lewis and Clark and their Indian-maiden guide; of Dr. Marcus Whitman and his faithful followers, missionaries to the Indians, who helped to save all that great territory to the United States; of all the line of Territorial governors, from Isaac I. Stevens to Miles C. Moore; and the governors of the State, from Elisha P. Ferry to Ernest Lister. The records of these men, pioneering and building, is a rich heritage to the citizens of our State.

Mr. Chairman, the word Washington is synonymous with patriotism. From Washington State to the Washington Monument in Washington City, we bring this stone. If it truly represents our people, it is a worthy gem in this great temple.

THAT'S WHERE THE WEST BEGINS.

Out where the hand clasps a little stronger,
Out where a smile dwells a little longer—
  That's where the West begins;
Out where the sun is a little brighter,
Where snows that fall are a trifle whiter,
Where the bonds of home are a wee bit tighter—
  That's where the West begins.

Out where the skies are a trifle bluer,
Out where friendship's a little truer—
  That's where the West begins;
Out where a fresher breeze is blowing,
Where there's laughter in every streamlet flowing,
Where there's more of reaping and less of sowing—
  That's where the West begins.

Out where the world is in the making,
Where fewer hearts with despair are aching—
  That's where the West begins;
Where there's more of singing and less of sighing,
Where there's more of giving and less of buying,
And a man makes friends without half trying—
  That's where the West begins.

—CHAPMAN.

ADDRESS BY CONGRESSMAN JOHNSON.

Congressman ALBERT JOHNSON delivered the following address:

Senator POINDEXTER, Senator JONES, Mr. Secretary Lane, ladies, and gentlemen, others have spoken of the beauties, the grandeur, and the natural wealth of the State of Washington. It seems fitting at the setting of this fine Tenino stone from our State in the Washington Monument, on the twenty-fifth anniversary of the adoption of our State constitution, that I, a resident of Grays Harbor, should pay a slight tribute to Capt. Robert Gray, who, on May 7, 1792—122 years ago, or 300 years after Christopher Columbus—discovered the harbor where I live, which is named for him, and the discovery of which gave the United States title to the State of Washington.

Five days later Capt. Gray sailed into Entrada de Heceta, so named by the Spaniard, Heceta, in 1775, or Deception Bay of 1788, so named by Lieut. John Mears, a retired lieutenant of the British Navy. It remained for Capt. Gray to discover that Deception Bay was not a bay, but a river, which he named the Columbia. From his discoveries of Grays Harbor and the Columbia actual American history in the Northwest begins. Gray was not only the first to unfurl the Stars and Stripes there, but the first to carry one flag around the world.

Written history of what is now our State, of course, runs further back than 1792, and again my county of Chehalis furnishes the incident. Few persons know that six white men were murdered by Indians at Point Grenville, a few miles north of Moclips, a summer resort in Chehalis County, 139 years ago, or, to be exact, July 14, 1775—a little more than one year before the signing of the Declaration of Independence.

In fact, this battle of white men against Indians occurred on almost the exact date of the Battle of Bunker Hill, but a month or two after the minutemen of Boston, aroused by Paul Revere, had defeated the British at Lexington and Concord and had fired the "shot that was heard 'round the world." It was not heard out there in that far-off, unexplored country, now the State of Washington, for several years, in spite of the fact that every American out there was known as a Boston man. Capt. Robert Gray came from Boston, and a ship named the *Boston* followed him in 1803 to our country. Its captain offended Chief Maquinna, of the Nootkans, who burned the ship, killed all of the crew except Jewitt, an armorer, and Thompson, a sailmaker, whom they enslaved. The subsequent search for these men from Boston, which lasted three years and was successful, led to the designation of white Americans as "Boston men," which has lasted to this day in some localities. As opposed to the Boston men, or Americans, the Britishers, who arrived soon after Gray with Sir George Vancouver, were known as King George men. Their arrival led to a treaty which eliminated the rights of Spain to the northwest country and left Great Britain and the United States to struggle for 50 years in a bloodless battle, with Russia interfering occasionally, for possession of the country north of the forty-second parallel—Oregon, Washington, Idaho, and parts of Montana and Wyoming.

Robert Gray's discoveries, the careful records he kept, and our subsequent exploration and settlement, gave the United States title to all that great country.

But to revert to the murder of Bodega y Quadra's six Spanish sailors, at Point Grenville: Quadra's schooner, the *Sonora*, was attached to Heceta's expedition. The *Sonora* anchored at Grenville, then unnamed, and, according to Spanish records, erected a cross at the point July 14, 1775. The ceremony was witnessed by the Indians, who were very demonstrative in their assurance of friendship. Quadra sent six men to the mainland in a small boat. As soon as the 6 Spaniards had left this boat, 300 Indians, who were hiding in the woods, attacked them. Two sailors sprang into the sea and were drowned, two others were killed, and the small boat was broken up for the nails it contained. Next the savages rushed out to the schooner in their canoes, as if to prevent its departure. With a swivel gun the Spaniards killed six Indians—and there was a shot which was not heard round the world, but which caused a great deal of trouble between white men and red men for many, many years.

I have given you the Spanish account of this affair, as translated by Bancroft and repeated by most of our Western historians. But I have a different version, received directly from the lips of the oldest of the Quiniault Indians, whose great reservation lies just north of Point Grenville, which by the way the Spaniards had named Point of Sorrows. Our oldest Indians claim that the story handed down to them was that nine sailors came ashore and visited a camp on the river where the Indians were smoking fish—the now far-famed Quiniault salmon, the king of the finny tribe. The sailors were invited to eat. After eating, they filled their arms with smoked salmon and ran, violating the tribal laws, which were that all were welcome to eat at any camp, but that nothing should be taken away, unless a "potlatch" had been proclaimed. The Indians pursued the sailors to the ocean's edge, and killed seven, two escaping into the water.

I think the Indians' tradition is the more likely story, for since white civilization began out there, the Quiniaults have been peaceful. They took no part in the Indian wars, and for their good conduct Gov. Isaac I. Stevens, in a treaty approved by U. S. Grant, gave them their lands and their fishing and hunting rights forever. And strangely enough, my friends, the first persons arrested for violation of the recently enacted migratory bird act were some of the Quiniault Indians.

Running far back of these events it is a matter of record that Philippine treasure ships in 1700–1750, after the Jesuit settlements in California, used to cross the Pacific by the northern route, and on numerous occasions they were forced by the trade winds to put in at harbors on what is now the coast of Washington and Oregon

So, my friends, we can trace the history of our beloved State back a great many years; we can read of Russian, Spanish, and British maritime explorers, freebooters, and pirates, running up and down our northwest coast three and four centuries ago vainly searching for, and even reporting the finding of that mystery of mysteries—the Strait of Arian—the northwest passage. But for true American history, American occupation, American pluck, determination, and perseverance, which laid the foundation for the great State of Washington, we must start with the day—May 7, 1792—that Capt. Robert Gray discovered and claimed for the United States Grays Harbor, Chehalis County, in the State of Washington. In my opinion our State, now having placed a stone in this great monument to George Washington, can not do less than place a magnificent marble likeness of the intrepid Boston captain, Robert Gray, the commander of the ships *Columbia* and *Washington*, in Statuary Hall in the National Capitol.

ADDRESS BY MR. HARVEY.

Mr. Frederick L. Harvey, secretary of the Washington National Monument Society, delivered the following address:

Mr. Chairman, ladies, and gentlemen, speaking in behalf of the Washington National Monument Society, and as a member of that body, the gift to the memory of Washington which has just been unveiled is regarded by the society with feelings of profound pleasure and satisfaction.

This occasion marks, I believe, the twenty-fifth anniversary of the adoption of the State's constitution by the people of Washington; and in this connection is suggested the thought that the convention which brought forth the Constitution of these United States, which has made it a great Nation, was presided over in its deliberations by George Washington.

With the placing of this stone in the monument by the State of Washington there now remain but five States of the Union to be so represented—namely, Texas, Oklahoma, Arizona, New Mexico, and Idaho. The legislature of the last-named State, however, has appropriated for a memorial stone, which is now in course of preparation, and will probably be the next to be placed within these walls. It is hoped and expected that the other States named will take suitable action at the approaching sessions of their respective legislatures, looking to their representation here. When the memorials from these five States mentioned are finally in place in the shaft the Union will be complete, exemplifying our national motto, "E pluribus unum—many in one."

While the Monument is the loftiest structure ever erected to the memory and virtues of any man, and was built to perpetuate the name and fame of Washington, I think that name and fame equally perpetuated in the fact that a great Commonwealth of this country has chosen that illustrious name to stand for the sovereignty, the citizenship, and virtues of its people. With respect to the stone which has just been unveiled, I should hope that it would remain, as now, the topmost of the memorials in place and that remain to be placed in this Monument.

After what has been so eloquently said by other speakers, Mr. Chairman, it may be of interest in these proceedings, and to the citizens of the State of Washington, to know some of the salient facts as to the origin of the Monument and the reasons for the selection of the site on which it stands. I can not pretend on this occasion to go deeply into the history of this Monument, nor that of the Washington National Monument Society, through the efforts of which society the work of erecting the Monument was begun and carried on for many years. From conception to dedication that history covered more than a century of time.

The origin of the society is to be found in the failure of the National Congress through a long series of years to redeem a solemn pledge made by the Continental Congress in 1783. On the 7th day of August of that year it was resolved by the Congress, "unanimously, ten States being present, that an equestrian statue of Gen. Washington be erected at the place where the residence of Congress shall be established." Later, a committee appointed to consider the resolution made a favorable report, accompanied by certain recommendations, but the resolution was not carried into effect.

December 23, 1799, on motion of John Marshall, in the House of Representatives, it was resolved by Congress, among other things—

> That a marble monument be erected by the United States in the Capitol at the city of Washington, and that the family of Gen. Washington be requested to permit his body to be deposited under it; and that the monument be so designed as to commemorate the great events of his military and political life.

A copy of the resolution was sent to his widow by the President of the United States.

In her reply, acceding to the request, she said:

> Taught by the great example which I have so long had before me never to oppose my private wishes to the public will, I need not, I can not, say what a sacrifice of individual feeling I make to a sense of public duty.

The select committee which was appointed to carry into effect the resolution reported favorably on the 8th of May, 1800, through its chairman, Mr. Henry Lee, and further proposed that the resolution of the Continental Congress of 1783 be carried into immediate execution, and for the present $100,000 was proposed to carry out the resolutions. Upon considering the report, Congress amended the resolution to provide for a "mausoleum of American granite and marble, in pyramidal form, 100 feet square at the base and of proportionate height, to be erected in the city of Washington"—this in place of the memorial suggested by the Continental Congress. Later, the House of Representatives passed a bill appropriating $200,000 for the mausoleum, but the Senate did not concur in the act.

Not until 1816 was the subject of a monument to Washington again before Congress. In February of that year the General Assembly of Virginia instructed the governor of that State to correspond with Judge Bushrod Washington, then proprietor of Mount Vernon, to secure his consent to the removal of Washington's remains to Richmond, to be there marked by a suitable monument to his memory. Upon learning of this action by the General Assembly of Virginia, Hon. Benjamin Huger, a Member from South Carolina in the House of Representatives, who had been in the Congress of 1799, moved that a select committee be appointed to carry out the resolution of the Continental Congress. In this the Senate concurred. The committee proposed was appointed and later introduced a bill and submitted a report recommending that a tomb should be prepared in the foundations of the Capitol for the remains of Washington. But Judge Bushrod Washington refused his assent to the removal of the remains, and the bill was "indefinitely postponed" in the House. No report was made to the Senate. A vault, however, appears to have been prepared for the remains beneath the center of the Dome and Rotunda of the Capitol and beneath its Crypt.

In 1819 a resolution passed the Senate July 19 to erect an equestrian statue to Gen. Washington. The resolution came before the Committee of the Whole in the House of Representatives, was read twice, and then was "indefinitely postponed."

In January, 1824, Mr. James Buchanan, later President of the United States, introduced a resolution in the House of Representatives to carry into effect the resolution of 1783, but his resolution was "laid on the table." In his annual message to Congress in 1825 President Adams invited the attention of Congress to the unfulfilled pledge of the Continental Congress, but nothing came of it.

In 1832, the centennial of Washington's birth approaching, reports were made by committees of Congress in each House with a view to the removal of the remains of Washington to be

deposited in the Capitol. In the Senate the report was submitted by Henry Clay, and in the House of Representatives by Mr. Philemon Thomas. Mr. John A. Washington, of Mount Vernon, declined his assent to the plan, and there the matter ended.

The resolutions and proceedings of Congress which have been referred to remaining unexecuted as late as 1833, certain citizens of the city of Washington whose names were a passport to public confidence took steps to organize a voluntary association to erect "a great national monument to the memory of Washington at the seat of the Federal Government."

The organization of the society was effected on the 26th day of September, 1833. John Marshall, the great Chief Justice, was the society's first president, and on his death he was succeeded by ex-President James Madison, who, in turn, was succeeded by Andrew Jackson. The board of managers was composed of many distinguished men. Of the number may be mentioned John P. Van Ness, formerly a Representative in Congress from Pennsylvania; Samuel Harrison Smith; George Waterson, the first Librarian of Congress; Gen. Thomas S. Jessup; Col. James Kearney; Col. Archibald Henderson; Thomas Munroe, the first postmaster of Washington; Peter Force; and Thomas Carberry. A plan of the Monument drawn by Robert Mills, a distinguished architect, was adopted, the chief feature of which was an obelisk to be 600 feet in height. Funds were secured by voluntary contributions from the people everywhere.

One of the first acts of the society was to arrange for memorial stones from the several States and foreign countries to be placed in the shaft, and an address was issued to the country. Later other addresses and appeals by the society for funds were indorsed with the signatures of Andrew Jackson, Henry Clay, Daniel Webster, Winfield Scott, James K. Polk, George M. Dallas, Gen. Zachary Taylor, Franklin Pierce, Millard Fillmore, and others eminent in political life, commending the purpose of the society to the favorable consideration of their countrymen.

Sufficient money having accumulated, the corner stone of the Monument was laid with impressive ceremonies on the 4th of July, 1848, under a bright sky, in the presence of the President and Vice President of the United States, Senators and Representatives in Congress, heads of executive departments and other officers of the Government, the judiciary, representatives of foreign Governments, the corporate authorities of the city of Washington, cities of Georgetown and Alexandria, Va., military commands, associations of many descriptions, delegations from States and Territories and from several Indian tribes, and a great multitude of citizens. After the consecration prayer an oration, lofty and eloquent, was delivered by the Hon. Robert C. Winthrop, then Speaker of the House of Representatives.

The grand master of the Masonic fraternity of the District of Columbia then delivered an address and performed the Masonic ceremonies of laying the corner stone. The gavel used was that employed by George Washington in the laying of the corner stone of the National Capitol. Among the distinguished guests occupying the platform were Mrs. Alexander Hamilton, then 91 years of age, Mrs. Dolly Paine Madison, George Washton Parke Custis, and others of eminence.

The site for the Monument, selected under authority of a resolution of Congress, was reservation No. 3, containing upward of 30 acres, and which reservation was later deeded to the society. This site was marked on the first plan of the city of Washington made by Maj. L'Enfant, a chief of staff of Washington, as the site for the Monument proposed by the Continental Congress in 1783. This map Washington, as President, approved, and it became the first official map of the city of Washington. The Monument stands but a short distance away from the meridian line, run at the instance of President Jefferson, October 15, 1804. This line, under the President's direction, was carried through the center of the White House, and where it intersected a line due east and west through the center of the Capitol a small pyramid was built. The point is now marked by a stone but a short way to the west of the Monument. The center of the District of Columbia, when it was 10 miles square, was 1,305 feet north and 1,579 feet west of the site selected, but this exact center was not a commanding spot on which to erect the obelisk.

In 1855 work on the Monument was suspended through an ousting of the officers and managers of the society by members of the American or "Know-Nothing" Party through an illegal election, and the matter of the election went to the courts. Disregarding that election and the seizure of its books and archives, the society continued its existence and its appeals to the country as a voluntary organization. In 1859 Congress incorporated the society, providing that the President of the United States for the time being should be ex officio president and the governors of the several States ex officio vice presidents. Under this provision of the charter, Gov. Lister, of the State of Washington, is one of the present vice presidents of the Washington National Monument Society.

The American Party disintegrating and there being no public confidence in the organization it had created as a board of managers for the Monument, the "Know-Nothing" board dissolved and turned over to the society the books and archives it had illegally held. During the period of the "Know-Nothing" management there were placed on the Monument two courses of stone, which were removed as unfit by Gen. Thomas Lincoln Casey, the engineer, when work was resumed on the shaft.

During the Civil War the work of building the Monument was halted for lack of contributions, and this suspension lasted, and for the same reason, for some years afterwards, although the society continued urgent appeals to the country for aid.

On the 5th of July, 1876, in the centennial year of our country's independence, the Hon. John Sherman, of Ohio, introduced in the Senate of the United States a joint resolution providing for the completion of the Monument. The resolution was adopted, and later Congress passed a bill to carry into effect the resolution, which became law August 2, 1876, through the signature of President Grant. The bill carried an appropriation of $200,000, which was supplemented in subsequent years by other appropriations until the Monument was finished. The bill provided a joint commission to superintend the construction and continued the Washington National Monument Society in an advisory and cooperative capacity with the commission. In consideration of the action by Congress the society redeeded to the Government the 30 acres of land granted to it in 1848.

You have heard from Gen. Wilson as to the distinguished engineer and his assistants who constructed the Monument and of its cost.

The first great work of the engineer in charge consisted in strengthening the old foundation by placing beneath it a concrete slab 124 feet square and 13 feet thick, removing some of the old rockwork and substituting concrete underpinning. The operation was a delicate one, the weight of the then uncompleted shaft being 40,000 tons.

The first stone on the shaft in the resumption of building was laid on the 7th of August, 1880.

The Monument approaching completion, Congress in May, 1884, created a commission to make arrangements for the dedication of the Monument, consisting of five Senators, eight Representatives, and three members of the Washington National Monument Society. Pursuant to the orders of the commission, the Monument was dedicated on the 21st of February, 1885. There were appropriate exercises at the base of the Monument.

Addresses were made by the Hon. John Sherman, Senator from Ohio; Hon. W. W. Corcoran, first vice president of the society, and Brig. Gen. Thomas Lincoln Casey, Corps of Engineers. There were Masonic ceremonies by the Grand Lodge of the District of Columbia, after which the Monument was dedicated by the President of the United States, Chester A. Arthur, in a brief and eloquent address.

Ceremonies were also held in the Hall of the House of Representatives, where Congress met in joint session. An oration by Robert C. Winthrop, of Massachusetts, was read by Representative John D. Long of that State, and an oration followed by Representative John W. Daniel, of Virginia.

In its 81 years of existence the society, with its limited membership of 18, has had many notable names on its roll—John Marshall, James Madison, Commodore John Rogers, Commodore M. F. Maury, Gen. Thomas S. Jessup, Col. George Bomford, Joseph Gales, W. W. Seaton, Gen. Alexander McComb, Walter Jones, W. W. Corcoran, Ulysses S. Grant, George W. Riggs, Gen. William T. Sherman, Asaph Hall, Samuel W. Langley, Joseph Henry, George Bancroft, John Sherman, Hugh McCulloch, Admiral George Dewey, and Associate Justice William Strong and Henry B. Browne of the Supreme Court of the United States.

Mr. Chairman, as to the form of this majestic Monument, it was not by chance. It reaches back far into the past—indeed, to the Pharaohs. Credit for its proportions is due to the Hon. George P. Marsh, formerly minister of the United States to Italy. In a letter to Hon. George F. Edmunds, then a Senator from Vermont, Minister Marsh told of having measured the Egyptian obelisks at Alexandria, Egypt, the one at the Vatican, that on the banks of the Thames, and that in Central Park, New York City, from which he discovered that the ancient Egyptians carved their obelisks in height 10 times the base, with the pyramidion or top equal to the base.

This information sent to the joint commission for completing the Monument resulted in conforming to the rule so discovered; hence the beauty, dignity, simplicity, and perfect proportions of the Monument.

In conclusion, Mr. Chairman, it appears a singular coincidence that the act of August 2, 1876, for the completion of the Monument as a memorial to him who, foremost as soldier and President in laying the foundations of this Republic, should have become law by the signature of that soldier and President who was foremost in maintaining by arms the foundations so laid.

ADDRESS BY SENATOR POINDEXTER.

Senator MILES POINDEXTER delivered the following address:

Twenty-five years ago to-day the people of the Territory of Washington by popular vote ratified the constitution of the State. In its first sentence it declares "All political power is inherent in the people and governments derive their just powers from the consent of the governed." Under that benign principle we have enjoyed a quarter of a century of liberty. Free to govern ourselves in local affairs, we have been protected from outside interference by our National Union. No happier fate was ever bestowed upon the sons of men. With an ancestry which had founded a nation and acquired the best part of a continent as the scene of their development, we received as our inheritance an area of 69,000 square miles—fertile plains, mighty rivers, vast forests, mountains, valleys, and the shining shores of the western sea. Safe harbors gave access to the commerce of the world. To this imperial domain has been given the name of Washington, and when other memorials crumble into dust it will be preserved there. But greater by far than the riches of material possessions is the common heritage of American character. We have written into our constitution the great bill of personal rights, which makes every American citizen a peer of the realm. The knowledge that he has no superior in the privileges of government and law has produced a type of citizenship representing the highest development of the race. We received also from our fathers religion and a system of education, and have preserved them both.

Unsurpassed public schools offer free instruction to all and a great State university puts learning within our reach. Churches of the living God testify to freedom of soul.

With these opportunities and advantages, our population is now near a million and a half—a prosperous and happy people, grateful to God and to our country for the blessings we enjoy. The 25 years of statehood have been years of labor, but the difficulties and problems of our work and growth have been met manfully and intelligently.

As representatives of such a people and of the State of Washington we bring here now this stone hewn from the living bosom of the State, dedicate it with our love and gratitude, and place it in this mighty monument erected to him by all the States. As it is bound in this shaft with the memorial stones of other States, uniting us in the memory of Washington, may it be a witness forever of the brotherhood and constitutional union of our people.

There is not in the whole world a nobler work of man than this Monument in which the State of Washington now has a part. Its simple lines of beauty, its enduring strength, its proportions of grace, and its mighty bulk fitly represent the character and fame of Washington. We are rich in material things and comparatively poor in things of the spirit. It is a stupendous realization that the spirit of that mighty man is here. His labors in large part earned our present peace; his exertions gave us our happiness to-day. The white bulk of this work of his people's loving hands looms large over the river of his days and the city of his dreams and calls his spirit here. Over the trees and temples, over the lawns and flowers, its pure shape shows forth continually throughout the years our living memory and love of George Washington—Washington, the dutiful son, the industrious youth, the eager soldier; Washington, the kindly neighbor, the orderly man of business; Washington, the patriot and the hero; Washington, in the summit of fame gladly surrendering the power and circumstance of office that by these peaceful waters his great soul might commune in peace with the soul of nature and of God. His spirit is here, and by the ceremony and testimonial of this plain carved stone the State which he made possible and which will bear his name to the distant shores of time enters into communion with him.

RESOLUTION BY CONGRESSMAN FALCONER.

The following resolution, offered by Congressman J. A. FALCONER, was unanimously adopted:

Resolved, That we hereby express our appreciation to the Hon. Franklin K. Lane, Secretary of the Interior, for the splendid address he has given here to-day and for the time he has devoted to help make this celebration the success it has been; that we express our thanks to Hon. Ernest Lister, governor of the State of Washington, for the generous cooperation he has given, and express our sincere regrets that he could not be present in person; that we highly appreciate the services so liberally given by the Engineer Band, and heartily thank all those who by their presence here to-day have helped to make this an auspicious occasion; and

Resolved further, That we hereby request that these proceedings be printed in the CONGRESSIONAL RECORD.

The ceremony was closed with benediction offered by the Rev. Forrest J. Prettyman, Chaplain of the United States Senate.

Music for the occasion was furnished by a stringed orchestra of the Engineer Band, United States Army.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented petitions of Galanthe Temple, Pythian Sisters, of Oakland; of Piedmont Parlor, Native Daughters of the Golden West, of Piedmont; and of Brooklyn Parlor 145, Native Daughters of the Golden West, of Los Angeles, all in the State of California, praying for the enactment of legislation granting pensions to civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of the Bank of Italy, of San Francisco, Cal., remonstrating against the proposed tax on capital and surplus of banks, which was referred to the Committee on Finance.

He also presented memorials of H. Hathaway, manager of the Mutual Life Insurance Co. of New York at San Francisco; of F. A. Stearns and Klitgaard & Nymeyer, of San Francisco; and of Julius Sonnteg, vice president of West Coast Life Insurance Co., of San Francisco, all in the State of California, remonstrating against the proposed tax on insurance companies, which were referred to the Committee on Finance.

Mr. POINDEXTER presented petitions of sundry citizens of Washington, D. C.; of New York City and Brooklyn, N. Y.; of Pittsburgh, Pa.; of Chicago, Ill.; and of Minnesota and Ohio, praying for the enactment of legislation to grant recognition to Dr. Cook as the discoverer of the North Pole, which were referred to the Committee on the Library.

He also presented a petition of the Millville Socialist Local, of Colville, Wash., favoring neutrality by the United States during the present European war and also for the prohibition of the shipment of foodstuffs from the United States, which was referred to the Committee on Foreign Relations.

Mr. KERN presented memorials of sundry merchandise brokers of Indianapolis and Terre Haute, in the State of Indiana, remonstrating against the proposed war tax, which were referred to the Committee on Finance.

He also presented a petition signed by a large number of citizens of the United States, praying for the passage of the so-called Army veterinary bill, which was referred to the Committee on Military Affairs.

He also presented sundry memorials and telegrams in the nature of memorials from citizens and corporations of Indiana, remonstrating against certain provisions in the war-revenue tax, which were referred to the Committee on Finance.

Mr. SMITH of Michigan presented memorials of the Stock Exchange of Detroit, Mich., remonstrating against the proposed tax on stock and bond brokers, which were referred to the Committee on Finance.

He also presented memorials from sundry banks in the State of Michigan, remonstrating against the proposed tax on capital, surplus, and undivided profits of banks, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. THOMPSON, from the Committee on Public Lands, to which was referred the bill (S. 6392) for the relief of registers and receivers of the United States land offices in the State of Kansas, reported it with amendments and submitted a report (No. 801) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 5474) for the relief of Patrick McGee, alias Patrick Gallagher, reported it without amendment and submitted a report (No. 802) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 188) ceding to the State of California temporary jurisdiction over certain lands in the Presidio of San Francisco and Fort Mason (Cal.) Military Reservations, reported it without amendment and submitted a report (No. 803) thereon.

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (S. 6497) for the relief of Lloyd C. Stark, reported it without amendment and submitted a report (No. 804) thereon.

Mr. THOMAS, from the Committee on Military Affairs, to which was referred the bill (S. 2287) to correct the military record of Charles S. Wells, reported it with amendments and submitted a report (No. 805) thereon.

BILL AND JOINT RESOLUTIONS INTRODUCED.

A bill and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POMERENE:

A bill (S. 6568) to amend section 20 of an act to regulate commerce, approved February 4, 1887, as amended; to the Committee on Interstate Commerce.

Mr. THORNTON. Although we have no routine morning business, and I am opposed to the introduction of resolutions and bills outside of the time for morning business, I ask unanimous consent to be allowed to introduce a joint resolution, because the Secretary of the Navy has made a request that the matter be called to the attention of the Senate and acted upon as expeditiously as possible. I ask that it be referred to the appropriate committee, which will be the Committee on Naval Affairs.

The joint resolution (S. J. Res. 193) to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy, for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the naval war college of Brazil, was read twice by its title and referred to the Committee on Naval Affairs.

By Mr. O'GORMAN:

A joint resolution (S. J. Res. 194) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.; to the Committee on Commerce.

EXECUTIVE SESSION.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 23 minutes p. m.) the Senate adjourned until Wednesday, October 7, 1914, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate October 5 (legislative day of September 28), 1914.

COLLECTOR OF INTERNAL REVENUE.

Burt Williams, of Ashland, Wis., to be collector of internal revenue for the second district of Wisconsin, in place of Herbert H. Manson, deceased.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. Commander Rufus Z. Johnston to be a commander in the Navy from the 1st day of July, 1914.

The following-named assistant surgeons in the Medical Reserve Corps to be assistant surgeons in the Navy from the 2d day of October, 1914:

Charles E. Treibly,
William W. Hargrave,
Charles S. Stephenson, and
Roscoe M. Waterhouse.

Summerfield M. Taylor, a citizen of Texas, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 28th day of September, 1914.

Paymaster Walter B. Izard to be a pay inspector in the Navy from the 19th day of July, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate October 5 (legislative day of September 28), 1914.

UNITED STATES CIRCUIT JUDGE.

Richard W. Walker to be United States circuit judge for the fifth circuit.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Frederick S. Foltz to be colonel.
Lieut. Col. Harry C. Benson to be colonel.
Maj. Robert A. Brown to be lieutenant colonel.
Capt. Elmer Lindsley to be major.
First Lieut. John Alden Degen to be captain.
Second Lieut. Robert C. Rodgers to be first lieutenant.
First Lieut. Albert E. Phillips to be captain.
Second Lieut. Richard E. Cummins to be first lieutenant.
Second Lieut. Alexander L. James, jr., to be first lieutenant.

INFANTRY ARM.

Lieut. Col. Henry C. Hodges, jr., to be colonel.
Lieut. Col. John F. Morrison to be colonel.
Lieut. Col. William H. Allaire to be colonel.
Maj. James H. McRae to be lieutenant colonel.
Maj. Walter H. Gordon to be lieutenant colonel.
Maj. Armand I. Lasseigne to be lieutenant colonel.
Capt. Hansford L. Trelkeld to be major.
Capt. Peter W. Davison to be major.
First Lieut. John Randolph to be captain.
First Lieut. Harry Graham to be captain.
Second Lieut. Edward S. Hayes to be first lieutenant.
Second Lieut. Simon B. Buckner, jr., to be first lieutenant.
Second Lieut. Charles H. Bonesteel to be first lieutenant.
Second Lieut. Thomas J. Johnson to be first lieutenant.
Second Lieut. Robert H. Fletcher, jr., to be first lieutenant.

To be chaplains with the rank of captain from September 12, 1914, after seven years' service.

Chaplain John F. Chenoweth.
Chaplain Horace A. Chouinard.

APPOINTMENTS IN THE ARMY.

Rev. Haywood Lewis Winter to be chaplain.

MEDICAL RESERVE CORPS.

To be first lieutenant with rank from September 15, 1914.

Charles Edgar Athey.
George Busby Campbell.
Carey Pratt McCord.
Charles Joseph McDevitt.
Samuel Archer Munford.
David Daniel Scannell.
Francis Eppes Shine.
John William Turner.
Merlon Ardeen Webber.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. John J. Hannigan to be a lieutenant commander.
Lieut. (Junior Grade) William H. Lee to be a lieutenant.
Don F. Cameron to be an assistant surgeon.
Sydney Walker, jr., to be an assistant surgeon.
First Lieut. Arthur Stokes to be a captain.

HOUSE OF REPRESENTATIVES.

MONDAY, *October 5, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, for the disclosures Thou has made of Thyself in the beauty, grandeur, and sublimity of the material universe, in the overruling of Thy providence in the affairs of men, in the manifestation of Thy love revealed in the heart of the Christ, in the indwelling of the spirit which brings us in touch with Thee. Make us, we beseech Thee, more susceptible to these manifestations, that our lives may be brought day by day to a larger, nobler manhood. In Christ Jesus our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Texas [Mr. HENRY] makes the point of order that there is no quorum present, and evidently there is not.

Mr. ADAMSON. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Georgia moves a call of the House.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Burke, Pa.	Drukker	George
Anthony	Burke, Wis.	Eagan	Gilmore
Austin	Callaway.	Eagle	Glass
Baker	Candler, Miss.	Elder	Goeke
Bartholdt	Carew	Estopinal	Goldfogle
Bell, Cal.	Cary	Fairchild	Graham, Ill.
Britten	Chandler, N. Y.	Faison	Graham, Pa.
Brockson	Church	Farr	Gregg
Brodbeck	Connolly, Iowa	Ferris	Griest
Brown, N. Y.	Conry	Fowler	Griffin
Brown, W. Va.	Curry	Francis	Gudger
Browning	Dale	French	Guernsey
Bruckner	Dershem	Gallivan	Hamill
Burgess	Dooling	Gardner	Harris

Hart	L'Engle	O'Brien	Stedman
Hinds	Lenroot	Oglesby	Stephens, Cal.
Hinebaugh	Lesher	O'Hair	Stevens, N. H.
Hobson	Lewis, Md.	O'Leary	Stringer
Hoxworth	Lewis, Pa.	Paige, Mass.	Sumners
Hulings	Lindquist	Palmer	Taggart
Humphreys, Miss.	Linthicum	Parker	Temple
Johnson, S. C.	Loft	Patten, N. Y.	Thomson, Ill.
Johnson, Wash.	McAndrews	Powers	Townsend
Keister	Mahan	Rainey	Treadway
Kelly, Pa.	Maher	Reed	Vare
Kennedy, R. I.	Martin	Reilly, Wis.	Wallin
Kent	Merritt	Riordan	Walsh
Key, Ohio	Metz	Rothermel	Watkins
Kiess, Pa.	Mitchell	Sabath	Whaley
Kindel	Montague	Scully	White
Kinkead, N. J.	Morin	Seldomridge	Willis
Knowland, J. R.	Moss, W. Va.	Shreve	Wilson, N. Y.
Konop	Mott	Slemp	Winslow
Korbly	Murdock	Small	Woodruff
Kreider	Neely, Kans.	Smith, Md.	
Lafferty	Nolan, J. I.	Smith, Minn.	
Langley	Norton	Smith, N. Y.	

The SPEAKER. On this call 283 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors and the Clerk will read the Journal.

The Journal of the proceedings of Saturday was read and approved.

EXTENSION OF REMARKS.

Mr. HOWARD. Mr. Speaker, I desire to submit a request for unanimous consent. I ask unanimous consent to extend my remarks in the RECORD by printing a short editorial from this morning's Washington Post upon the cotton situation in the South.

The SPEAKER. The gentleman asks unanimous consent to print an editorial from the Washington Post on the subject of cotton in the South. Is there objection? [After a pause.] The Chair hears none.

ORDER OF BUSINESS.

Mr. ADAMSON. Mr. Speaker, I move to suspend the rules and pass Senate bill 2876, with the amendments recommended by the committee.

Mr. HENRY. Mr. Speaker——

The SPEAKER. One moment. The gentleman from Georgia moves to suspend the rules and pass the bill which the Clerk will report.

Mr. HENRY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENRY. Mr. Speaker, is not the regular order to-day for the House to resolve itself into the Committee of the Whole House on the state of the Union to take up the Philippine bill?

The SPEAKER. The Chair thinks, after a great deal of investigation and study and consultation with various gentlemen whom he could get hold of conveniently, that the motion to suspend the rules suspends every rule, taking this one along with it.

Mr. HENRY. Well, Mr. Speaker, will it not take a formal motion to suspend all rules in order to get at the Unanimous Consent Calendar to-day?

The SPEAKER. We are not trying to get to the Unanimous Consent Calendar.

Mr. HENRY. If you abandon the special order, is it not necessary to call the Unanimous Consent Calendar first, before you give recognition for suspension?

The SPEAKER. That has all been thrashed out, to use a common expression, several times during the summer, and the conclusion of the Chair is——

Mr. SAUNDERS. Mr. Speaker, may I make a suggestion on this rule?

The SPEAKER. Yes; the Chair will be glad to hear from anybody.

Mr. SAUNDERS. It is perfectly true that a motion to suspend the rules suspends all the rules in the event that it prevails. But we are not concerned with the effect of this motion. We are all agreed on that point. Two suspensions can not operate simultaneously, nor can a suspension be suspended. But that is not the point in issue. The question is whether the Speaker can entertain a motion to suspend the rules at this particular time. Under the rules of the House the right on the part of the Speaker to entertain a motion of this character is limited to two days in the month and the last six days of a session.

The SPEAKER. That is true.

Mr. SAUNDERS. Rule XXVII operates directly upon the Speaker and forbids him to entertain a motion to suspend save on the days indicated by the rule itself. This rule is as follows:

No rule shall be suspended except by a vote of two-thirds of the Members voting, a quorum being present; nor shall the Speaker entertain a motion to suspend the rules except on the first and third Mondays of the month, preference being given on the first Monday to individuals and on the third Monday to committees, and during the last six days of a session.

From the most casual reading of this rule, it is apparent that the Speaker may not entertain in order, save on the days named, the motion to suspend the rules. In this respect the House rules differ from those prevailing in the States, certainly in my State, where there is no restriction upon the members to make this particular motion, nor upon the presiding officer to entertain it.

Once recognition is extended, the Member recognized is free to make this motion, and it must be entertained by the Speaker and submitted to the House. The presiding officer has no option in this respect. But no such universal right either to make or to entertain the motion to suspend the rules obtains in this body. Our Manual carefully restricts this right, and unless the Member makes his motion on the days prescribed and set apart by the terms of the rule it may not be entertained by the Speaker. The inhibition of Rule XXVII, operating directly upon the presiding officer, is positive and emphatic. The difficulty which confronts the gentleman from Georgia and forbids the entertainment of his motion to suspend the rules for the purpose indicated arises from the rule adopted over a week ago, and which for the purposes of convenience I shall refer to as "the Philippine rule." This rule operates to destroy Monday; that is to say, it eliminates the consideration of the business for which Monday is consecrated and set apart by the rules. Nay, it goes further and forbids the consideration of business which as a general proposition is in order at any time in the House. The Speaker has made two rulings as to the effect of this rule, both of which are sound, and both of which are in harmony with the contention that the motion of the gentleman from Georgia may not be entertained at this time. On Monday of last week (RECORD, p. 15832), in response to a query by the gentleman from Kentucky as to the effect of the Philippine rule on District day, the Speaker replied as follows:

The Chair has examined that rule very carefully and thinks it cuts out District day.

On the same day Mr. FERRIS, of Oklahoma, propounded the following query:

Mr. Speaker, does the adoption of the rule under which we are operating take away the privilege of considering conference reports?

The SPEAKER. It seems to the Chair that it sweeps the platter clean.

In other words, the Speaker gave the rule—and very properly so—the same effect as if it had contained the words "and shall be the continuing order until concluded." For the purposes of interpretation he read these words into the rule. The modus operandi of the rule by which this rule excludes from contemplation the business usually appropriate to Monday under the rules of the House is very simple. As soon as the rule was adopted the House was automatically resolved into the Committee of the Whole. Being no longer in the House, but in Committee of the Whole, the motions appropriate to the House could not be made. They were no longer in order. This status established by the adoption of the rule has continued from day to day, the rule automatically excluding motions that would otherwise be appropriate and in order. On Tuesday the rivers and harbors bill was taken up by unanimous consent and concluded. Wednesday was consumed by calendar business. On Thursday, as soon as a quorum was secured and the regular order was demanded, the Speaker announced that under the rule the House would resolve itself into Committee of the Whole for the consideration of the Philippine bill. Accordingly the House resolved itself into the Committee of the Whole, with Mr. FLOOD of Virginia in the chair.

I submit that the same situation is presented to-day and that at this very moment the House is automatically resolved into the Committee of the Whole, and that nothing remains for the Speaker to do save to announce this fact and proclaim this status. If the rule "cuts out" District Monday, why not suspension Monday or the Unanimous Consent Calendar? There is no reservation in the rule to save suspension Monday, nor any reason why District Monday should be eliminated and suspension Monday preserved by a rule which is equally patent to exclude both and carries no intimation of an intent to discriminate between them. If this rule is a continuing order—and that is its plain meaning and the effect of the rulings cited—then we are now in Committee of the Whole, and the motion of the gentleman from Georgia is plainly not

in order. This contention merely gives effect to the rule. Inasmuch as the rule as construed divested District Monday of its accustomed character, so that it was no longer District Monday quoad the Philippine bill, and no opportunity was afforded to make any motion relating to District affairs, it follows of necessity that the same rule operates to sequestrate this Monday for the consideration of the same bill. In other words, the rule deprives this Monday of the character with which it is impressed by Rule XXVII, and by automatically shunting the House into Committee of the Whole it leaves no opportunity either for a Member of the House to make or the Speaker to entertain a motion appropriate to the House. There is no twilight zone even, in which the motion of the gentleman from Georgia would be in order and proper to be entertained by the Speaker.

Now, it may be suggested that if this rule operates for the time being to exclude the motions and the business appropriate to District Monday and suspension Monday, it would therefore vacate Calendar Wednesday. But this does not follow, though Calendar Wednesday may be vacated by appropriate procedure.

The SPEAKER. You would have to have a two-thirds majority, though.

Mr. SAUNDERS. That is true, and there is no question as to Calendar Wednesday. I am seeking to point out that the Philippine rule, operating as it does to prevent the Speaker from entertaining on Monday either a motion relating to District business or to order the call of the Unanimous Consent Calendar, it must, by parity of reasoning, apply on suspension Monday to the motion to suspend the rules. We are not concerned to discuss the effect of that motion, if it is admitted and carried, and the decisions cited are therefore irrelevant. We are concerned to inquire whether at this time we are not in Committee of the Whole, waiting on the Speaker to announce that fact. If we are in Committee of the Whole, plainly the motion of the gentleman from Georgia is not in order. If it is suggested that we are not in Committee of the Whole, then what is our status and what has become of the automatic operation of the rule? If we are not in Committee of the Whole and the rule is not in automatic operation so that the motion of the gentleman is in order to-day, I submit that the Calendar for Unanimous Consent should be called. Are we in Committee of the Whole to the exclusion of the Calendar for Unanimous Consent, but in the House quoad motions to suspend the rules? This would, indeed, be an anomalous situation.

The same body of rules which provides that the Speaker shall not entertain a motion to suspend the rules save on the first and third Mondays and during the last six days of a session, thereby by necessary implication giving him the right to entertain these motions on those days only, provides that on days when it shall be in order to move to suspend the rules the Speaker shall, immediately after the approval of the Journal, direct the Clerk to call the bills which have been for three days upon the Calendar for Unanimous Consent. The Journal has been approved. If motions to suspend are in order to-day, and if a gentleman is recognized to move a suspension, then that is a ruling that such motions are in order, then it plainly follows that the calling of the Calendar for Unanimous Consent should precede any recognitions to move a suspension of the rules.

Mr. HENRY. Mr. Speaker, I want to be heard. I did not yield to the gentleman from Virginia. I want to be heard for just a little while, Mr. Speaker.

Mr. SAUNDERS. I make the point of order, Mr. Speaker, that on account of this Philippine rule it is not in order for the Speaker to entertain a motion to suspend the rules.

Mr. HENRY. Mr. Speaker, I want to address myself to that, if the Speaker will hear me. First I want to understand the ruling of the Chair. I could not hear it distinctly. Do I understand that when a day for calling the Unanimous Consent Calendar arrives under the regular rule the Speaker is authorized to skip every bill on the Unanimous Consent Calendar and go to the suspension of the rules?

The SPEAKER. If the gentleman from Texas desires to be heard on that——

Mr. HENRY. Yes. I just want to understand the ruling of the Chair on that.

The SPEAKER. If the Chair rules first, what good would that do?

Mr. HENRY. I have another proposition after that.

The SPEAKER. The Chair will state the whole matter——

Mr. HENRY. If the Chair will wait, I would rather be heard first. [Laughter.]

The SPEAKER. All right.

Mr. HENRY. Now, Mr. Speaker—not that I think the Chair will not rule with me on this question—but I assume that we are now undertaking to operate under the Unanimous Consent Calendar rule, as we have proceeded thus far. That rule reads this way:

After a bill which has been favorably reported shall be upon either the House or the Union Calendar any Member may file with the Clerk a notice that he desires such a bill placed upon a special calendar to be known as the Calendar for Unanimous Consent.

Here is the part I wish to direct the Speaker's attention to:

On days when it shall be in order to move to suspend the rules the Speaker shall, immediately after the approval of the Journal, direct the Clerk to call the bills which have been for three days upon the Calendar for Unanimous Consent.

I am addressing myself to the Speaker, because I have a point of order pending.

The SPEAKER. All right. The gentleman will proceed.

Mr. HENRY. I read further:

Should objection be made to the consideration of any bill so called, it shall immediately be stricken from such calendar; but such bill may be restored to the calendar at the instance of the Member, and if again objected to, it shall be immediately stricken from such calendar and shall not thereafter be placed thereon.

Now, Mr. Speaker, I have assumed that we are operating on House resolution 326, which provides that this House shall resolve itself into the Committee of the Whole House on the state of the Union upon the adoption of that resolution, which has been adopted, and I maintain that it excludes everything else from the consideration of this House except proceedings under the Calendar Wednesday rule; that it has superseded entirely the Unanimous Consent Calendar.

Now, Mr. Speaker, if this special rule adopted in House resolution 606, to which I have referred, is to be abrogated, it can not be done by construction or by implication. As the gentleman from Virginia [Mr. SAUNDERS] says, it must be done by a motion to suspend the operation of that rule. In other words, the Chair can not by mere construction suspend the operation of that rule, but the House must do it by a vote. I have the precedent in point, Mr. Speaker.

A motion to suspend the rules is not in order during consideration of a bill under a special order.

We are now acting under a special order, and it will take a direct and positive motion to suspend this rule.

The SPEAKER. If the gentleman will read the text of that decision, he will find that it does not carry out the syllabus which he has just read.

Mr. HENRY. I will read the text, of course, Mr. Speaker. Shall I read it to the Chair?

The SPEAKER. Yes.

Mr. HENRY. I read from Hinds' Precedents, section 6838:

On January 20, 1847, on motion of Mr. Charles J. Ingersoll, of Pennsylvania, the House bill (No. 622) making further provision for the expenses attending the intercourse between the United States and foreign nations (called the "three million bill" and relating to the Mexican War) was made a special order for the 1st of next February, then to take precedence of all other business until disposed of.

By postponement the consideration of the bill was once deferred, and was before the House on February 12, 1847, as unfinished business in Committee of the Whole House on the state of the Union.

On that day Mr. Ingersoll, of Pennsylvania, moved to suspend the rules so as to move that it should not be in order for any Member to move that the Committee of the Whole on the state of the Union rise that evening until 8 o'clock.

The Speaker said the motion was not in order, because the House was already acting under a suspension of the rules on a special order, and two suspensions could not take place at the same time.

The SPEAKER. Surely the gentleman does not contend that we are operating under a suspension of the rules?

Mr. HENRY. I maintain that we are operating under House resolution 606, and that that resolution must be suspended by a vote of this House. And I submit to the Chair in all candor and honesty of purpose, can the Chair by construction set aside further operation under that rule, when it was adopted by a majority vote of this House?

The SPEAKER. But the question the Chair puts to the gentleman is this: This decision that the gentleman has read stands all right until the end of it is reached, where the Speaker gave the reason for his ruling, and that was that they were already operating under a suspension of the rules in the thing that they were doing.

Mr. HENRY. Yes; but, Mr. Speaker——

The SPEAKER. Now, the gentleman from Texas will not claim that this rule for the consideration of the Philippine bill suspends the rules of the House, because it would take a two-thirds vote to do that, and it only took a majority to adopt this rule.

Mr. HENRY. Mr. Speaker, I maintain that this House, by a majority vote, can repeal the rule which provides for the suspension of the rules.

Mr. TOWNER. Will the gentleman yield?

Mr. HENRY. In just a moment. Whenever a resolution is submitted from the Committee on Rules to amend or supersede

any rule of this House a majority of the House can amend any rule, can change the code of rules, can rewrite them entirely.

The SPEAKER. The Chair is ready to rule.

Mr. HENRY. I yield to the gentleman from Iowa.

Mr. TOWNER. Is it the gentleman's belief that it would require a special motion in order to relieve the House itself of a special rule?

Mr. HENRY. It is.

Mr. TOWNER. I ask the gentleman's idea about it, because I would like to know what he thinks. Is not a motion made to suspend the rules or to suspend all rules an inclusive motion? Does not that include special rules as well as other rules?

Mr. HENRY. My contention is that the Speaker has no right to recognize any Member to make that sort of a motion until a special resolution is brought in here suspending this other resolution that we have already adopted.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. HENRY. I will.

Mr. MANN. Does the gentleman think it would be in order to move to suspend the rules and set aside a special order?

Mr. HENRY. No; I do not. I do not think the Speaker has any right to recognize anyone to move to set this special order aside until a special rule is brought in to abrogate it.

Mr. MANN. Under the order of business for suspension of the rules you could make any motion you wanted to, or to suspend or revoke any other rule that is in the rules.

Mr. HENRY. Not until you get away from this.

Mr. MANN. I say ordinarily it would be in order to amend the rules in any particular by a motion to suspend the rules.

Mr. HENRY. Ordinarily, yes.

Mr. MANN. Then, as I understand the claim of the gentleman, this special rule is something above and beyond and greater than all the other rules of the House?

Mr. HENRY. Precisely; because we have from time to time superseded the special rules that we brought in here.

Mr. MANN. But is it not a fact, however, that this special rule and all other special rules are in the nature of an amendment to the general rules, acting temporarily?

Mr. HENRY. Yes; but——

Mr. MANN. We proceed under the other general rules of the House. No other general rule of the House is abrogated, except what constitutes the regular order of business.

Mr. HENRY. Until this rule has been exhausted the Speaker has no right, unless a special resolution is brought in here, to recognize any Member to move to suspend the rules.

The SPEAKER. The Chair is ready to rule.

Mr. FITZGERALD. Mr. Speaker, section 5752 of Hinds' Precedents says that a motion to suspend the rules and pass a bill was held to suspend a provision of the rules of the House that provided that on Friday the House should take a recess at 5 o'clock, because the motion was to suspend that rule as well as the special rule.

The SPEAKER. What is the number of that?

Mr. FITZGERALD. Section 5752, in volume 5 of Hinds' Precedents. Carrying out the Speaker's statement to the gentleman from Texas [Mr. HENRY], the Congressional Globe for the second session of the Twenty-ninth Congress, in which the ruling quoted by the gentleman from Texas was made, shows that the Speaker in that case ruled that—

> The motion was not in order because the House was already acting under a suspension of the rules on a special order, and two suspensions could not take place at one time.

That is, the motion having been made to suspend the rules, and the House operating under that motion, another motion to suspend the rules could not be made. The motion that had been adopted by a two-thirds vote, it was held, could not be suspended by another motion to suspend the rules.

Mr. SAUNDERS. Mr. Speaker, may I call attention to the fact that the authority cited by the gentleman from New York [Mr. FITZGERALD] relates to the operation and effect of the motion to suspend, once carried, and does not at all touch the proposition that the motion itself can not be entertained at this time by the Speaker. We need not concern ourselves with the effect of a motion to suspend, but should direct our inquiry to ascertain whether there is any authority in the Speaker to entertain the motion; that is to say, to determine whether under the necessary and automatic operation of the Philippine rule the Speaker's authority for the time being is not limited to the mere formal declaration that "the House is in Committee of the Whole House on the state of the Union for the further consideration of House bill 18459, with the gentleman from Virginia [Mr. FLOOD] in the chair." No one disputes the precedent cited by the gentleman from New York in its application to the appropriate state of facts.

The SPEAKER. The Chair is ready to rule. The more the Chair studies this subject of a motion to suspend the rules the more certain he is that the men that made the rule gave the Speaker authority to recognize Members on the first and third Mondays and the six last days of the session to move to suspend the rules in order that the Speaker by entertaining the motion might help the House out of a hole when it gets into one.

I do not know whether the gentleman from Texas [Mr. HENRY] was here or not, but three or four times this last summer the Chair, recognizing the exigencies of the situation, has begun about 4 o'clock, or half past 4, on the first and third Mondays to recognize Members to suspend the rules; and that has been his practice now for something like six weeks or two months.

The Chair is just as anxious to maintain the integrity of the Unanimous Consent Calendar as is any gentleman on the floor. The decisions on this point as to suspending the rules during the pendency of a special order are not in harmony. The one read by the gentleman from Texas [Mr. HENRY] does not apply, because it was rendered under a different set of circumstances. There is one in point on the other side, which I will read directly.

Members will recollect that toward the end of the last Congress the question was raised as to whether the Chair was obliged to wait until we got through with the Unanimous Consent Calendar during the last six days of the session before he could entertain motions to suspend the rules, and at first, offhand, the Chair thought he was; but there were so many gentlemen of experience and familiarity with the rules in the House who thought the other way that the Chair submitted the question to the House itself, and the House voted by practically a unanimous vote that in his discretion the Speaker could recognize gentlemen to suspend the rules notwithstanding the Unanimous Consent Calendar.

The Chair thinks that the solemn decision of the House on a parliamentary point is the highest authority. The gentleman from Texas did not quote the right section in regard to suspension of the rules, but quoted one about the Unanimous Consent Calendar. The rule as to suspensions runs in this wise:

> No rule shall be suspended except by a vote of two-thirds of the Members voting, a quorum being present; nor shall the Speaker entertain a motion to suspend the rules except on the first and third Mondays of each month—

And so forth.

There are three things on which the Chair is prohibited by the rules from entertaining a motion to suspend the rules. One of them is to admit any person that is not named in the rules to the privileges of the floor; another, to letting the Hall to anybody for any purpose except the business and the subsidiary business of the House itself; another is, under certain circumstances not to let anybody vote.

The House decided this matter for itself, and the Chair, operating under that decision for the last two months, has uniformly recognized some one along about 4 o'clock or half past 4 o'clock.

In the decision read by the gentleman from Texas—

> The Speaker said the motion was not in order because the House was already acting under suspension of the rules on a special order, and two suspensions could not take place at the same time.

Immediately following that decision is another one which decided that while the House was acting under a special order a motion to suspend the rules to enable a Member to exceed the hour rule of debate was admitted.

So, on the whole, the Chair thinks that he has the unquestioned right of recognizing gentlemen to suspend the rules on the first and third Mondays and on the last six days of the session. Of course this power lodged in the Speaker ought to be exercised with discretion and in order to expedite important business.

Mr. HENRY. Will the Chair hear me a moment?

The SPEAKER. Yes.

Mr. HENRY. I simply want to suggest, in order that the Chair may understand my position, that the reason I read the unanimous-consent rule was that I wanted to get the Chair's judgment as to whether or not instead of waiting until 4 o'clock to recognize Members for a motion to suspend the rules he could recognize them immediately after the reading of the Journal.

The SPEAKER. The Chair entered on the 4 o'clock plan for the reason that he did not want to break up the Unanimous Consent Calendar, and did not want everybody to rush in with motions to suspend the rules every first and third Monday.

But there are some bills that are so important that they ought to be got out of the way somehow, and there are others that can as well wait. In case of very important bills the Speaker would be justified in interrupting the Unanimous Consent Calendar to entertain motions to suspend the rules. The Clerk will report the bill.

INCREASING LIMIT OF COST FOR LIGHTHOUSE TENDER.

The Clerk read as follows:

S. 2876. An act to amend an act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved March 4, 1913.

Be it enacted, etc., That the authorization in the act approved March 4, 1913, entitled "An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes," which authorized the Secretary of Commerce and Labor to construct a lighthouse tender for general service at a cost not exceeding $250,000, be, and the same is hereby, amended so as to increase the limit of cost provided in said authorization from $250,000 to $325,000; and the Secretary of Commerce is hereby authorized to have constructed a lighthouse tender for general service as provided in said item in said bill to cost not exceeding $325,000.

SEC. 2. That all acts and parts of acts in conflict herewith are hereby repealed.

The SPEAKER. Is a second demanded?

Mr. MANN. I demand a second.

The SPEAKER. The gentleman from Illinois demands a second.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. HENRY. I object.

The SPEAKER appointed as tellers the gentleman from Georgia [Mr. ADAMSON] and the gentleman from Illinois [Mr. MANN].

The House divided; and the tellers reported that there were 79 ayes and 2 noes.

So a second was ordered.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-seven Members present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on seconding the motion to suspend the rules and pass the bill.

The question was taken; and there were—yeas 199, nays 71, answered "present" 7, not voting 151, as follows:

YEAS—199.

Abercrombie	Danforth	Howell	Ragsdale
Adair	Decker	Hughes, Ga.	Raker
Adamson	Deitrick	Hull	Rauch
Aiken	Dent	Humphrey, Wash.	Rayburn
Alexander	Dies	Igoe	Reed
Allen	Difenderfer	Jacoway	Reilly, Conn.
Ansberry	Dixon	Johnson, Ky.	Reilly, Wis.
Ashbrook	Donohoe	Johnson, S. C.	Rouse
Aswell	Donovan	Jones	Rubey
Bailey	Doolittle	Kahn	Sherley
Baltz	Doughton	Kennedy, Conn.	Sims
Barchfeld	Driscoll	Kettner	Small
Barkley	Dupré	Key, Ohio	Smith, N. Y.
Barnhart	Edwards	Kinkaid, Nebr.	Smith, Saml. W.
Bartholdt	Esch	Kirkpatrick	Smith, Tex.
Bathrick	Falconer	Kitchin	Sparkman
Beakes	Fergusson	La Follette	Steenerson
Beall, Tex.	Fields	Langham	Stephens, Nebr.
Bell, Ga.	Finley	Lazaro	Stephens, Tex.
Blackmon	Fitzgerald	Lee, Ga.	Stevens, Minn.
Booher	FitzHenry	Lee, Pa.	Stone
Borchers	Flood, Va.	Lever	Stout
Borland	Floyd, Ark.	Lieb	Taggart
Bowdle	Gallagher	Lindbergh	Talbott, Md.
Broussard	Gard	Logue	Talcott, N. Y.
Brumbaugh	Garner	Lonergan	Tavenner
Bryan	Garrett, Tex.	McClellan	Taylor, Ark.
Buchanan, Ill.	Gerry	McGillicuddy	Taylor, Colo.
Buchanan, Tex.	Gill	McKellar	Ten Eyck
Bulkley	Gittins	McLaughlin	Thacher
Burnett	Good	Madden	Thomas
Butler	Goodwin, Ark.	Maguire, Nebr.	Thompson, Okla.
Byrnes, S. C.	Gordon	Mapes	Towner
Byrns, Tenn.	Gorman	Miller	Townsend
Calder	Hamilton, Mich.	Morrison	Tribble
Cantor	Hammond	Moss, Ind.	Tuttle
Cantrill	Hardwick	Mulkey	Underhill
Caraway	Hardy	Murray	Underwood
Carr	Harrison	Neely, W. Va.	Volmer
Carter	Hawley	Oldfield	Walker
Casey	Hay	O'Shaunessy	Watson
Clancy	Hayden	Padgett	Weaver
Claypool	Heflin	Page, N. C.	Webb
Cline	Helm	Park	Whaley
Coady	Helvering	Peterson	Whitacre
Collier	Hensley	Phelan	White
Connelly, Kans.	Hinds	Post	Williams
Crisp	Holland	Pou	Wilson, Fla.
Crosser	Houston	Prouty	Young, Tex.
Cullop	Howard	Quin	

NAYS—71.

Ainey	Green, Iowa	Mondell	Shackleford
Avis	Greene, Mass.	Moore	Sherwood
Barton	Greene, Vt.	Morgan, La.	Sinnott
Browne, Wis.	Hamilton, N. Y.	Morgan, Okla.	Sisson
Burke, S. Dak.	Hamlin	Nelson	Sloan
Campbell	Haugen	Patton, Pa.	Smith, Idaho
Cooper	Hayes	Payne	Smith, J. M. C.
Cox	Helgesen	Peters	Stafford
Curry	Henry	Platt	Stephens, Miss.
Davis	Hill	Plumley	Sutherland
Dickinson	Johnson, Utah	Porter	Switzer
Dillon	Johnson, Wash.	Roberts, Mass.	Vaughan
Dunn	Kennedy, Iowa	Roberts, Nev.	Volstead
Edmonds	Lloyd	Rogers	Wingo
Fess	Lobeck	Rucker	Witherspoon
Foster	McGuire, Okla.	Rupley	Woods
Garrett, Tenn.	McKenzie	Russell	Young, N. Dak.
Gillett	Mann	Scott	

ANSWERED "PRESENT"—7.

Bartlett	Hughes, W. Va.	Manahan	Saunders
Gray	Keating	Moon	

NOT VOTING—151.

Anderson	Fairchild	Kiess, Pa.	Paige, Mass.
Anthony	Faison	Kindel	Palmer
Austin	Farr	Kinkead, N. J.	Parker
Baker	Ferris	Knowland, J. R.	Patten, N. Y.
Bell, Cal.	Fordney	Konop	Powers
Britten	Fowler	Korbly	Rainey
Brockson	Francis	Kreider	Riordan
Brodbeck	Frear	Lafferty	Rothermel
Brown, N. Y.	French	Langley	Sabath
Brown, W. Va.	Gallivan	L'Engle	Scully
Browning	Gardner	Lenroot	Seldomridge
Bruckner	George	Lesher	Sells
Burgess	Gilmore	Levy	Shreve
Burke, Pa.	Glass	Lewis, Md.	Slayden
Burke, Wis.	Godwin, N. C.	Lewis, Pa.	Slemp
Callaway	Goeke	Lindquist	Smith, Md.
Candler, Miss.	Goldfogle	Linthicum	Smith, Minn.
Carew	Goulden	Loft	Stanley
Carlin	Graham, Ill.	McAndrews	Stedman
Cary	Graham, Pa.	MacDonald	Stephens, Cal.
Chandler, N. Y.	Gregg	Mahan	Stevens, N. H.
Church	Griest	Maher	Stringer
Clark, Fla.	Griffin	Martin	Sumners
Connolly, Iowa	Gudger	Merritt	Taylor, Ala.
Conry	Guernsey	Metz	Taylor, N. Y.
Copley	Hamill	Mitchell	Temple
Cramton	Harris	Montague	Thomson, Ill.
Dale	Hart	Morin	Treadway
Davenport	Hinebaugh	Moss, W. Va.	Vare
Dershem	Hobson	Mott	Wallin
Dooling	Hoxworth	Murdock	Walsh
Doremus	Hulings	Neeley, Kans.	Walters
Drukker	Humphreys, Miss.	Nolan, J. I.	Watkins
Eagan	Keister	Norton	Willis
Eagle	Kelley, Mich.	O'Brien	Wilson, N. Y.
Elder	Kelly, Pa.	Oglesby	Winslow
Estopinal	Kennedy, R. I.	O'Hair	Woodruff
Evans	Kent	O'Leary	

So a second was ordered.

The Clerk announced the following pairs:

For the session:

Mr. GLASS with Mr. SLEMP.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Until further notice:

Mr. PALMER with Mr. MARTIN.

Mr. CONNOLLY of Iowa with Mr. POWERS.

Mr. DERSHEM with Mr. KIESS of Pennsylvania.

Mr. MANAHAN with Mr. GREGG.

Mr. FRANCIS with Mr. BELL of California.

Mr. KONOP with Mr. LEWIS of Pennsylvania.

Mr. MCANDREWS with Mr. WILLIS.

Mr. BAKER with Mr. ANDERSON.

Mr. BROWN of West Virginia with Mr. ANTHONY.

Mr. BRUCKNER with Mr. AUSTIN.

Mr. BURGESS with Mr. BRITTEN.

Mr. BURKE of Wisconsin with Mr. BURKE of Pennsylvania.

Mr. CALLAWAY with Mr. CARY.

Mr. CANDLER of Mississippi with Mr. CHANDLER of New York.

Mr. CARLIN with Mr. COPLEY.

Mr. CHURCH with Mr. CRAMTON.

Mr. CLARK of Florida with Mr. DRUKKER.

Mr. CONRY with Mr. FAIRCHILD.

Mr. DOREMUS with Mr. FORDNEY.

Mr. SMITH of Maryland with Mr. MOTT.

Mr. FERRIS with Mr. FREAR.

Mr. GILMORE with Mr. FRENCH.

Mr. GODWIN of North Carolina with Mr. GRAHAM of Pennsylvania.

Mr. GOLDFOGLE with Mr. GRIEST.

Mr. GOULDEN with Mr. GUERNSEY.

Mr. GRAHAM of Illinois with Mr. HULINGS.

Mr. HART with Mr. KEISTER.

Mr. HUMPHREYS of Mississippi with Mr. KELLEY of Michigan.

Mr. LESHER with Mr. KENNEDY of Rhode Island.

Mr. LEVY with Mr. J. R. KNOWLAND.
Mr. MONTAGUE with Mr. KREIDER.
Mr. NEELEY of Kansas with Mr. LANGLEY.
Mr. PATTEN of New York with Mr. LINDQUIST.
Mr. RAINEY with Mr. MACDONALD.
Mr. SABATH with Mr. MORIN.
Mr. SLAYDEN with Mr. Moss of West Virginia.
Mr. STEDMAN with Mr. J. I. NOLAN.
Mr. STEVENS of New Hampshire with Mr. NORTON.
Mr. SUMNERS with Mr. PAIGE of Massachusetts.
Mr. WALSH with Mr. PARKER.
Mr. WATKINS with Mr. SELLS.
Mr. WILSON of New York with Mr. SHREVE.
Mr. BROCKSON with Mr. SMITH of Minnesota.
Mr. BRODBECK with Mr. STEPHENS of California.
Mr. BROWN of New York with Mr. MERRITT.
Mr. CAREW with Mr. TEMPLE.
Mr. DALE with Mr. TREADWAY.
Mr. DOOLING with Mr. VARE.
Mr. EAGAN with Mr. WINSLOW.
Mr. EVANS with Mr. WOODRUFF.

Mr. HUGHES of West Virginia. Mr. Speaker, I am paired with the gentleman from Alabama [Mr. TAYLOR]. I voted "yea," and I desire to change that vote and vote "present."

The name of Mr. HUGHES of West Virginia was called, and he answered "Present."

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

The SPEAKER. The gentleman from Georgia is entitled to 20 minutes and the gentleman from Illinois is entitled to 20 minutes.

Mr. MURRAY. Mr. Speaker, will the gentleman from Georgia yield a moment until I submit a request for unanimous consent?

Mr. ADAMSON. Yes.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

Mr. UNDERWOOD. Mr. Speaker, I do not desire to interfere with the gentleman from Oklahoma, but I think it is doubtful whether, with the rule pending, a matter of that kind can be considered at this time.

Mr. MURRAY. It could not, except by unanimous consent.

Mr. UNDERWOOD. I will ask the gentleman to withhold it for the present.

Mr. MURRAY. Very well.

The SPEAKER. The gentleman from Georgia is entitled to 20 minutes.

Mr. ADAMSON. Mr. Speaker, I ask that the Clerk read, in my time, the report of the committee upon the bill.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2876) to amend an act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved March 4, 1913, having considered the same, report thereon with amendments, and as so amended recommend that it pass.

Amend the bill as follows:

Page 1, line 4, after the word "thirteen," insert the words "entitled 'An act.'"

Page 1, line 5, strike out the second word in the line, the word "for."

Page 1, line 6, after the word "purposes," insert quotation marks.

Page 1, line 6, strike out the word "authorizes" and insert in lieu thereof the word "authorized."

Page 1, line 6, after the words "Secretary of Commerce," insert the words "and Labor."

Amend the title so as to read: "To amend an act entitled 'An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913."

The following is the report of the Senate Committee on Commerce on this bill:

"The Committee on Commerce, to whom was referred the bill (S. 2876) to amend an act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913, having considered the same, report it with an amendment, and as amended recommend its passage.

"The bill thus amended has the approval of the Department of Commerce, as will appear by the annexed letter, the amendment referred to therein having been incorporated in the bill as reported.

"At the end of line 6, page 1, strike out the word 'and,' and at the beginning of line 7, on the same page, strike out the word 'Labor.'"

DEPARTMENT OF COMMERCE,
Washington, January 21, 1914.

MY DEAR SENATOR: Receipt is acknowledged of letter, dated January 15, 1914, from the Committee on Commerce, inclosing, with request for suggestions thereon by this department, a copy of Senate bill 2876, Sixty-third Congress, first session, "To amend an act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved March 4, 1913."

The act of March 4, 1913 (37 Stat. L., 1017), authorized the construction of a lighthouse tender for general service at a cost not exceeding $250,000, but no appropriation for this purpose has yet been made. The object of this bill is to increase the limit of cost of such tender to $325,000. The proposed tender is intended to take the place of the lighthouse tender *Armeria*, which, on May 20, 1912, struck a rock off Cape Hinchinbrook, Alaska, and was totally lost. It is also proposed to use this vessel in connection with the Alaska sealing industry in the Pribilof Islands in Bering Sea, etc.

The need for this tender is fully set forth in the estimate submitted therefor in the Book of Estimates, 1915, page 465. This is placed as the first item under group No. 1 of public works in the Lighthouse Service in the estimates of appropriations for the fiscal year 1915, and is considered the most urgent project which the Lighthouse Service has before it. Since the loss of the tender *Armeria* there has been no tender to adequately take its place, and the tender now doing service in Alaskan waters had to be taken from another district where its service could not well be spared.

It is suggested that the following changes be made in the bill: Line 6, page 1, strike out the word "and"; line 7, page 1, strike out the word "Labor." It is recommended that the bill be passed subject to the amendments suggested herein.

Very truly, yours,

E. F. SWEET, *Acting Secretary.*

THE CHAIRMAN OF THE COMMITTEE ON COMMERCE,
United States Senate, Washington, D. C.

Mr. ADAMSON. Mr. Speaker, almost two years ago—that is, at the close of the last Congress—we incorporated in an omnibus bill for aids to navigation an item of $250,000 for the construction of a lightship for general service in Alaskan waters. The Department of Commerce discovered that the needs of commerce in that part of the world, the absence of ships, and the dangerous character of the waters and the business to be transacted required a heavier and stronger ship than could be constructed with $250,000. The department, therefore, immediately recommended to Congress an increase in the authorization, and bills were introduced for that purpose and have been on the calendar ever since.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. BARTLETT. As I understand, the original estimate was $250,000, and the House passed a bill for that amount?

Mr. ADAMSON. Yes. That was put in the bill. I do not remember whether that was the estimate or not. I do not remember the estimate.

Mr. BARTLETT. Yes; and this is to increase the amount, so that they can construct a larger ship than was at first contemplated.

Mr. ADAMSON. They want to get a larger ship because they find that the one contemplated would not be large enough to answer the purpose, and they think, further——

Mr. BARTLETT. And also to answer the taste of the department.

Mr. ADAMSON. Well, I do not know anything about the taste of the department. I concede to the Secretary of Commerce, charged under his oath and bond, who has studied it more than I have, and perhaps knows more about it than I do, his opinion and I think he is right about it. He further says if this authorization is increased that it can do other work than that contemplated by the ship originally planned and authorized and would prevent the necessity for the construction of an additional ship, in which case at the same price the two would cost $500,000, and by increasing the limit to $325,000—that is not as much as $500,000 would be—this ship would serve all the purposes and all necessities of the Government. I understand that in these waters there are dangerous rocks, one of them I have heard described as being 4 or 5 miles off Cape St. Elias, on which they have been trying for a long time to put a buoy, and the department plans the putting of a buoy so heavy that not a ship in those waters can carry it. They say the ship contemplated would not carry it, and unless this is constructed soon it will delay indefinitely the placing of that buoy, and the only chance now of getting it there would be to send a ship from somewhere else up to those waters.

The Secretary has repeatedly urged the enlargement of this authorization. He has sent letters to Congress, he has sent letters to me, and he has sent letters to other Members of Congress and to the Committee on Appropriations. Gentlemen may differ with him about the matter of taste, as suggested by my colleague from Georgia, and gentlemen may differ with him as to the propriety of having one large ship instead of two small ones, or the absolute necessity of this one; but the department charged with the responsibility of this thinks that this is what ought to be done, and I defer to their opinion in the matter myself, and really am inclined to agree with him fully. I realize that at this time conditions in the House are very unfavorable to the bringing up of any bill which proposes an increase of expenditure, and I fully sympathize with the demand for economy—in fact, I yield to no man in my insistence and devotion to strict and honest sensible economy. I have no sympathy for the pseudopretense of economy. I do not run from my shadow because some people who think political economy means to economize only when they think it would be good politics. This bill was not brought in during the critical period inaugurated by the war in Europe, nor at any time just

preceding an election; it has been pending in the House and Senate for more than a year.

Economy, the mention of which frightens some of my super-economic and superconscientious colleagues, does not mean to stop the wheels of government, nor deprive the departments of the necessaries to their existence and operation. Correct economy means not to make unnecessary provision for new and outside purposes nor squander any money on doubtful and irrelevant propositions. Hundreds of things have been provided for at large expense during this Congress, and since this bill has been pending, not one one-hundredth part as essential to the welfare of the Government as this bill. If we are going to keep up the Life-Saving Service, we ought not to be frightened out of our boots by the hysteria of pseudoeconomists into refusing to make moderate expenditure to secure the safety of navigation and the efficiency of the Lighthouse Service. There is practically no Government vessel on the Alaskan coast; and since the destruction of the *Armeria* we have been trying to secure an adequate vessel for those waters.

The revenue cutters have rendered some assistance, but two or three weeks ago the revenue cutter in those waters was destroyed, so now there is no ship there. The department can go ahead and build the little vessel for $250,000, but it will not answer the purpose of the Government in those waters, and we will still have to have a larger ship or continue to hire a ship at great cost. To supply this vessel is an absolute necessity. Gentlemen will talk to you about reckless expenditures and levying war taxes—I beg to remind them in advance that the purpose of levying taxes is primarily to provide for operating the departments of the Government. If we spend millions of dollars, as we are doing, for other purposes not absolutely necessary and refuse to furnish an adequate ship to protect life and property on the Alaskan coast, we act very foolishly. You might just as well say a man because he is in debt will not buy a decent suit of clothes or satisfy his hunger with sound food, and then go off and buy an automobile, as to say you will make the expenditures that this Congress has made, and then be frightened by the pseudoeconomists into refusing the $75,000 increase asked for in this bill in order to save probably thousands of lives and millions of property in the northern waters adjacent to Alaska. The hysteria of my colleagues has no terror for me. I know what honest economy is, and I know what profligate expenditure is, and if we are not going to provide that the wheels of the Government may run by making such necessary authorizations as this there is no sense in collecting taxes at all. I am opposed to taxation and wish we could abolish it entirely, but it is a necessary evil we can not get along without; and as we have to tax the people, the way to spend it is to commence with necessary things like this ship, and let luxuries and wild extravagance alone, or at least postpone them until there is a surplus. This is an urgent administration measure, introduced in the House by me at the request of the administration, because it is necessary to a successful administration, and those who run to cover in the hope of fooling their constituents by the ill-timed cry of economy may just as well understand they are voting against the administration, for they are. This is one of the bills that the administration desired a rule for, but I had no fears but that we could pass it under the suspension of the rules, and availed myself of the first opportunity. You can not fool the people by that sort of cheap politics, for the people know that many of the same Members who cry economy, and follow the Republican leader in this case instead of the administration, have voted for many far less meritorious propositions than this, and propositions involving a thousand times as much money.

Gentlemen, let us be candid and sensible and do the right thing—our constituents have more sense than some of you seem to think they have.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for 20 minutes.

Mr. MANN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I am opposed to this bill. I am opposed to increasing the reckless expenditures of this administration. [Applause on the Republican side.] In the Treasury report of September 30 we have for the first time a record of the expenditures for the first three months of the present fiscal year—July, August, and September. From that report it appears that for those three months in the present year the expenditures were $199,353,546.74. For the previous year they were $188,479,149.88, an increase for the three months of $10,874,000. That is for the first three months of this fiscal year. At that rate the increase for the year would be $43,500,000. Added to the $700,000,000 of last year it would be $743,500,000. At that rate we would have made a large deficit if we had no war whatever, but depended upon the ordinary revenues under the Underwood bill. Now, I am opposed to any increase of expenditure unless absolutely necessary. I want to stop it right where it is. I would like to have the heads of departments take notice that it is time to cut down and economize and not increase these expenditures. I know there is a proposition to raise $110,000,000 by burdensome taxation——

A MEMBER. One hundred and five million.

Mr. PAYNE. No; it is $110,000,000, according to the Senate committee—by burdensome taxation on the people of this country, direct additional taxation, and I am opposed to raising any such enormous sum. It is claimed that it is necessary because of the lack of revenues on account of the war. Well, we have here the revenues from customs for the two months since the war commenced, and the revenues for those two months, August and September, in round numbers, are $36,650,000. The Underwood bill was in full operation only eight months prior to the 1st day of August and prior to the war in Europe, and the average monthly revenue from customs was $21,800,000, which at that rate, were there no war, would be for the two months $43,600,000; but for August and September, since the beginning of the war, the customs receipts were $36,657,000, a loss of only $6,942,000 for the two months that the war has been in operation, or at a rate of three and a half million dollars per month, or $41,650,000 per annum. That is all the loss of revenue from customs for the two months on account of the war. But taking the whole year into consideration—I know there have been given out statements from the Treasury Department, and when it gets into the newspapers they say that the loss of revenue for the month of September is some $11,000,000; but they are subtracting the actual receipts in September of this year from the actual receipts in September of a year ago, when the customs receipts were coming in under the previous Republican customs law. So they get at that $11,000,000 in that way; but the actual shortage on what was produced on the average, taking the eight months under the Underwood law in full operation up to the 1st day of August, was only, as I say, three and a half million per month instead of $11,000,000.

The SPEAKER. The time of the gentleman has expired.

Mr. PAYNE. I hope that the House will stop in its mad career of extravagance and look into these figures and see if they had not better economize. [Applause on the Republican side.]

Mr. MANN. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. HUMPHREY].

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] is recognized for three minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, supplementing the statement made by the distinguished gentleman from New York [Mr. PAYNE] as to the condition existing on this anniversary of the approval of the Underwood tariff bill, I wish to call attention to a letter that I have just received from a gentleman in Chicago. In making a speech on June 23 last I used the expression "that every hour that Woodrow Wilson had been in the White House the business of this Nation has decreased more than a million dollars." I received from Mr. Charles G. Blake, of Chicago, a letter on September 15, in which he used this expression:

> During our recent primary campaign in a speech I used the statement on the face of the pamphlet of your speech of June 23, quoting, among other things, that part stating that "every hour * * * business of this Nation has decreased more than $1,000,000."
>
> I was "called" very hard on this statement the next day by a man who is a statist of financial and business conditions, Mr. Franklyn Hobbs.

It appears that Mr. Hobbs said that the bank clearances of the country showed that I was mistaken. It seems that Mr. Hobbs took the clearances for a number of years as the basis of his calculation and not those since the new tariff law.

I wrote back to Mr. Blake and told him that he had better have Mr. Hobbs make his comparisons immediately before and after the passage of the Underwood bill. He sent me a letter from Mr. Hobbs, from which I read the following—the letter is dated Chicago, September 22, 1914:

> I will therefore compare the clearings for the six months immediately following the passage of the tariff bill with the clearings for the same months of the preceding year, which would show the activity for the same period of the year. The only proper method is to compare the clearings of October, 1913, with the clearings of October, 1912, etc.
>
> Clearings for the fourth quarter of 1912 were $47,874,000,000.
>
> Clearings for the fourth quarter of 1913 were $44,239,000,000.
>
> Clearings for the first quarter of 1913 were $43,915,000,000.
>
> Clearings for the first quarter of 1914 were $43,395,000,000.
>
> Clearings for six months, beginning October, 1912, were $91,788,000,000.
>
> Clearings for six months, beginning October, 1913, were $87,634,000,000.

We see from these figures that clearings for the six months fell off $4,154,000,000, or $692,000,000 a month, or slightly under $27,000,000 a day.

So that when I made the statement that the business of the Nation had decreased every hour that Woodrow Wilson had been in the White House, according to the figures given by this expert, who had criticized me, I understated the facts, if it is made to apply only since the present tariff law. It is well, upon this 5th day of October, when the Underwood tariff law has been upon our statute books 12 months and a day, to recall the fact that every hour that law has been upon our statute books the business of the country has decreased more than a million dollars, and that every day that it has been on the statute books our foreign trade has decreased more than a million dollars; and that was the law that was to bring us unexampled prosperity and under which we were to go forth and capture the markets of the world and conquer the other nations of the earth by taking their trade away from them. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. ADAMSON. Mr. Speaker, I would like to ask the gentleman a question.

Mr. HUMPHREY of Washington. I will be glad to answer the gentleman, but my time has expired.

Mr. ADAMSON. I have enjoyed as much as anybody the remarks of the gentleman on the record of the Democratic Party, but just before the gentleman sits down I want to ask him whether the condition he speaks of admits the passage of this bill or not? The bill is to authorize the purchase of a lightship for the Alaskan coast.

Mr. HUMPHREY of Washington. I am in favor of the bill, and I think that out of the gigantic total of $1,109,000,000 that this Democratic House, pledged to economy, has already appropriated at this session they ought at least to appropriate $325,000 to build this vessel, and they should have appropriated a sufficient sum to have made a survey to locate the hidden rocks along the Alaskan coast. The other day the *Tahoma*, a Government life-saving ship, worth more than this bill would appropriate, was lost on that coast. I do not believe in economy when human life is involved. It would be economy to the Government, if only their own vessels were considered, to make more safe Alaskan waters.

Mr. ADAMSON. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. ESCH].

The SPEAKER. The gentleman from Wisconsin [Mr. ESCH] is recognized for five minutes.

Mr. ESCH. Mr. Speaker, I am just as much in favor of economy as is the distinguished gentleman from New York [Mr. PAYNE], who has just addressed the House, but I am one who believes in making a large first cost if thereby there will result an ultimate economy.

My contention is that by granting this increase of $75,000 for this lighthouse tender there will be ultimate economy. Since the *Armeria* was shipwrecked in 1912 the Government has had to charter a vessel to do the work that that ship formerly did. This vessel has now been chartered for three years. It is the steamer *Homer*. I beg leave to call your attention to the cost to the Government of this substitute vessel, which is doing some of the work which a lighthouse tender ought to do. In 1910 the *Homer* was chartered at a daily rate to the Government of $142.50, and she was engaged in that year 104½ days, at a cost of $14,877.55. In the year 1911 the same vessel was chartered at the rate of $142.50 per day.

Mr. MADDEN. Mr. Speaker, will the gentleman yield for a question right there?

Mr. ESCH. Yes.

Mr. MADDEN. How much does it cost to operate a Government-owned vessel per day?

Mr. ESCH. The statistics do not furnish that in detail. In 1911 the *Homer* was chartered for 117 days at a cost of $16,567.75. In 1912 she cost $150 a day and ran for 133 days, at a cost to the Government of $20,025.

This new vessel which we contemplate building by this increased appropriation will not only do the work of a lighthouse tender, but also do work in furnishing the seal fisheries on the Pribilof Islands with their supplies, and will take from those islands the seal catch each year. To do that work requires a sea-going vessel. An ordinary small vessel in those dangerous waters will not meet the necessity, and on this account the committee, as well as the Department of Commerce, agrees that there should be this additional expenditure of $75,000.

Mr. BARTLETT. Mr. Speaker, may I interrupt the gentleman right there to ask him a question?

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Georgia?

Mr. ESCH. Yes.

Mr. BARTLETT. I understood that the Department of Commerce never undertook to have this vessel built for $250,000, but just sat down and stated that $325,000 was required before they could begin.

Mr. ESCH. The department did not begin building that vessel, because——

Mr. BARTLETT. I understand the reason was that the officials of the department appeared before the Committee on Appropriations and said they did not want to begin with $250,000, but would wait for the $325,000.

Mr. ESCH. Would the gentleman accept the word of the Department of Commerce in a case of this kind?

Mr. BARTLETT. Yes; ordinarily I would; but these are times when the Department of Commerce, as well as any other department, ought to retrench instead of enlarging expenses. [Applause on the Republican side.]

Mr. ESCH. This will retrench expenses ultimately, and that is why I am urging it. This is to be a vessel of 2,000 tons. The *Armeria*, the vessel which this one is intended to supplant, was one of only 1,800 tons. The wireless plant, it is estimated, will cost $5,000. The machine-shop outfit will cost $5,000. It is necessary to have such an equipment on a vessel that has to make many repairs and is so far from its base. The derrick will cost $9,000. A very heavy derrick will be required in order to plant the large acetylene buoys which must be placed along the dangerous Alaskan coast. And then the windlass, operated by machinery, will cost $6,000 more, making a total of $325,000 called for by this bill.

Under all the circumstances and conditions the committee believe that this would be a wise expenditure. [Applause.]

Mr. ADAMSON. Mr. Speaker, will the gentleman from Illinois [Mr. MANN] use some of his time?

Mr. MANN. I yield two minutes to the gentleman from Georgia [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I regret very much not to be able to support any bill that my colleague [Mr. ADAMSON] may report from his committee, and I withhold my support from this bill reluctantly. But this is an effort to increase by one-third the amount originally estimated for by the Department of Commerce for this vessel and authorized by Congress. Now, a vessel may be needed, but the mail of every Congressman, I apprehend, is filled with protests, and the telegraph wires are constantly bringing protests against increased taxation upon the citizens of the country. [Applause on the Republican side.] I for one believe that instead of laying the heavy hand of taxation upon our people there should be an effort made to reduce—yea, more, to withhold—the expenditure of government money for those projects that are not absolutely necessary. [Applause.] Let us in this time of stress realize and emphasize that part of the Democratic platform formulated at Baltimore which pledged the people that we would return to the ancient economy of the Democratic Party and not needlessly expend the money of the people. Certainly we ought not needlessly to expend the money of the people when we have within a few days passed through this House a bill, which will soon be a law upon the statute books, imposing upon the country taxes that must necessarily be onerous and unusual.

The Department of Commerce asks for this tender, and it originally asked for $250,000. But the department never undertook to prepare any plans or to build a ship for $250,000. For some reason they wanted one to cost $325,000. Doubtless that would answer better, doubtless it would suit the taste of the officers of the Government and the department better; but let us set the example here to-day that we will not increase the expenditures of the Government except in cases of absolute necessity.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. ADAMSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Allen	Brown, W. Va.	Carew	Copley
Anderson	Browning	Carlin	Dale
Anthony	Bruckner	Cary	Deitrick
Austin	Burgess	Chandler, N. Y.	Dershem
Bartholdt	Burke, Pa.	Church	Dickinson
Bell, Cal.	Burke, Wis.	Claypool	Dooling
Britten	Callaway	Connelly, Kans.	Elder
Brockson	Candler, Miss.	Connolly, Iowa	Estopinal
Brown, N. Y.	Cantor	Conry	Evans

Fairchild	Humphreys, Miss.	Merritt	Shackleford
Faison	Johnson, S. C.	Metz	Shreve
Farr	Johnson, Utah	Miller	Sims
Ferris	Jones	Mondell	Sisson
Finley	Keister	Montague	Slemp
Floyd, Ark.	Kelly, Pa.	Morin	Smith, Md
Fordney	Kennedy, R. I.	Moss, W. Va.	Smith, Minn.
Francis	Kent	Mott	Stanley
Frear	Kiess, Pa.	Murdock	Stedman
French	Kindel	Neeley, Kans.	Stephens, Cal.
Gallivan	Kinkead, N. J.	Neely, W. Va.	Stevens, N. H.
Gardner	Kitchin	Nolan, J. I.	Stringer
George	Knowland, J. R.	Norton	Sumners
Gill	Konop	O'Brien	Switzer
Godwin, N. C.	Korbly	Oglesby	Taylor, Ala.
Goeke	Kreider	O'Hair	Temple
Goldfogle	Lafferty	O'Leary	Thomson, Ill.
Gouldeu	Langley	Paige, Mass.	Treadway
Graham, Ill.	L'Engle	Palmer	Vare
Graham, Pa.	Lenroot	Parker	Wallin
Gregg	Lesher	Peterson	Walsh
Griest	Lewis, Md.	Plumley	Walters
Griffin	Lewis, Pa.	Porter	Watkins
Gudger	Lindquist	Post	Watson
Guernsey	Linthicum	Powers	Whaley
Hamilton, N. Y.	Loft	Prouty	Whitacre
Harris	McAndrews	Ragsdale	Willis
Hayes	McGuire, Okla.	Rainey	Wilson, N. Y.
Hinebaugh	MacDonald	Riordan	Winslow
Hobson	Mahan	Rucker	Woodruff
Hoxworth	Maher	Sabath	
Hulings	Martin	Scully	

The SPEAKER. On this roll call 266 Members—a quorum—have answered to their names.

Mr. ADAMSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

Mr. ADAMSON. Mr. Speaker, how does the time stand on the motion to suspend the rules?

The SPEAKER. The gentleman from Georgia has 5 minutes and the gentleman from Illinois [Mr. MANN] has 10 minutes.

Mr. ADAMSON. I yield one minute to the gentleman from Washington [Mr. FALCONER].

Mr. FALCONER. Mr. Speaker, the gentleman from Georgia [Mr. BARTLETT] a few minutes ago gave us a line of talk on economy. It seems to me that his idea of economy as applied to this bill is not economy at all. It is the economy of the man who hides his talent in a napkin and buries it in the ground. In the last four years we have spent $84,000 in chartering ships to be used for the purposes for which this lighthouse tender could be used. We spend about $150 a day, anywhere from 100 to 225 days in the year, as has been stated by the gentleman from Wisconsin [Mr. ESCH]. It would be an economy to add $75,000 to the appropriation already ordered and build a ship for $325,000. In 30 years ships and cargoes to the amount of $7,000,000 have been destroyed and many lives lost on the Alaskan coast. In 1913 three ships, valued at $500,000, were destroyed in the waters of Alaska. This lighthouse tender ship would not save all the lives or the ships, but it would have a tendency at least to make navigation more secure and would render aid to the ships that were in danger.

The Department of Commerce has been criticized in debate here to-day because it did not go ahead on the $250,000 appropriation; but the fact is that the department had its attention called to the extra hazardous waters in which this ship would operate by the wreck of such ships as the *State of California*, the *Yukon*, and the *Caracao;* and in the light of these disasters it was wisely decided that a ship of extra heavy and substantial construction should be built; hence the increase in appropriation was asked.

There is no question, Mr. Speaker, but that the Department of Commerce is in a position to know what is wanted in Alaskan waters. The revenue cutter *Tahoma*, recently wrecked, emphasizes the wisdom of safety in construction. The distances between landings and from base of supplies makes it necessary that this ship should be large and strong. Supplies and fuel for long trips away to the Pribilof Islands and to the northwestern Alaskan coast, looking into the conditions of the natives, wards of this Government, in all kinds of weather calls for this expenditure. A good ship well constructed and equipped in this case is economy. An ordinary or inferior ship in this service is extravagance and does not commend itself to the man who knows.

I have called attention to the toll of wrecks in order to emphasize the necessity of a modern-built ship that would be of better service value than the chartered ships now in use. Especially did the Department of Commerce emphasize the necessity for this added appropriation in its list of estimates for 1915, page 465, by making this appropriation item No. 1. Secretary Redfield has written the chairman of the committee, also Speaker CLARK and others, urging necessity for favorable action. The Senate after thorough consideration passed the bill, and this House should do so.

Mr. MANN. Mr. Speaker, the gentleman from Washington [Mr. FALCONER], who just preceded me, evidently is not entirely familiar with the duties of a lighthouse tender. A lighthouse tender has nothing whatever to do with saving shipwrecked mariners or taking care of shipwrecked vessels. A lighthouse tender merely carries supplies and things of that sort to the lighthouses.

Mr. FALCONER. Will the gentleman yield?

Mr. MANN. I will for a question, if the gentleman will make it short.

Mr. FALCONER. The gentleman knows that a Government ship in the waters where a ship is in distress would go to the aid of the ship in distress?

Mr. MANN. Oh, well, any ship, whether it is a lighthouse tender or a merchant vessel or a war vessel, would probably go to the aid of a distressed vessel, but that is not what lighthouse tenders are constructed for and that is not their duty.

What are the facts. A few years ago we were building lighthouse tenders at a maximum cost of $150,000. But the lighthouse people wanted larger tenders, more commodious quarters for the officers, and we increased the cost to $175,000 and $200,000, and a year ago—that is, in 1913—we increased the cost in providing for a lighthouse tender for Alaskan waters to $250,000.

Instead of asking for an appropriation for that amount the Commissioner of Lighthouses, and naturally his superior officer, the Secretary of Commerce, asked to increase the cost from $250,000 to $325,000. That will be the highest amount that we ever have appropriated for any small vessel. We do not appropriate so much as that, ordinarily, even for the revenue cutters, although we did appropriate $350,000 for a revenue cutter to wreck vessels at sea. But to increase the cost in itself is an extravagance. There is no need of appropriating $325,000 to build a lighthouse tender.

A year ago, in the wintertime, when they were asking for this vessel they only asked for $250,000. Congress gave all they asked for, but some genius somewhere connected with the service concluded that they ought to have a more expensive vessel. If we could stop at the expense of the vessel, we might do that, but every dollar we add to the cost of the vessel we add another dollar to the cost of the maintenance of the vessel. The larger the vessel the more of a crew it takes and the more supplies for the maintenance of the crew and the more coal and oil is necessary to operate the vessel.

Two gentlemen this afternoon have called attention to the fact that without this lighthouse tender we have been renting vessels, and the report on the House bill reported at this session of Congress to the same effect, which is not carried in the report of the Senate bill, states that in 1910 we chartered a vessel and paid nearly $15,000 for it. In 1911 we paid over $16,000. In 1912 we paid $20,000, and the inference was that if we built this vessel we would save a large amount of money, because we would not have to charter these outside vessels.

The fact is that the maintenance of the lighthouse tender itself will amount to considerably more than the entire cost we have paid for the charter of these vessels; that is in addition to the original cost of the vessels.

One of the excuses given for the proposed increase of the cost of this vessel is that they want it for other service besides the use of a lighthouse tender. We have the Pribilof Islands, the fur-seal islands, and we furnish some supplies there to the native Indians. We carry some coal and other supplies there, and it is said that if we have a very large lighthouse tender we can use that tender to carry these supplies to the Pribilof Islands.

I can not agree to that proposition. A lighthouse tender, if it performs its duty, will be quite fairly busy visiting the lighthouses and other aids to navigation. It will not have the time or the opportunity to run out to the Pribilof Islands, away yonder and far distant from lighthouses.

The suggestion was made at one time that this lighthouse tender might be used to carry coal down a river that runs up into Alaska. It is utterly impossible to use it for that purpose, and if it could be used at all in times of high water the cost to the Government would be several times what it would be to get coal down otherwise.

Now, gentlemen of the House, we passed a bill to increase the taxes the other day. I believe the country is always willing to pay all the taxes which it thinks can properly be expended. I do not believe that our country is niggardly about the payment of taxes where they think the money is needed and is economically expended. I do not believe that you can make the country believe that it is necessary, particularly at this time, to build a lighthouse tender at all on the Alaskan coast [applause],

much less to build one which will cost more than any other lighthouse tender ever built. It is a time for us to be economical, and if when every one of these bills that comes up to appropriate $10,000, or $100,000, or $1,000,000, or $10,000,000, we say, "Oh, well; this does not add very much," in the end we add large sums of money. This is a motion to suspend the rules and pass this bill. If the motion is defeated, the bill remains on the calendar. No work could be done or is likely to be done if this bill passes now. It does not carry an appropriation. There will be no appropriation made until next winter. Of course, they might go ahead and prepare the plans and let the contract. It is time enough next winter to pass this bill in the light of conditions as they will exist at that time, without pledging Congress in advance that it is going to build great lighthouse tenders with fine quarters for the officers and the visitors who go on them. It would be very convenient to have a lighthouse tender costing $325,000 in which to sail up to the Pribilof Islands or for some of us, perchance, to get permission to ride in up to the coast of Alaska. It would be very convenient, but just at this time I think that we can afford to be economical and lay aside propositions of this kind, which we are not required to meet at this time, and thus save the money to the country. [Applause.]

Mr. ADAMSON. Mr. Speaker, I yield the remaining four minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, I presume that I should have taken the view that is taken by the leader on this side of the House, if I had not known the facts regarding this case; but, knowing the facts, I could not conscientiously vote against this bill. [Applause.] I am in entire sympathy with the economy and retrenchment program that seems to be now asserted on both sides of this House, but I want to say to the gentlemen on the Democratic side of the House that you can not acquire a reputation for economy by your action on this bill. Your record has been made, and you can not retrieve it, if it is a bad one, by retrenchment upon this bill when it is not warranted; and I want to say to those on the Republican side of the House that your charges against the other side of passing bills that are not warranted, that are grossly extravagant, will not be strengthened if you oppose this meritorious measure.

Mr. Speaker, the facts regarding this proposition, in my judgment, show that the additional appropriation is an absolute necessity. Why was this enlargement made? Gentlemen seem to carry the idea that it was merely to please the department. The facts are that they are required to have a certain kind and class of vessels for this particular service on the Pacific coast. They can not secure it for the estimate of $250.000, and it was absolutely necessary to increase it to $325,000. This service is a serious service.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. TOWNER. I can not yield. It is to serve on the most boisterous and dangerous waters on the American coast. It is to serve not only in tending but in building lighthouses to protect and guard that coast. It is in this particular case to furnish supplies and to assist in protecting the herd of seals on the Pribilof Islands, which is the property of the Government. and there is no other vessel in the service of the Government that can give that service on the Pacific coast unless this ship shall be built. Defer it until next winter and it is too late. We must now prepare for that necessary and dangerous service; and so I say, Mr. Speaker, it is a question of economy to vote for this bill, and not to vote against it. It is only to carry out our obligations to protect our shipping against the dangers that lie in those dangerous Alaskan waters, but in building these lighthouses and in tending them we are protecting the ships that carry our people to and from Alaska and furnish the supplies to them and for the Government service. From every possible standpoint this appropriation, in my judgment, is justified, and I hope gentlemen on this side of the House will vote for this bill, because it is absolutely needed, and I think we have enough patriotism to supply whatever is needed for the service of our country. [Applause.]

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken.

Mr. HENRY. Mr. Speaker, I demand a division.

Mr. ADAMSON. Mr. Speaker, I demand a division.

The House proceeded to divide.

Mr. BRYAN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-four Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question is on suspending the rules and passing the bill.

The question was taken, and there were—yeas 96, nays 158, answered "present" 2, not voting 172, as follows:

YEAS—96.

Abercrombie	Esch	La Follette	Rayburn
Adair	Falconer	Langham	Reed
Adamson	Fergusson	Lee, Pa.	Roberts, Nev.
Alexander	Gard	Lever	Rogers
Baker	Gilmore	Levy	Seldomridge
Booher	Gittins	Lieb	Sims
Brodbeck	Godwin, N. C.	Logue	Sinnott
Bryan	Goodwin, Ark.	Lonergan	Smith, N. Y.
Buchanan, Ill.	Gray	McClellan	Smith, Saml. W.
Bulkley	Hamill	McKellar	Sparkman
Cantrill	Hamilton, Mich.	McLaughlin	Stephens, Nebr.
Carr	Hammond	Mapes	Stephens, Tex.
Casey	Harrison	Mitchell	Stevens, Minn.
Coady	Hawley	Mondell	Taggart
Cullop	Hayden	Moore	Talcott, N. Y.
Curry	Hayes	Mulkey	Taylor, Colo.
Decker	Hinds	Neely, W. Va.	Thacher
Deitrick	Howell	Nelson	Towner
Dixon	Hughes, Ga.	O'Shaunessy	Townsend
Donovan	Humphrey, Wash.	Padgett	Underhill
Doolittle	Igoe	Park	Underwood
Driscoll	Johnson, Wash.	Phelan	Weaver
Dupré	Kahn	Raker	Whaley
Eagle	Kettner	Rauch	White

NAYS—158.

Aiken	Dies	Hill	Reilly, Wis.
Ainey	Difenderfer	Holland	Roberts, Mass.
Ashbrook	Dillon	Houston	Rouse
Aswell	Donohoe	Howard	Rubey
Avis	Doughton	Hull	Rupley
Bailey	Drukker	Jacoway	Russell
Baltz	Dunn	Johnson, Ky.	Saunders
Bartlett	Eagan	Keating	Scott
Barton	Edmonds	Kennedy, Conn.	Shackleford
Bathrick	Edwards	Kennedy, Iowa	Sherley
Beaks	Ferris	Kinkaid, Nebr.	Sherwood
Beall, Tex.	Fess	Kirkpatrick	Slayden
Bell, Ga.	Fields	Kitchin	Sloan
Blackmon	FitzHenry	Lazaro	Smith, J. M. C.
Borchers	Flood, Va.	Lee, Ga.	Smith, Tex.
Borland	Fordney	Lenroot	Stafford
Bowdle	Foster	Lindbergh	Steenerson
Broussard	Fowler	Lloyd	Stephens, Miss.
Brumbaugh	Garner	Lobeck	Stone
Buchanan, Tex.	Garrett, Tenn.	McGillicuddy	Sutherland
Burke, S. Dak.	Garrett, Tex.	Madden	Switzer
Burnett	Gillett	Maguire, Nebr.	Talbott, Md.
Butler	Glass	Mann	Tavenner
Byrnes, S. C.	Good	Moon	Taylor, Ark.
Byrns, Tenn.	Gordon	Morgan, La.	Taylor, N. Y.
Calder	Green, Iowa	Morgan, Okla.	Thomas
Campbell	Greene, Mass.	Morrison	Thompson, Okla.
Caraway	Greene, Vt.	Moss, Ind.	Tribble
Carter	Hamlin	Murray	Tuttle
Cline	Hardwick	Oldfield	Vaughan
Collier	Hardy	Page, N. C.	Volstead
Connelly, Kans.	Hart	Payne	Walker
Cooper	Haugen	Peters	Watson
Cox	Hay	Peterson	Williams
Cramton	Heflin	Platt	Wingo
Crisp	Helgesen	Porter	Witherspoon
Danforth	Helm	Post	Young, N. Dak.
Davis	Helvering	Prouty	Young, Tex.
Dent	Henry	Quin	
Dickinson	Hensley	Reilly, Conn.	

ANSWERED "PRESENT"—2.

Carlin	Manahan

NOT VOTING—172.

Allen	Dershem	Hoxworth	Merritt
Anderson	Dooling	Hughes, W. Va.	Metz
Ansberry	Doremus	Hulings	Miller
Anthony	Elder	Humphreys, Miss.	Montague
Austin	Estopinal	Johnson, S. C.	Morin
Barchfeld	Evans	Johnson, Utah	Moss, W. Va.
Barkley	Fairchild	Jones	Mott
Barnhart	Faison	Keister	Murdock
Bartholdt	Farr	Kelley, Mich.	Neeley, Kans.
Bell, Cal.	Finley	Kelly, Pa.	Nolan, J. I.
Britten	Fitzgerald	Kennedy, R. I.	Norton
Brockson	Floyd, Ark.	Kent	O'Brien
Brown, N. Y.	Francis	Key, Ohio	Oglesby
Brown, W. Va.	Frear	Kiess, Pa.	O'Hair
Browne, Wis.	French	Kindel	O'Leary
Browning	Gallagher	Kinkead, N. J.	Paige, Mass.
Bruckner	Gallivan	Knowland, J. R.	Palmer
Burgess	Gardner	Konop	Parker
Burke, Pa.	George	Korbly	Patten, N. Y.
Burke, Wis.	Gerry	Kreider	Patton, Pa.
Callaway	Gill	Lafferty	Plumley
Candler, Miss.	Goeke	Langley	Pou
Cantor	Goldfogle	L'Engle	Powers
Carew	Gorman	Lesher	Ragsdale
Cary	Goulden	Lewis, Md.	Rainey
Chandler, N. Y.	Graham, Ill.	Lewis, Pa.	Riordan
Church	Graham, Pa.	Lindquist	Rothermel
Clancy	Gregg	Linthicum	Rucker
Clark, Fla.	Griest	Loft	Sabath
Claypool	Griffin	McAndrews	Scully
Connolly, Iowa	Gudger	McGuire, Okla.	Sells
Conry	Guernsey	McKenzie	Shreve
Copley	Hamilton, N. Y.	MacDonald	Sisson
Crosser	Harris	Mahan	Slemp
Dale	Hinebaugh	Maher	Small
Davenport	Hobson	Martin	Smith, Idaho

Smith, Md.	Stringer	Vare	Whitacre
Smith, Minn.	Sumners	Vollmer	Willis
Stanley	Taylor, Ala.	Wallin	Wilson, Fla.
Stedman	Temple	Walsh	Wilson, N. Y.
Stephens, Cal.	Ten Eyck	Walters	Winslow
Stevens, N. H.	Thomson, Ill.	Watkins	Woodruff
Stout	Treadway	Webb	Woods

So, two-thirds not having voted in favor thereof, the motion to suspend the rules was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. ALLEN with Mr. BARTHOLDT.

Mr. BARKLEY with Mr. SMITH of Minnesota.

Mr. BARNHART with Mr. BROWNE of Wisconsin.

Mr. CLAYPOOL with Mr. WINSLOW.

Mr. CHURCH with Mr. FARR.

Mr. CLARK of Florida with Mr. FREAR.

Mr. ESTOPINAL with Mr. FRENCH.

Mr. FINLEY with Mr. JOHNSON of Utah.

Mr. FITZGERALD with Mr. J. R. KNOWLAND.

Mr. GORMAN with Mr. LEWIS of Pennsylvania.

Mr. JOHNSON of South Carolina with Mr. MCGUIRE of Oklahoma.

Mr. KEY of Ohio with Mr. MCKENZIE.

Mr. POU with Mr. MILLER.

Mr. RAGSDALE with Mr. MOSS of West Virginia.

Mr. RUCKER with Mr. PATTON of Pennsylvania.

Mr. SMALL with Mr. PLUMLEY.

Mr. WEBB with Mr. SMITH of Idaho.

Mr. TEN EYCK with Mr. STEPHENS of California.

Mr. HOBSON with Mr. WOODS.

For the session:

Mr. CLANCY with Mr. HAMILTON of New York.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, the Doorkeeper will open the doors.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker——

Mr. HENRY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. HENRY. Mr. Speaker, I wish to move to discharge the Committee on Banking and Currency from the further consideration of the bill H. R. 18916, to suspend the rules and pass the bill.

The SPEAKER. The gentleman from Texas was not recognized for that purpose. We have not reached that order of business. In addition to that, the Chair agreed to recognize certain gentlemen to call up certain bills. The gentleman from South Carolina [Mr. LEVER] is recognized.

COTTON WAREHOUSES.

Mr. LEVER. Mr. Speaker, I move to suspend the rules and pass the bill S. 6266, with amendments, which I send to the Clerk's desk.

The SPEAKER. The Clerk will read the bill as amended. The Clerk read as follows:

S. 6266 An act to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

Be it enacted, etc., That this act shall be known by the short title of "United States warehouse act."

SEC. 2. That the term "warehouse" as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored or held. The term "agricultural product" wherever used in this act shall be held to include cotton, grain, and other agricultural products designated by the Secretary of Agriculture to be staple and nonperishable.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying, grading, weighing, and certification of agricultural products; upon application to him, to inspect warehouses or cause them to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for or have been issued under this act are suitable for the proper storage or holding of agricultural products; to classify warehouses in accordance with their location, surroundings, capacity, condition, and other qualities, and as to the kinds of licenses issued or that may be issued to them pursuant to this act; and to prescribe the duties of the owners and operators of warehouses licensed under this act with respect to the care of and responsibility for agricultural products stored or held therein.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him by the owner or operator of a warehouse, to issue a license for the conduct of the same, subject to this act and such rules and regulations as may be made hereunder. Each license shall specify the date upon which it is to terminate, and, upon showing satisfactory to the Secretary of Agriculture, may, from time to time, be renewed or extended by a written instrument, which shall specify the date of its termination.

The owner or operator of every warehouse licensed under this act shall execute and file with the Secretary of Agriculture a good and sufficient bond to the United States, and such warehouses shall be designated as bonded. Said bond shall be in such form and amount, shall have such surety or sureties, and shall contain such terms and conditions as the Secretary of Agriculture may require to carry out the purposes of this act. No warehouse shall be designated as bonded under this act, and no name or description conveying the impression that it is so bonded, shall be used until a bond such as provided for in this section has been filed with and approved by the Secretary of Agriculture.

Any person injured by the misconduct or negligence of the principal named in the bond shall be entitled in an action upon the bond, brought in his own right and name in any court having jurisdiction of the same, to recover all losses he may have sustained.

SEC. 5. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this act when such examination or inspection is made upon application of the owner or operator of such warehouse, and a fee not exceeding $2 per annum for each license or renewal thereof issued to the owner or operator of a warehouse under this act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

SEC. 6. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify or grade agricultural products or specified kinds of agricultural products and to certificate the class or grade thereof, or to weigh said agricultural products and certificate the weight thereof; or to classify, grade, and weigh agricultural products or specified kinds of agricultural products and to certificate the class, grade, and weight thereof, under such rules and regulations as may be made pursuant to this act. Any such license issued under this act may be suspended or revoked whenever the Secretary of Agriculture is satisfied that the holder thereof has failed to classify, grade, or weigh agricultural products correctly or has violated any provision of this act or of the rules and regulations made thereunder, or that the license has been used for any improper purpose whatsoever: *Provided*, That no such licensed person shall inspect or grade grain or shall certify, or otherwise indicate in writing, the grade of any grain which has been inspected or graded by him unless and until he has been duly authorized or employed by State, county, city, town, board of trade, chamber of commerce, corporation, society, or association to inspect and grade grain: *Provided further*, That in States which have State grain inspection established by law the Secretary of Agriculture may, in his discretion, issue licenses to persons duly authorized and employed to inspect grain under the laws of such State at the time this act goes into effect.

SEC. 7. That the owner or operator of every licensed warehouse shall receive for storage, without any discrimination between persons, any agricultural products tendered to him in a suitable condition for warehousing in the usual manner in the ordinary and usual course of business: *Provided*, That grain or flaxseed so received shall be graded and inspected by an inspector duly licensed under this act and shall be stored with grain or flaxseed of a similar grade; and in no case, in a warehouse licensed under this act, shall grain or flaxseed of different grades be mixed together while in store. No owner or operator of a warehouse duly licensed under this act shall sell or otherwise dispose of, or deliver out of store, any such agricultural product without the express authority of its owner and the return of the storage receipt. For all agricultural products stored or held by a warehouse licensed under this act original receipts, serially numbered, shall be issued by the owner or operator thereof, signed by himself or by his duly authorized agent. No such receipt shall be issued except for agricultural products actually stored or held in the warehouse at the time of the issuance thereof. No duplicate of an original receipt shall be issued unless the same be plainly and conspicuously marked "duplicate" upon the face thereof. While an original receipt or any duplicate thereof issued under this act is outstanding and uncanceled by the owner or operator of the warehouse issuing the same no other or further receipt shall be issued for the agricultural product, except that in the case of lost or destroyed receipts new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act. Any receipt issued in lieu of an original shall be upon the same terms and subject to such conditions as are prescribed by this act for such original receipt. Each original receipt shall contain such terms and conditions, not inconsistent with the laws of the respective States in which issued, as the Secretary of Agriculture may require for carrying out the purposes of this act, including a true statement of the date and place of its issuance, its serial number, and the location of the warehouse in which the agricultural product is stored or held, and shall state that the agricultural product is deliverable upon the return of the receipt properly indorsed and upon payment of proper legal charges, if any be due to the owner or operator of the warehouse. Upon return of the receipt to the owner or operator of the warehouse issuing the same and upon the payment or tender of all advances and legal charges, agricultural products of the same class or grade and quantity named therein shall be delivered to the holder of such receipt within 24 hours after facilities for receiving the same have been provided: *Provided*, That in the case of cotton or other agricultural products customarily put up in bales or packages, each original receipt shall include a description of such bales or packages by marks, numbers, or other means of identification, and the weight thereof; the owner of such original receipt shall be entitled upon presentation thereof, and the payment of accrued charges, to receive the identical bale or package described therein within 24 hours after facilities for receiving the same have been provided.

SEC. 8. That the owner or operator of any warehouse licensed under this act shall keep complete and correct records of all agricultural products stored or held therein and withdrawn therefrom, of all original warehouse receipts, and duplicates of the same, issued by the owner or operator of the warehouse, and of the receipts returned to and canceled by the owner or operator thereof, shall make reports to the Secretary of Agriculture, in such form and at such times as he may require, and shall be conducted and operated in all other respects in compliance with this act and the rules and regulations made hereunder.

SEC. 9. That any warehouse receipt or certificate of the class or grade of any agricultural product issued under this act shall specify the class or grade of the agricultural product covered thereby in accordance with the official standard of the United States applicable thereto, as the same may be fixed and promulgated under authority of law: *Provided*, That until such official standards for any agricultural product shall have been fixed and promulgated under authority of law, such warehouse receipts or certificates of the class or grade of agricultural products may be issued in accordance with any other recognized standard, or in accordance with such rules and regulations as may be prescribed by the Secretary of Agriculture. Such receipts or certificates shall

show the description or the standard in accordance with which the agricultural product has been classified or graded.

SEC. 10. That the Secretary of Agriculture is hereby authorized to cause examinations to be made of any agricultural product stored or held in any warehouse licensed under this act. Whenever, after opportunity for hearing is given to the owner or operator of such warehouse, it is determined that such owner or operator of such warehouse is not performing fully the duties imposed on him by this act and the rules and regulations made hereunder, the Secretary may publish his findings.

SEC. 11. That the Secretary of Agriculture may suspend or revoke any license issued to any owner or operator of such warehouse under this act for any violation of or failure to comply with any provision of this act or of the rules and regulations made hereunder, and any such license may be suspended or revoked, after opportunity for hearing has been afforded to the licensee concerned, upon the ground that unreasonable or exorbitant charges have been made for services rendered.

SEC. 12. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section 3 of this act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this act and lists of all licenses terminated under this act and the causes therefor.

SEC. 13. That the Secretary of Agriculture is authorized, through officials, employees, or agents of the Department of Agriculture designated by him, to examine all books, records, papers, and accounts of warehouses licensed under this act and of the owners or operators of such warehouses relating thereto.

SEC. 14. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 15. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture to any owner or operator of a warehouse, or to any grader, classer, or weigher, under this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500 or imprisoned not more than six months, or both, in the discretion of the court.

SEC. 16. That the words "owner" or "operator" wherever used in this act shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations.

SEC. 17. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $100,000, available until expended, for the expenses of carrying into effect the provisions of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to call upon qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act, and, out of the moneys appropriated by this act, to pay the salaries and expenses thereof.

Amend the title so as to read: "An act to authorize the Secretary of Agriculture to license warehouses, and for other purposes."

The SPEAKER. Is a second demanded?

Mr. MADDEN. Mr. Speaker, I demand a second.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] demands a second.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. The gentleman from South Carolina [Mr. LEVER] asks unanimous consent that a second may be considered as ordered. Is there objection?

Mr. HENRY. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas objects. The Chair appoints the gentleman from South Carolina [Mr. LEVER] and the gentleman from Illinois [Mr. MADDEN] as tellers. Those in favor of seconding the motion to suspend the rules will pass between the tellers and be counted.

The House divided; and the tellers reported that there were—ayes 78, nays 0.

Mr. HENRY. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-three gentlemen are present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 224, nays 42, answered "present" 2, not voting 160, as follows:

YEAS—224.

Abercrombie	Borchers	Cline	Donohoe
Adair	Borland	Coady	Donovan
Adamson	Brockson	Collier	Doolittle
Aiken	Brodbeck	Connelly, Kans.	Doughton
Alexander	Browne, Wis.	Cooper	Driscoll
Allen	Bryan	Cox	Dupré
Ashbrook	Buchanan, Ill.	Crisp	Eagan
Aswell	Buchanan, Tex.	Crosser	Eagle
Bailey	Bulkley	Cullop	Edwards
Baker	Burke, S. Dak.	Curry	Esch
Baltz	Burnett	Davenport	Falconer
Barkley	Byrnes, S. C.	Davis	Fergusson
Barnhart	Byrns, Tenn.	Decker	Ferris
Bartlett	Campbell	Deitrick	Fields
Barton	Candler, Miss.	Dent	Finley
Bathrick	Cantor	Dershem	FitzHenry
Beakes	Caraway	Dickinson	Flood, Va.
Beall, Tex.	Carr	Dies	Floyd, Ark.
Bell, Ga.	Carter	Difenderfer	Foster
Blackmon	Casey	Dillon	Fowler
Booher	Clark, Fla.	Dixon	Gallagher
Gard	Johnson, Ky.	Morgan, Okla.	Smith, J. M. C.
Garner	Johnson, S. C.	Morrison	Smith, N. Y.
Garrett, Tex.	Johnson, Utah	Moss, Ind.	Smith, Tex.
Gerry	Johnson, Wash.	Mulkey	Sparkman
Gilmore	Kahn	Murray	Steenerson
Gittins	Keating	Nelson	Stephens, Miss.
Godwin, N. C.	Kennedy, Conn.	Oldfield	Stephens, Nebr.
Goodwin, Ark.	Kettner	Padgett	Stone
Gordon	Kinkaid, Nebr.	Page, N. C.	Taggart
Gray	Kirkpatrick	Park	Talcott, N. Y.
Hamill	Kitchin	Peterson	Tavenner
Hamlin	Lafferty	Phelan	Taylor, Ala.
Hammond	La Follette	Porter	Taylor, Ark.
Hardwick	Lazaro	Post	Taylor, Colo.
Hardy	Lee, Ga	Pou	Taylor, N. Y.
Harrison	Lee, Pa.	Prouty	Ten Eyck
Hart	Lever	Quin	Thacher
Haugen	Levy	Raker	Thomas
Hawley	Lieb	Rauch	Thompson, Okla.
Hay	Lindbergh	Reed	Tribble
Hayden	Lloyd	Reilly, Conn.	Tuttle
Hayes	Lobeck	Reilly, Wis.	Underhill
Heflin	Logue	Roberts, Nev.	Underwood
Helgesen	Lonergan	Rouse	Vaughan
Helm	McClellan	Rubey	Volstead
Hensley	McGillicuddy	Rupley	Walker
Hill	McGuire, Okla.	Russell	Watson
Holland	McKellar	Saunders	Weaver
Houston	Maguire, Nebr.	Seldomridge	Webb
Howard	Manahan	Shackleford	Whaley
Hughes, Ga.	Mann	Sherley	White
Hull	Mapes	Sims	Williams
Humphrey, Wash.	Mitchell	Sisson	Wingo
Igoe	Moon	Sloan	Young, N. Dak.
Jacoway	Morgan, La.	Smith, Idaho	Young, Tex.

NAYS—42.

Ainey	Green, Iowa	McLaughlin	Sherwood
Avis	Greene, Mass.	Madden	Slayden
Butler	Greene, Vt.	Miller	Smith, Saml. W.
Cramton	Hamilton, Mich.	Mondell	Stafford
Danforth	Hamilton, N. Y.	Moore	Stevens, Minn.
Drukker	Henry	Patton, Pa.	Sutherland
Edmonds	Hinds	Payne	Switzer
Fess	Hughes, W. Va.	Platt	Towner
Fitzgerald	Kennedy, Iowa	Rayburn	Witherspoon
Fordney	Lenroot	Rogers	
Good	McKenzie	Scott	

ANSWERED "PRESENT"—2.

Garrett, Tenn.	Howell

NOT VOTING—160.

Anderson	Farr	Korbly	Rainey
Ansberry	Francis	Kreider	Riordan
Anthony	Frear	Langham	Roberts, Mass.
Austin	French	Langley	Rothermel
Barchfeld	Gallivan	L'Engle	Rucker
Bartholdt	Gardner	Lesher	Sabath
Bell, Cal.	George	Lewis, Md.	Scully
Bowdle	Gill	Lewis, Pa.	Sells
Britten	Gillett	Lindquist	Shreve
Broussard	Glass	Linthicum	Sinnott
Brown, N. Y.	Goeke	Loft	Slemp
Brown, W. Va.	Goldfogle	McAndrews	Small
Browning	Gorman	MacDonald	Smith, Md.
Bruckner	Goulden	Mahan	Smith, Minn.
Brumbaugh	Graham, Ill.	Maher	Stanley
Burgess	Graham, Pa.	Martin	Stedman
Burke, Pa.	Gregg	Merritt	Stephens, Cal.
Burke, Wis.	Griest	Metz	Stephens, Tex.
Calder	Griffin	Montague	Stevens, N. H.
Callaway	Gudger	Morin	Stout
Cantrill	Guernsey	Moss, W. Va.	Stringer
Carew	Harris	Mott	Sumners
Carlin	Helvering	Murdock	Talbott, Md.
Cary	Hinebaugh	Neeley, Kans.	Temple
Chandler, N. Y.	Hobson	Neely, W. Va.	Thomson, Ill.
Church	Hoxworth	Nolan, J. I.	Townsend
Clancy	Hulings	Norton	Treadway
Claypool	Humphreys, Miss.	O'Brien	Vare
Connolly, Iowa.	Jones	Oglesby	Vollmer
Conry	Keister	O'Hair	Wallin
Copley	Kelley, Mich.	O'Leary	Walsh
Dale	Kelly, Pa.	O'Shaunessy	Walters
Dooling	Kennedy, R. I.	Paige, Mass.	Watkins
Doremus	Kent	Palmer	Whitacre
Dunn	Key, Ohio	Parker	Willis
Elder	Kiess, Pa.	Patten, N. Y.	Wilson, Fla.
Estopinal	Kindel	Peters	Wilson, N. Y.
Evans	Kinkead, N. J.	Plumley	Winslow
Fairchild	Knowland, J. R.	Powers	Woodruff
Faison	Konop	Ragsdale	Woods

So a second was ordered.

The Clerk announced the following additional pairs:

Until further notice:

Mr. BOWDLE with Mr. ANDERSON.

Mr. CANTRILL with Mr. BARCHFELD.

Mr. CLANCY with Mr. CALDER.

Mr. DOREMUS with Mr. DRUKKER.

Mr. KINKEAD of New Jersey with Mr. KIESS of Pennsylvania.

Mr. LINTHICUM with Mr. J. R. KNOWLAND.

Mr. NEELY of West Virginia with Mr. ROBERTS of Massachusetts.

Mr. RIORDAN with Mr. SINNOTT.

Mr. RUCKER with Mr. THOMSON of Illinois.

Mr. TALBOTT of Maryland with Mr. STEPHENS of California.

The result of the vote was announced as above recorded.

The SPEAKER. The motion is seconded, a quorum is present, and the Doorkeeper will open the doors. The gentleman from South Carolina [Mr. LEVER] has 20 minutes and the gentleman from Illinois [Mr. MADDEN] 20.

Mr. LEVER. Mr. Speaker, I yield to the gentleman from Indiana [Mr. Moss].

The SPEAKER. The gentleman from Indiana [Mr. Moss] is recognized.

Mr. MOSS of Indiana. Mr. Speaker, the hour has struck for the enactment of certain legislation in the interest of the American farmer. We are sick and tired of this endless stream of talk, professing friendship for the farmer in the face of continued failure to enact any of the bills which farmers themselves desire. There has been nation-wide discussion of rural credits but no legislation. We are nearing the close of this long session of Congress with this most-important subject held in abeyance.

The American farmer pays a higher rate of interest and borrows under harder terms than does the European farmer. We are under like disadvantage if the comparison be with the American business man. This discrimination against the farmer in our commercial world grows out of the fact that our bankers and business men are one and the same class of men. Mr. Henry B. Joy, president of the Packard Motor Car Co., in a letter to the publisher of System, in discussing the relation between business and banking said:

> As a matter of fact, the bankers of the United States are the business men of the United States, and the banks of the United States are the bulwarks of the business of the United States. Their interests are the same and mutual. Both are run by the same people.

This situation is admitted to be unfair to farmers, yet this Congress is preparing to adjourn without any action to relieve this intolerable situation.

The Moss bill for uniform grading of grain is another great measure which has been unanimously reported by the Agricultural Committee, and which is awaiting action from this body. This bill has been indorsed by the leading farm organizations, by the National Grain Dealers' Association, by the National Millers' Association, by the Department of Agriculture, and by the agricultural press of the Nation. It would establish uniform standards of quality for grain, and provides the necessary machinery to insure the fair and equitable application of these standards under the supervision of the National Government to all grain moving in interstate or foreign commerce. The provisions of the bill guarantee to the seller of grain that he will receive the full market value of his product, while they insure the buyer that he will be given exactly the grade of grain that his contract calls for. Neither of these guaranties can obtain under the present market conditions. It would stabilize prices and reduce harmful speculation in food products to the lowest limits.

So important is this question of standardization of grain grades that a great campaign of education is now under way in Indiana under the auspices of the State Grain Dealers' Association. Dr. Duvel, of the Department of Agriculture, and Prof. Christie, of our State Agricultural Extension Department, are addressing public meetings in all parts of the State on this subject. To show the importance which Indiana farmers and grain dealers attach to this subject I will insert as a part of my remarks one of the announcements of these meetings. Yet it seems impossible to secure action on the part of Congress on this most important legislation. The Moss bill for uniform grain grades seems to be sleeping alongside the Moss-Fletcher bill for rural credits.

The third great bill to aid in better organization and improvement of agriculture is the uniform warehouse bill, now before the House for passsage. I wish to acknowledge the debt we owe to Speaker CLARK for his recognition of Mr. LEVER to move the passage of this bill at this time. It places the responsibility squarely before the membership of this House. The Agricultural Committee has reported it by a practically unanimous vote; the Speaker gives you an opportunity to pass it, and if it fails those who vote in the negative must assume the full responsibility for its failure.

This bill is a combination of the Smith-Lever bill for warehousing cotton and the Moss bill for warehousing grain. It comes to the House from the Senate, where it passed by practically a unanimous vote. If the bill was constitutional when it passed the Senate it can not be unconstitutional now that it is pending before the House.

The bill, as rewritten by the Agricultural Committee of the House, applies to cotton, grain, and all other staple and nonperishable farm crops, and the owner of any of these products may apply for its benefits. The owner of any warehouse may apply for a license to operate under its provisions. Any competent citizen may apply for a license to grade such products under recognized standards; but such licensed person must secure employment from some State authority before he can issue certificates of weight or quality of agricultural products under the provisions of the bill. It does not in any instance commit the Federal Government to Federal inspection of agricultural products or in any manner nullify any State law on this subject.

The bill in every provision is permissive; in no sense is it compulsory. It does not commit the Government to the ownership or the operation of warehouses in any degree; neither does it commit the Government to the making of advances in money upon agricultural products.

The bill makes provisions whereby owners of agricultural products can purchase storage in bonded warehouses, licensed and supervised by the United States Government; to have these products graded and weighed by licensed graders, according to uniform standards of quality to be fixed by the United States Government; and the owners of such products will receive a warehouse receipt, uniform in its terms with every other warehouse receipt for agricultural products of like quality stored in any govermentally licensed warehouse in the United States. Such a receipt will present collateral security of the highest integrity, and the holder can borrow money at any bank as readily and at as low rate of interest as if he were pledging a Government bond. In every operation, from the storing of the product to its final sale and delivery to the consumer, the provisions of this bill place the farmer on a plane of absolute equality with the merchant or broker.

Every owner of agricultural products who does not desire to negotiate an immediate sale of such products can store them under ideal conditions of safety. His receipt declares their actual grade; and by consulting any reliable market quotations the owner can know what is their actual value. Any day he can secure money at the lowest interest rate by pledging his receipt at the counter of any bank.

The bank can rediscount this receipt at the regional bank. This bill thus connects the farm with the Federal Treasury through the medium of chartered banks and gives to the farmers of the United States the full advantages of our new banking and currency law. If the farmer has money borrowed on warehouse receipts, he can liquidate his obligations at maturity by the sale of his commodities in the open markets. He thus secures every advantage which the ownership of these prime necessities can give and is enabled to sell them to the best advantage when he desires to divest himself of that ownership. The bill is therefore a long step in the direction of better business methods on the farm and to make possible better living among farmers.

It is a well-known fact that in the United States we harvest a year's supply of any standard farm crop within a few weeks. The result under present conditions is to force these products on the market in advance of their actual consumption. They are thus compelled to be offered for sale to speculators to be stored for later consumption. Prices are thus forced down at harvest, when the farmer sells, to be sharply advanced after harvest, when these products are sold to the actual consumers. The result is that speculators ordinarily realize a higher net profit from farm crops than the men who actually perform the hard labor of producing them. We have thus a wide margin between the price paid to the producer and the price charged to the consumer.

This warehouse bill will remedy these adverse conditions. It will stabilize average prices, increasing them to the producer, without advancing them to the consumer. In my investigation of the system of selling farm crops in Europe, where the speculator has been starved out and products go from the farm direct to the consumer, the profit which the speculator makes in this country is in fact divided between the producer and the consumer. It is thus literally true in Europe that improved methods of storing and selling farm crops has resulted in higher prices to the producer and lower prices for the same product to the consumer. The next great advance in agricultural business methods in the United States will be along lines of cooperation. This bill presents the most splendid opportunities for cooperative action among farmers. It will enable farmers to realize in money a fair margin of the actual cash value of their products at the moment of harvest and still hold the ownership of their products until the consumer is ready to take the product directly from the hands of the producer. The result will be to eliminate the speculator, to minimize the dealings in futures, and to divide the large margin, now taken by this horde of middlemen, and to divide it between the two classes who are

compelled to assume ownership of these products in order to carry on the business of the Nation—the producer and the consumer. And all of this operation shall be under the supervision of the National Government. [Applause.]

I shall close my remarks by inserting an open letter to Members of Congress, written by Herbert Myrick, publisher of the Orange Judd Farmer and several other farm papers, urging the passage of this bill:

"AN OPEN LETTER DEMANDING INSTANT ACTION IN BEHALF OF THE FARMERS OF AMERICA—CONGRESS IS URGED NOT TO ADJOURN UNTIL IT HAS ENACTED THE BILL FOR FEDERAL LICENSES OF WAREHOUSES AND FOR UNIFORM WAREHOUSE CERTIFICATES.

"To each Member of the Senate and of the House of Representatives in United States Congress assembled at Washington.

"SIR: Is it possible that you mean to let Congress adjourn without enacting Senate bill No. 6236, Union Calendar 326, which passed the Senate in August, was reported to the House with amendments September 3, and on October 5 failed to secure the necessary two-thirds vote to insure its passage?

"This bill as amended authorizes the Secretary of Agriculture to issue a Federal license to any warehouse for agricultural products that his investigation shows to be worthy of such license. Thereupon said warehouse may issue a certificate representative of the quantity and quality of any nonperishable farm product stored therein. The bill provides that the warehouse certificate issued by these licensed storage places shall be reasonably uniform in phraseology and in their other characteristics throughout the United States.

"The Government is not asked to buy, or build, or establish, or operate any warehouse. Such storage places may be owned by individuals, corporations, or public authority, as at present. Produce stored therein shall be in accordance with existing law, or, where not legally provided for, grades may be established by the Secretary of Agriculture, with due regard to customs of the trade.

"The inspectors to investigate such warehouses may or shall be those already employed under the supervision of local or State authority, or by chambers of commerce, or other responsible supervisory organizations.

"In brief, this bill aims to standardize the business of warehousing nonperishable produce. It does not in any way interfere with or limit existing trade customs or storage supervision. It simply cooperates with them, but where there is no adequate supervision of warehouses this bill supplies the need.

"The national warehouse certificate for farm products issued by a warehouse which has a Federal license, therefore, will be accepted at home and abroad for just what it represents. If it certifies that it represents so many bales or pounds of cotton of such a grade, everyone who deals in the certificate, or accepts it in trade or barter, whether in the United States or abroad, will know that he can get the precise quantity of cotton that it calls for, or that in case of fire he can get its value in cash from the insurance. The same will be true of a uniform warehouse receipt for any quantity or quality of tobacco, grain of any kind, beans, hops, wool, or other comparatively nonperishable product.

"This uniform receipt will have uniform recognition as the standard of reliability. It will be free from all the weaknesses or abuses of even the best forms of warehouse receipts heretofore issued.

"The bill does not commit the Government to any financial responsibility, direct or indirect, either for the certificates issued or for the produce they represent or for the warehouses in which the stuff is stored. The measure simply provides for uniform inspection, standards, and forms of certificate. It is equally fair to every section, to every crop. It is of universal applicability. It does not constitute special privilege in any form or for any one crop.

"It is imperative that this measure be enacted instantly. Then the system of Federal inspection, standards, and certificates can be applied forthwith to existing warehouses through the Federal licensing system that the bill provides. This will be of enormous advantage to cotton growers in the present crisis, also to growers of tobacco, hops, rice, wool, wheat, corn, oats, and other relatively nonperishable produce.

"There is everything in favor of the measure, mighty little against it. This bill should pass the House by unanimous vote; then its amendments should be adopted unanimously by the Senate, so that it may become a law this month.

"If you fail to enact this measure before the present session of Congress adjourns, the farmers of the United States will bluntly ask, 'Why?' They bitterly resent the failure of Congress to enact the national system of farm finance, which all parties two years ago pledged themselves to do in the rural-credits plank of their platforms.

"To meet existing utterly unprecedented conditions, this Federal system of licensing warehouses can serve a most useful purpose to farmers and others in any neighborhood who have sufficient enterprise to avail themselves of its advantages. It confers no special benefits. It simply enables farmers generally to help themselves better to finance their own business, just as grain dealers and manufacturers already do. It is a necessary step toward enabling farmers to derive the fullest possible benefits from the Federal reserve system.

"Very respectfully,

"HERBERT MYRICK,
"*President Orange Judd Co.,*
"*Publishers as per heading above.*"

—

"CORN IS KING,

"But when marketed must be graded according to the new United States standards. The whole subject to be explained at free open meetings to be held at times and places scheduled below, to which all interested parties are invited, especially grain dealers, millers, and farmers.

"Dr. J. W. T. Duvel, of the Bureau of Grain Standardization, Department of Agriculture, Washington, D. C., will present the new standards and explain the necessity for and advantage of grading accordingly.

"Prof. George I. Christie, of the agricultural extension department of Purdue University, will discuss the necessity for and importance of better corn and better condition of corn for marketing under the United States grades and other kindred subjects of special interest to producers and handlers of grain.

"Local grain dealers, millers, and county agents will have charge of the meetings and supply information concerning them. Call on them and otherwise assist in making these meetings a success.

"SCHEDULE OF MEETINGS, FIRST WEEK.

"Monday, October 19, 1914: Noblesville, at courthouse, 10.30 a. m.; Sheridan, at Library Building, 1.30 p. m.; Kirklin, at 3.30 p. m.; Frankfort, at courthouse, 7.30 p. m.

"Tuesday, October 20, 1914: Camden, at 10 a. m.; Logansport, at courthouse, 2.30 p. m.; Monticello, at City Hall, 7 p. m.

"Wednesday, October 21, 1914: Remington, at Opera House, 1 p. m.; Goodland, at Goodland Grain Co., 3.30 p. m.; Fowler, at 7.30 p. m.

"Thursday, October 22, 1914: Oxford, at 10 a. m.; Attica, at city hall, 2 p. m..; Lafayette, at Vocational School (Sixth and Columbia Streets), 7.30 p. m.

"Friday, October 23, 1914: New Richmond, at 10 a. m.; Darlington, at 2.30 p. m.; Lebanon, at city hall, 7 p. m.

"Saturday, October 24, 1914: Indianapolis, at board of trade, 2 p. m.

"SCHEDULE OF MEETINGS, SECOND WEEK.

"Monday, October 26, 1914: Franklin, at Commercial Club, 10 a. m.; Edinburg, at 1.15 p. m.; Shelbyville, at council chamber, 3.30 p. m.; Greensburg, at council chamber, 7.30 p. m.

"Tuesday, October 27, 1914: Rushville, at Assembly Hall, 12.30 p. m.; Cambridge City, at 3.30 p. m.; Newcastle, at courthouse, 7.30 p. m.

"Wednesday, October 28, 1914: Anderson, at library building, 10 a. m.; Muncie, at courthouse, 2 p. m.; Winchester, at courthouse, 7.30 p. m.

"Thursday, October 29, 1914: Berne, at 10 a. m.; Decatur, at 2 p. m.; Fort Wayne, at courthouse, 7.30 p. m.

"Friday, October 30, 1914: Bluffton, at courthouse, 10.30 a. m.; Marion, at Civics Hall, 2 p. m.; Wabash, at Memorial Hall, 7.30 p. m.

"Saturday, October 31, 1914: Peru, at 10 a. m.; Kokomo, at courthouse, 1.30 p. m.; Tipton, at council chamber, 4 p. m.

"All producers, handlers, and consumers of corn are invited to attend one or more meetings, and the local press is respectfully requested to give the subject general publicity and otherwise assist in giving these gentlemen such attendance at the meetings as they and the importance of the subjects deserve.

"Respectfully,

"INDIANA GRAIN DEALERS' ASSOCIATION."

The SPEAKER pro tempore (Mr. IGOE). The time of the gentleman from Indiana has expired.

Mr. MOSS of Indiana. Mr. Speaker, I ask permission to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MCLAUGHLIN].

The SPEAKER. The gentleman from Michigan [Mr. MCLAUGHLIN] is recognized.

Mr. McLAUGHLIN. Mr. Speaker, this bill has some good features. It applies to cotton and other agricultural products which may be designated by the Secretary of Agriculture as stable and nonperishable. But in its true inwardness the bill is simply a forerunner of and a companion piece to bills which have been introduced and which are being pressed before the House for the issuing of immense sums of currency for the purchase of cotton or to be loaned on cotton in an effort to relieve depressed business conditions in the South.

The unfortunate condition existing in the cotton-growing States on account of the war in Europe is a strong argument in favor of the Republican policy of protective tariff; it emphasizes the folly of failing properly to encourage and protect cotton-goods manufacturers of the United States by adequate tariff duties against imports from foreign countries; it emphasizes the folly of the policy pursued and persisted in by the South of growing cotton to the exclusion of almost every other agricultural crop.

The war in Europe has demoralized the business of the South and thrown its people into a panic, all because there is practically no European market for the cotton they produce. That the South is facing a crisis is evidenced by the presence in Washington of cotton growers, warehousemen, factors, spinners, bankers—men from every part of the South, interested in every branch of the cotton industry and in every line of business depending upon or connected with cotton. They have been and still are holding meetings, appearing before committees of the House and Senate, interviewing the President of the United States and the Secretary of the Treasury, demanding legislation or appealing for relief—anything that promises to avert or postpone the calamity which threatens them.

All kinds of measures, plans, and schemes, too numerous to mention, have been presented or suggested, some of them possibly feasible as emergency measures, some of them positively dangerous and absolutely impossible.

What are some of these measures? The Committee on Agriculture has reported to the House a bill (H. R. 18492) for Federal inspection, grading, and certification of cotton; also a bill (S. 6266) for licensing of warehouses in which cotton may be stored and held until normal prices and market conditions again prevail.

The warehouse bill, soon to be urged for passage, provides for the storing of "cotton, grain, and other argricultural products, which shall be determined by the Secretary of Agriculture to be nonperishable," but it is in the interest of cotton alone, and, with the bill for grading and inspecting of cotton, will, if enacted into law, foist upon the country a plan by which cotton in warehouses and receipts therefor will be made the basis and security for loans from the Federal Treasury, or for the issue of money by or under the direction of the Federal Reserve Board, or by banks operating under the new banking and currency law. The Secretary of the Treasury is reported to have promised that warehouse receipts will be accepted as security for the issue of currency under that law at the rate or on the basis of at least 8 cents per pound, the estimated cost of producing cotton.

The cotton grading and inspection bill calls for an appropriation of $250,000 and the warehouse bill calls for an appropriation of $100,000.

One of the pending bills is H. R. 18916, which would direct the Secretary of the Treasury to deposit $500,000,000 in National and State banks in the cotton-growing States, "to be apportioned among those States in accordance with the number of bales of cotton produced therein in 1913," and would make it "the duty of said banks" to make loans on cotton "at the rate of 10 cents per pound," and require the cotton to be stored and held until "cotton sells in the open market at Savannah, Ga., at 12 cents per pound."

Another bill is H. R. 18944, introduced by Mr. HOWARD, of Georgia, which provides for an issue of $500,000,000 currency, to be issued under the new act, to be placed in the banks of the South to be used by postmasters and rural mail carriers for the purchase of cotton at not less than 10 cents per pound.

Another bill is H. R. 18655, which would provide for an issue of $300,000,000 in notes, to be issued under the new banking and currency law, for the deposit of said notes in Federal reserve banks for the purpose of making loans on "bills of sale of cotton in bales of the crop of 1913," and that "it shall be the duty of said Federal reserve banks to advance on said cotton in such Federal reserve notes at the rate of 12 cents per pound," the cotton to be held until the board "shall deem it advisable" to sell it.

Another, H. R. 18605, is "a bill for the temporary relief of cotton growers and producers of agricultural products," and provides that the secretary and treasurer of the Federal Reserve Board shall ascertain the value of all exports in 1913 of cotton, grain, tobacco, and food products, and the value of such exports produced in each of the 12 regional-bank districts in 1913; that the Secretary of the Treasury shall deposit with the 12 regional banks and branches thereof, in proportion to the value of the exports of said districts, a sum of money equal to 50 per cent of the capital stock of all the national banks in the country June 30, 1914; that the money so deposited shall be loaned to owners of cotton, owners of land on which cotton was grown, or to holders of bills of sale of cotton, at the rate of 12 cents per pound; and that said cotton "shall be held until sold, at the pleasure of the Federal Reserve Board, when and after spot middling cotton sells in the open market at Savannah, Ga., at 15 cents per pound, or at the request of the person," and so forth, to whom the loan was made. The capital stock of all the national banks in the United States June 30, 1914, was $1,058,192,335, so the amount of money to be deposited for the relief of cotton growers and for support of the cotton business is the immense sum of $529,096,167.50.

It will be noticed that, although the bill is for the "relief of cotton growers and producers of agricultural products," it provides for loans on cotton only, so it is safe to say the bill is altogether in the interest of cotton. That these bills are in the interest of cotton, and, if enacted into law, will put the Federal Government or its banks into the cotton business on a vast and ruinous basis, is evident when it is known that the average cost of producing cotton in the States of the South is from 6 to 8 cents per pound, while one of these bills makes it compulsory for banks to make loans on cotton on a basis of 10 cents per pound, and that cotton taken as security shall be held until "it sells in the open market at 12 cents per pound"; and another bill would compel loans at the rate of 12 cents per pound and the holding of the cotton by the banks until it will sell for 15 cents per pound.

Many wild and dangerous measures are presented to Congress, some of them in good faith, but most of them in the course of the political game as it is sometimes played by cunning, desperate men. The best that can be said of these particular bills (H. R. 18916, H. R. 18655, H. R. 18605, and H. R. 18944) is that none of them will be seriously considered by the committees to which they have been referred and will never reach the House. The country may rest secure in the knowledge that they are presented as such bills usually are—solely for "home consumption"—by Members who play politics in a manner which reflects seriously upon themselves and upon the intelligence and credulity of the people they assume to represent.

Another pending bill is H. R. 18666, by which it is proposed to permit or require the Federal Government alone or in cooperation with private corporations to "purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States," and for these purposes $40,000,000 is to be used—$30,000,000 to be raised by sale of bonds of the United States and $10,000,000 in the form of an appropriation from the Federal Treasury.

But some measures have been passed by Congress and have been approved by the President. A law has been enacted to permit the purchase of foreign-built and foreign-owned vessels by Americans and to have such vessels, while retaining their foreign officers and foreign crews, admitted to American registry and to sail under the American flag.

A law has been enacted (S. 6357, Public Acts, No. 193) to establish a "Bureau of War Risk Insurance in the Treasury Department." Five million one hundred thousand dollars have been appropriated to enable the Government to carry on the business of "insuring vessels and their freight and passage moneys and cargoes * * * against loss or damage by the risks of war."

These laws have been passed in the face of the official protest of almost every country now engaged in war. England and France, whose navies control the seas, have notified our Government that if vessels owned by citizens of a country with which they are engaged in war are sold or transferred to citizens of the United States they will be seized or be subject to seizure and with their cargoes will be subject to their laws and the rules and practice of their prize courts.

There is no general need, and certainly no justification, for passage of these laws. The only excuse for them is the persistent demand that ships must be provided for transporting cotton to foreign markets. While the war in Europe is going on the purchase of foreign ships and their transfer to American registry is contrary to international usage, may reasonably be regarded as trickery and subterfuge, and may possibly involve us in war; but it is demanded that the American people shall place themselves in that equivocal attitude and even incur the danger of war because southern cotton must be taken care of regardless of consequences.

The total appropriations made by the laws and bills which I have referred to, or the total amount of money which may be devoted to carrying out the schemes involved in these measures, is the stupendous sum of $1,874,546,167.50.

Another scheme is that Congress be asked to enact laws to limit, curtail, and otherwise regulate production of cotton next year and in years to come, so that the supply of raw cotton shall be limited to the amount which can be used by the mills of this country and meet demands of foreign manufacturers under normal conditions, and so that the price and value of cotton shall be high enough to yield reasonable profit to the cotton grower and to all who handle or deal in it, and so that the cotton industry, fostered, supported, and controlled by and at the risk of the Federal Treasury, shall be placed and maintained upon a profitable basis for the protection and advantage of all who shall in any manner be connected with it.

Another "remedy" for the prevention of a panic in the cotton States is suggested. It is proposed that Congress shall repeal the law of March 3, 1865, by which a tax of 10 per cent is imposed upon issues of money by State banks. This repeal will permit these banks, presumably in the South, if they wish to do so, to return to "wildcat" banking as it was carried on before the Civil War. Wildcat banking was, as everyone now knows, one of the worst plagues that ever infested this country, but the cotton situation is so desperate that the friends of the cotton industry, absolutely unmindful of the general interest, are evidently willing to have that plague again visited upon the people of the United States.

The above are not all the measures, plans, and schemes which have been offered as necessary to stem the tide of threatened bankruptcy in the cotton-growing section of the country, but they were enough to show a deplorable condition of business and the reason for the panicky feeling prevailing in that section.

A few days ago the President of the United States delivered a message to Congress and demanded the passage of a law to provide additional revenue. He said the revenue of the Government is so greatly reduced and so seriously threatened that at least $100,000,000 must be promptly raised; that this vast sum of money must be supplied without delay in order to protect the Federal Treasury, maintain the credit of the Government, and protect and sustain the business interests of the country, which are seriously threatened. The House promptly complied with the President's demand and passed a bill which will furnish $105,000,000 by collection of special taxes upon banks and brokers; by additional taxes on beer and wines and tobacco; by stamp taxes on deeds, mortgages, and other transfers of real estate; by taxes upon circuses, theaters, and moving-picture shows; and by collection of a lot of other special taxes upon the people and their business.

It is admitted by the President and his party in Congress that the taxes to be collected directly from the people of the country will be burdensome, but that they must be collected, regardless of the hardship thereby imposed upon the people, because laws now on the books fail to produce sufficient revenue and because an "emergency" exists. In view of this extra-tax levy and in view of the so-called emergency, which ought to require the administration and the Congress to observe the strictest possible care in making appropriations and rigid economy in expenditure of public funds, what justification is there for spending $40,000,000 for ships and $5,100,000 for insurance? What possible excuse can there be for the use of more than a billion and three hundred million dollars of the money of the country or for the diversion from other business of the country of more than a billion and three hundred millions of dollars of money for the protection and advantage of cotton?

The cause of this disturbance of business and the reason or excuse for the flood of legislation and of measures pending and threatened is the dependence of the South upon Europe for a market for its raw cotton. Our legislation, favorable most of the time, has been so insecure and we have so conducted our cotton business that the foreign market for cotton has been developed at the expense of our own market; foreign manufacturers of cotton goods have been encouraged, while our own have been embarrassed.

Nearly two-thirds of the cotton grown in the United States is each year sent abroad to be manufactured into cotton goods of various kinds; large quantities of this cotton in the form of cotton goods manufactured in foreign mills by foreign labor are returned to this country and sold in our markets to the exclusion of or in competition with similar goods made or which ought to be made in our own mills; large quantities are also shipped from the countries in which they are manufactured to other countries, and the trade in these goods contributes largely to the business and profits of foreign capital and gives employment to foreign labor.

The 1914 production of cotton in the Southern States will be about 14,000,000 bales of 500 pounds each, and it is estimated that at least 2,000,000 bales of the crop of 1913 have been carried over and are now in warehouses located, nearly all of them, in the South. The cotton mills of this country, operating at normal capacity, will use not more than 6,000,000 bales, and the remainder, or approximately 10,000,000 bales, will be "available for export." While the war continues this surplus of 10,000,000 bales, or a very large part of it, must inevitably remain in this country, to demoralize the cotton market and ruin or seriously imperil the entire business of the South.

The South has persistently refused to develop the American market for cotton. It is the greatest market in the world. American people consume on an average 92 per cent of all the products of American farms and factories, but as a result of the policy of the South and the way in which the cotton business has been carried on only 36 per cent of the cotton grown in this country is used by the mills of this country; 64 per cent of our cotton is shipped to foreign countries, to give employment to foreign capital and foreign labor.

Under this condition our cotton growers are dependent upon the foreign market, and any disturbance of foreign business conditions, by war or otherwise, causes panic and bankruptcy of our cotton trade, provokes violent and dangerous legislation, and threatens the welfare of the entire country. This unfortunate and dangerous condition of dependence can be improved and ultimately overcome only by developing the American market by encouraging American mills and protecting them in paying American wages.

The need of protection to manufacturers in the United States very clearly appears when it is known that wages paid in the cotton mills in foreign countries are from one-fourth to one-half as much as are paid in the mills of this country. In the cotton mills of Massachusetts the average daily wages are $1.42; in some of the cotton mills of Pennsylvania as high as $1.70 per day is paid. In the mills of the Southern States the average wage is less than $1 per day, the average in the mills of North Carolina and South Carolina being 88 cents per day. In the cotton mills in England the daily wages are from 32 to 36 cents per day for female labor and from 82 to 90 cents per day for men. In Germany and France wages are about the same as in England; in Japan, from which we import quantities of cotton goods, the wages are from 10 to 30 cents per day.

In 1908, by direction of Mr. Roosevelt, then President, some of the American consuls in Belgium investigated conditions of labor and wages paid in the cotton mills of that country. The report was printed as a Senate document, and it shows that wages paid in the mills of Belgium run from 20 to 30 cents per day. One consul reported that he had interviewed more than 12,000 employees in Belgian mills and found only 15 men whose wages were as high as 38 cents per day, and that the average daily wage was 18 cents.

As we note the difference between wages paid in the cotton mills of the United States and in foreign mills, from which we receive large quantities of cotton goods, it is certainly not necessary to make an argument for the purpose of showing that tariff duties on the product of foreign mills imported into this country are necessary; nor is argument necessary to show why when tariff duties are reduced, as they were by the Underwood law, importations of foreign goods increase and why American mills are closed or seriously embarrassed.

A few days ago the gentleman from Pennsylvania [Mr. MOORE] made a speech in the House in which he very ably showed, as I am trying to show, the embarrassing and dangerous condition of business in this country, particularly in the cotton States, and urged the protective tariff and development of the cotton-manufacturing industry as the only means by which the country can be relieved of its dependence upon foreign manufacturers. He was interrupted by the gentleman from Tennessee [Mr. GARRETT], who asked if 40 years of Republican tariff duties had not failed to develop cotton manufacture or relieve cotton growers from dependence upon foreign markets. The time of the gentleman from Pennsylvania was so limited that he was unable fully to answer the question. I wish to submit some facts and figures which show wonderful growth of cotton manufacture under Republican tariffs, and that, although the growth of the industry was seriously interrupted by Democratic administrations and constantly embarrassed and retarded by Democratic threats of free trade or tariff for revenue only, it was so rapid and so satisfactory as fully to justify the claim that our cotton manufacturers and cotton growers would ultimately reach a condition of substantial independence.

Growth of the cotton-manufacturing industry in the United States, 1860–1913.

	1860	1870	1880	1890	1900	1910	1913
Number of spindles in mills of South	324,000	328,000	561,000	1,570,000	4,368,000	10,494,000	12,227,000
Number of spindles in mills of North	4,912,000	6,804,000	10,892,000	12,814,000	15,104,000	17,773,000	19,293,000
Bales used in mills of South	94,000	69,000	180,000	639,000	1,523,000	2,202,000	2,961,000
Bales used in mills of North	751,000	728,000	1,382,000	1,979,000	2,350,000	2,537,000	2,825,000
Wages paid in mills of South and North	$11,699,630	$35,928,150	$40,687,612	$54,339,775	$57,933,817	$87,962,669	$104,016,000

As the table shows, in 1860, under conditions which then existed and under a policy of free trade or tariff for revenue, to which the Democratic Party still adheres, the business of manufacturing cotton goods in the South was so insignificant as hardly to deserve notice. In that year the mills of the South used only a little more than 2 per cent of the cotton grown in the cotton States; less than $250,000 were paid in wages in their mills, while mills of the North, buying cotton from the South and struggling under the burden of unfriendly Democratic legislation, used 16 per cent of the cotton production and paid more than $11,000,000 in wages. The number of spindles—which is the measure of capacity—in southern mills increased from 324,000 in 1860 to 12,227,000 in 1913; and in northern mills, during the same time, from 4,912,000 to 19,293,000. Wages paid in southern mills increased from less than $250,000 in 1860 to approximately $30,000,000 in 1913; and in northern mills during the same period wages increased from about $11,000,000 to approximately $74,000,000; and, whereas in 1860 the quantity of cotton used in mills of the South was only one-eighth of the quantity used in the mills of the North, the number and capacity of southern mills have so increased that in 1913 the quantity of cotton used by them was actually greater than the quantity used in the mills in Northern States, the South using 2,961,000 bales, while the North used only 2,825,000 bales.

This is remarkable development, but we are justified in saying that it was not as rapid or as great as it would have been if there had been no change or interruption of the tariff policy by reason of occasional Democratic success; not as rapid or as great as it certainly would have been if the industry had not been constantly embarrassed and handicapped by threats of reduction or removal of protective duties.

I wish to call attention to the result of increases and of decreases of tariff duties in just one branch of the cotton-manufacturing industry. We all remember that the Republican tariff law of 1909—the Payne law—increased import duties on certain grades of hosiery. Previous to 1909 importations of these goods had been very large, and a small increase of duties, about 20 cents per dozen pairs, or 1⅔ cents per pair, was made. The increase was bitterly opposed; the hue and cry against it, by which the country was for a time greatly deceived being the result of a systematic campaign of misrepresentation by importers, particularly by large department stores which owned or were financially interested in cotton mills in Japan and Germany, from which immense quantities of hosiery made by miserably cheap labor were shipped to the United States.

The following table shows large importations of hosiery and cotton cloths for several years previous to the passage of the Payne law; it shows reduced importations during the years (1910, 1911, 1912, and 1913) that law was in force, and largely increased importations in 1914 as the result of reduction of duties by the Underwood law:

Importations of hosiery and cotton cloths into the United States during the years 1907–1914.

Imports.	1907	1908	1909	1910	1911	1912	1913	1914
Knit goods	$8,671,818	$9,032,554	$6,917,828	$6,462,375	$4,176,515	$3,247,894	$3,089,411	$5,671,863
Cotton cloths	13,008,067	12,424,860	10,190,137	10,040,667	8,801,004	7,760,729	7,757,928	11,845,801
Total	21,679,915	21,457,414	17,107,965	16,503,042	12,977,519	11,008,623	10,847,339	17,517,664

The higher duties of the Payne law shut out large quantities of goods which were the product of cheap labor of foreign countries. American cotton mills, paying American wages to their employees, were able reasonably to supply the home market; and it was very noticeable that the increase of price of hosiery predicted by importers and department stores as the result of increase of duties never was imposed upon the American consumer. American mills were opened, American labor was employed, America used the products of its own labor, and the price of the product to the consumer was not increased. The Underwood law repealed the increase of duties, and the result was that in one year, or from October 3, 1913, to July 1, 1914, importation of foreign goods increased more than 60 per cent.

I shall not make a lengthy argument to show the effect of the tariff on the cotton industry. I am giving a few facts and figures by which it can readily be seen that, with adequate duties for the protection of our manufacturers against competition of foreign mills in which wages paid are only a small fraction of the wages paid in this country, our mills can be successfully operated; that while reasonable tariff duties were maintained the number and capacity of our mills increased, the number of employees and the wages paid for labor increased, and the proportion of the cotton crop used at home increased; that with protective duties in force we were becoming more and more independent of foreign countries, as far as cotton and the output of cotton mills is concerned.

It will very likely always be necessary for this country to import some cotton goods, and it will always be profitable for our cotton producers to supply a part of their crop to foreign mills; but it seems the height of folly for us deliberately to fail to make reasonable use of our own products and refuse to protect and develop to the limit of our ability an industry which we are able to carry on with profit and advantage; to persist in our dependence upon foreign countries for a market for a product upon which the welfare of one section of our country, having one-third of the population of the entire country, absolutely depends.

Development of the cotton-manufacturing industry is vital to the South. The South produces cotton in abundance; it has this raw material at its doors; it has abundance of labor; its capitalists have shown ability and willingness to take advantage of these favorable conditions. It ought to embrace or permit a policy in respect to its own particular industry—a policy forced upon them, it is true, but the only policy under which they have ever enjoyed real prosperity, the only policy which gives assurance of substantial and permanent development.

The Democratic Party, its policy dictated by the South, opposes the Republican policy of protection. It is inconceivable that its people should be satisfied with and willing to return to the condition which existed prior to the enactment of the first Republican tariff law, that they should permit a vital industrial question to be determined by prejudice rather than by reason and experience. Is it possible that devotion to the Confederate constitution, which forbade import duties for the purpose of protection, leads the South to demand in this enlightened age a policy which makes development of manufacturing impossible and condemns their people to the growing of cotton for the use and advantage of foreign manufacturers? Will they not rather embrace a policy which promises large measure of prosperity and ultimate industrial independence? If the South wishes to continue in its course, will the rest of the country permit it to dictate the policy to be pursued? Will the rest of the country permit the continuance of a condition which results in loss and failure of business and employment, and which exposes the entire country to the danger of freak legislation whenever foreign business conditions are seriously disturbed?

The SPEAKER. The time of the gentleman has expired.

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, on Saturday we were notified that those of us who believed in relief for the cotton farmers would not be permitted to be heard. Until that embargo is raised I shall object to any extension of remarks of those who are opposed to such relief.

The SPEAKER. The gentleman from Arkansas objects.

Mr. LEVER. I yield one minute to the gentleman from Missouri [Mr. RUSSELL].

Mr. RUSSELL. Mr. Speaker, I only wish in a few words to express my interest in and my approval of this bill, believing that it will promote to some extent the present purpose to aid the cotton growers of the country, to protect their interests in the present extraordinary crisis in the prices of cotton, produced by the European war, that has practically paralyzed their foreign markets.

Missouri is not usually considered as one of the cotton States, and the fact is that no cotton is produced in that State except in the district that I represent; but that district produces more cotton than either of the States of Virginia or Florida, and gives to the State the eleventh place in quantity and fourth in quality. My district in the year 1911 produced and sold 90,000 bales, with a total value, including lint and seed, of $5,390,000.

We are advised by the Agricultural Department that a bumper crop of cotton will be produced in the United States this year, amounting, it is estimated, to over 15,000,000 bales, and of this enormous production probably not more than 8,000,000 bales can be consumed in this country and Canada, and with but a small demand from European countries, on account of the war now raging there, it is generally estimated by experts upon the subject that we will have a surplus of from two to four million bales that must be carried in some way, otherwise the market would be so demoralized as to force the price far below the cost of production, to the great detriment of the country at large and to the very great loss of the thousands of farmers whose toil produced it.

This situation, forced upon us by the dreadful war which now afflicts the great powers of Europe, is one of the biggest problems that our country has ever faced, and is one of great concern to the entire country, and one of the gravest importance to the farmers of the country, who must depend upon the proceeds from the sale of their crops to discharge their financial obligations and to provide for another year the necessaries of life for themselves and families.

The purpose of this bill is to give to warehouses and warehouse receipts a recognized commercial standing, and thereby to aid the holders of cotton in their efforts to obtain financial assistance, so that they can hold their crops till adequate markets are reestablished. The provisions of the bill, I am glad to say, also include grain and other staple products of the farm, but the prices of grain have not yet been injuriously affected, hence at this time the cotton producers alone are in need of assistance and protection.

Let us pass this bill promptly as an evidence of our willingness and our desire to give relief to the farmers of the country.

Mr. Speaker, I ask permission to extend my remarks.

The SPEAKER. The gentleman from Missouri asks permission to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Reserving the right to object, is the gentleman from Arkansas [Mr. WINGO] here?

Mr. WINGO. Mr. Speaker, I am always here.

The SPEAKER. Is there objection?

Mr. MANN. I object, if gentlemen on that side object to extensions on this side.

Mr. WINGO. I do not object to that, but you have had plenty of speeches ridiculing proposed relief for the cotton farmer. The objection I made was because you objected to anybody speaking in favor of legislation for the relief of the cotton farmer.

Mr. MANN. The gentleman asked unanimous consent to extend his remarks. That will not be granted on one side if it is not granted on the other.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. LEVER. I yield to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Speaker, I believe this bill can be explained in a few words. It simply provides that the Secretary of Agriculture may issue licenses to owners and operators of warehouses fit for the storage of cotton or grain; that he may accept bonds from the owners of the warehouses, so that anybody owning cotton or grain may have a place where he may store his cotton and grain with some security back of it to guarantee that if his part of the contract is fulfilled the cotton or grain will be returned to him; or, if the owner of cotton or grain desires to store it, to hold it for a higher market, he may store it and pay the charges and deposit his receipts with the bank as collateral security and borrow money on them. I need not say that under the present system the warehouse receipts which are circulating through the country now are not considered desirable collateral security, and that a high rate of interest is being paid on that class of security. Up to a few years ago money was loaned on warehouse receipts at a very low rate of interest, but on account of the frauds practiced, the failures and numerous receipts issued which were never redeemed, with no security back of them, warehouse receipts are not considered the most desirable collateral security. The bill provides for a guaranty back of the receipts which will enable the owner of cotton or grain to borrow money on the receipts at a low rate of interest.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Speaker, now that the steam roller has again been put in motion and a gag rule resorted to in order to pass this bill, a bill to tax the American people an additional $105,000,000, thus cutting off all Members from offering amendments and limiting debate to 7 hours, which on an average would give each Member of the House about 58 seconds to discuss this all-important bill, though I am grateful to my generous Democratic friends for the 58 seconds, yet rather than to undertake to present my views on the floor in the 58 seconds, I avail myself of the privilege granted Members to print. In so doing it is not my purpose to criticize, but to point out a few of the many promises Democrats made before election and incidentally to point out their inconsistency and blunders. First, the gag rule, which they so vigorously denounced before election. Their stock in trade then was "Down with autocratic rule; down with perversion and degradation of representative government." They proclaimed against it on the stump; they promised in their platform to do away with it; they declared that all party platforms would be faithfully lived up to, in this language:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

Why the pledge?

In my opinion that is exactly what might be expected from any party. Even the pirates of old had a sense of honor that led them to sacrifice their lives rather than their word. Every obligation, great or small, to friend or foe, had to be redeemed unconditionally. Certainly in this enlightened, civilized, and Christianized age we have a right to expect that pledges made are made to be kept.

In the Democratic platform adopted July 13, 1912, I find this language:

> We call the attention of the patriotic citizens of our country to its record of efficiency, economy, and constructive legislation.
>
> It has, among other achievements, revised the rules of the House of Representatives so as to give to the representatives of the American people freedom of speech and of action in advocating, proposing, and perfecting remedial legislation.
>
> We direct attention to the fact that the Democratic Party's demand for a return to the rule of the people expressed in the national platform four years ago has now become the accepted doctrine of a large majority of the electors. We again remind the country that only by a larger exercise of the reserved power of the people can they protect themselves from the misuse of delegated power and the usurpation of governmental instrumentality by special interests. For this reason the national convention insisted on the overthrow of Cannonism and the inauguration of a system by which United States Senators could be elected by a direct vote. The Democratic Party offers itself to the country as an agency through which the complete overthrow and extirpation of corruption, fraud, and machine rule in American politics can be effected.

It is sufficient to say that the rule adopted by the Democratic side in order to pass this bill, a revenue bill proposing to tax the American people $105,000,000—under it no amendments are permitted and only seven hours given for debate. In the language of your platform, $105,000,000 is to be wrung from the people by oppressive taxation, and that at the rate of $15,000,000 an hour. In connection with this it seems proper to call attention to what Democrats had to say about a similar rule adopted in order to pass the toll bill. After the adoption of that rule Speaker CLARK, on March 31, page 6057, CONGRESSIONAL RECORD, referring to the fight on the autocratic rule adopted in the House, had this to say:

> I often think of the 172 Democrats and thirty-odd insurgent Republicans who achieved our great victory on March 19, 1910, which started a political revolution. I love those men too well to quarrel with them now. [Applause.] You and I, Mr. Speaker, happened to be the Democratic leaders in that historic parliamentary contest, and among House Democrats you and I have been the chief beneficiaries. You owe the leadership of the House and I owe the Speakership to the fact, fortunate to us, that we were the Democratic leaders on that memorable occasion, but I have asserted a thousand times, and I do now reassert, that every man of the 172 Democrats and thirty-odd

Republicans who fought with us on that bloody field is entitled to his full share of honor. In the immortal words of Admiral Winfield Scott Schley, "There was glory enough for all." With such men I will not quarrel. Indeed, the dignity of the high position which I hold by the partiality of the House forbids that I quarrel with any Member. I refuse to degrade the Speakership by so doing.

I assume that every Member will vote honestly the way his intellect and his conscience dictate; but why should I be denied the same privilege? No man here should be a "rubber-stamp" Congressman. [Applause.] I refuse absolutely to be either a "rubber-stamp" Representative or a "rubber-stamp" Speaker. [Applause.] If I did, you would have no respect for me. I stand for the dignity, the privileges, immunities, prerogatives, and the good name of the House of Representatives. I do not want to see this House degraded by passing, right or wrong, without any tenable reason, a bill which reverses our solemnly recorded action of two years ago, and which the Democrats indorsed at Baltimore.

There has been much felicitation among the supporters of this bill about their tremendous victory on the adoption of the rule. When it is remembered that the majority was only 28 on the rule and that a change of 15 votes would have defeated it in a House with 144 Democratic majority the grounds for their self-congratulation are hard to discover.

When Pyrrhus, King of Epirus, was walking over a battle field whereon he had won a hard-fought victory and observed the number of dead and wounded among his own soldiers, he mournfully exclaimed:

"Another such victory and we are undone."

I am willing to follow where he leads so long as he is in the White House and so long as he does not ask us to repudiate a plain platform declaration, and there I draw the line. [Laughter.]

Under our system a national convention is the grand inquest of a political party, the highest authority for the declaration of party principles, higher than President or congressional caucuses; ind ed, higher than President and congressional caucuses combined. There is no question about that.

The fathers also devolved upon Congress certain duties which we are sworn to discharge faithfully and well, duties which we can not shirk or fail to discharge without self-stultification and the condemnation of the people and of our own consciences.

The President discharges his duties. The question is, Have we the wisdom, the courage, and the patriotism to discharge ours? If not, we should make way for men imbued with the spirit of '76, to the end that we may transmit our priceless heritage of liberty to our children and our children's children unimpaired. [Applause.]

The declaration in favor of free tolls for our coastwise trade was writ large in the Baltimore platform. It is in these words:

"We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal."

Was there ever a plainer sentence written since writing was invented? [Applause.]

We went to the people on that platform containing the free-tolls plank; headed by President Wilson himself, we all indorsed it; standing on it, we appealed to the voters of the land for their support; and they, responding to our Macedonian cry for help, enabled us to sweep the land from sea to sea by amazing majorities in the Electoral College. And now it is proposed that we reward their faith in us and their support of us by repudiating one of the planks of that platform on which we achieved that astounding victory, a plank so clear that there could be no misunderstanding about it, no possible misconstruction of it. I refuse absolutely to be a party to any such performance. [Applause.] Tell it not in Gath, proclaim it not in the streets of Askalon, that the Democratic Party will not keep faith with a confiding public.

Democrats found fault with special rules brought in in Republican Congresses; they have been in control for three and one-half years, and in that time they have brought in 52 special rules. Before election they denounced caucus domination; after election the caucus has dictated practically every important vote. In caucus they have been told how to vote; they were told to play the game and vote as told or get out of the party.

I refer you to the CONGRESSIONAL RECORD of September 12, 1913, page 4803. HARDWICK, of Georgia, who was trying to explain his action in the House, said:

Whenever I enter a Democratic caucus I always support the nominee, no matter how much I dislike him or how great a rascal I think he is. Square dealing requires that.

[Laughter.]

Read the RECORD of September, 1913, page 4860. Mr. CALLAWAY, of Texas, is explaining as to the passage of the currency bill. He is recorded as having said:

It was whipped through the committee by the administration, brought into the caucus and made a party measure by the administration, and whipped through the caucus by the same power. It is not the product of the committee; it is not the product of the caucus. The administration handed it to us, and because it did the committee took it and the caucus took it. That settled it for the House. You cut off all Democrats from offering amendments and bound them to vote down any offered. I think the bill ought to have come into this House on its merits, and if it has not got merit enough to survive the criticism of Democrats and the assault of the Republicans, who are a hundred in the minority, and divided at that, it must be woefully lacking in merit.

This, I believe, explains the situation.

A word as to free tolls. Their platform reads:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

President Wilson, in his message to Congress March 5, 1914, had this to say:

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls, and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

Mr. UNDERWOOD, on March 27, page 5617, CONGRESSIONAL RECORD, speaking against the adoption of the rule said:

In my judgment you are making a serious mistake to adopt this cloture rule, and I would not be worthy to hold your commission as the leader on this side of the House if, believing that you are making a serious mistake, I did not have the courage to stand here and tell you so in spite of everything.

Mr. MURRAY of Oklahoma, on the same day, states:

Mr. MURRAY of Oklahoma. Mr. Speaker, like the gentleman from Alabama [Mr. Clayton], I take this position because I am a Democrat. [Applause.] Evidently between us there is a difference in the definition of "Democracy." He doubtless takes the Democracy of this Nation to be the President. I do not. I deny the right either of the President or of this Congress to determine what is Democracy. Democracy is made in a representative convention duly assembled by the people. [Applause.]

We are here asked to violate our pledges twice in the same transaction—first, by a "gag" rule that will not permit the bill to be amended or an amendment to be offered, a thing that every Democratic nominee down to road overseer denounced in the campaign of 1912.

I am opposed to this "gag" rule, moreover, because if we are to stab our own party to death and a national policy of free "sees" of 100 years, we ought to have more time in which to commit the murder. [Applause.]

I take it that the Democratic platform and the statement of Speaker CLARK, President Wilson, Democratic Leader UNDERWOOD, and the gentleman from Oklahoma [Mr. MURRAY] will be accepted as authority and that there can be no question as to the purpose of the rule adopted or as to their repudiating the three planks referred to. I voted against free tolls when the bill granting free tolls was passed, and voted for its repeal. While I was much pleased to see our Democratic friends acknowledge that they were in the wrong, I regret the necessity of repudiating their platform. I repeat what I said March 28, 1914, when the Panama Canal tolls bill was up for consideration:

In my opinion, the only ones benefited by the free tolls would be the special interests. If so, if the combine is the only one to be benefited, and even if the coast commerce would be benefited to some extent, now that the canal has been built by all the people, it seems just and fair that the special interests directly benefited should pay at least a part of the expense in maintaining it. It hardly seems fair that the people who have so generously contributed toward its construction, as, for instance, the people of Iowa, who will receive practically no benefit commercially from it, should now be called upon to pay a proportionate share of all the expenses of maintaining it in all time to come, without any remuneration whatever by the combine directly and most benefited by it.

In their platform I find this language:

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, National and State, without discrimination as to locality, upon approved securities and subject to call by the Government.

In the President's message to Congress September 4, 1914, I find this language:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country.

* * * * * * *

In order to meet every demand upon the Treasury without delay or peradventure, and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

If it is necessary and proper to supply banks with money to tide over, why not purchase another printing press and turn out $75,000,000 in addition to the $300,000,000 already issued under the Vreeland Act? Banks pay 2 per cent on Government deposits referred to in the message. Under the Vreeland bill they pay from 3 to 6 per cent. Is it necessary to wring an additional $105,000,000 from the people already overtaxed through the process of oppressive taxation in order to accommodate a few favored banks with 2 per cent money instead of 3 to 6 per cent money? Is it good policy to take from the people's pocket $105,000,000 in order to leave $75,000,000 undisturbed in banks drawing only 2 per cent? Would it not be better to do as is being done, issue currency and loan it at from 3 to 6 per cent profit, and thereby save you from the humiliation of repudiating another plank in your platform? But why do either? Why not adopt business methods in all branches of our Government? If so, instead of wandering around to find something to tax, Uncle Sam would have money to loan. Chairman UNDERWOOD devoted much time in defense

of the Underwood bill in showing what a splendid revenue measure it had proven to be; that it had produced revenue beyond expectations. In looking over the statement issued by the United States Treasury for September 23, 1914, page 3, under the head of "Receipts and disbursements," I find the total receipts for this month to September 23, fiscal year 1915, reported to be $42,319,728.53 and for same period for fiscal year 1914, $44,050,174.72, a falling off of revenue for the 23 days of only $1,730,446.19. I find that the total receipts for the fiscal year 1915, up to September 23, are reported to be $166,616,800.38, and for the same period, fiscal year 1914, $165,881,896. According to the statement, instead of a falling off of revenue we have an increase in revenue for the present fiscal year, up to September 23, 1915, over a like period in 1914, of $734,904.38.

Upon investigation I find that the Republican administration turned over to the Democratic administration on March 4, 1913, a net balance in the general fund of more than $149,000,000. Now, the question is, if receipts have increased and if a net balance of $149,335,771.78 was turned over to the Democratic administration, what has become of the money? And why are you now asking for $105,000,000 more? Before the war in Europe, some thousand miles away, in trying to explain why this industrial, commercial, and financial stagnation, we were told it was psychological. Now it is the war in Europe; but no appropriations have been authorized since the beginning of that war; every dollar appropriated for the current fiscal year was made before the outbreak of the war, and if there has been an increase in revenue for the fiscal year instead of a decrease, there must be some other reason for it. I regret to say that the reason appears to be that of extravagance. I regret it especially because in their platform I find this language:

REPUBLICAN EXTRAVAGANCE.

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to the simplicity and economy which befits a democratic government.

Has this promise been fulfilled? According to the table prepared by the clerk of the Committee on Appropriations, instead of a decrease in appropriations, as promised, the appropriations have been increased. In making the comparison I will be liberal with my Democratic friends, for I feel that they are to be pitied rather than censured.

I will give them the benefit of the large reduction in appropriations for the building of the Panama Canal, which, because of its completion, is only $21,000,000 this year, while in the past, during its construction, it has reached as high as $48,000,000, and inasmuch as the river and harbor bill passed by the House this session, carrying $53,683,004, has not yet passed the Senate, I will omit it, and the appropriations $49,380,541.50 for 1911, $30,883,419 for 1912, and $41,073,094 for 1914, made for rivers and harbors, and thereby giving them the benefit of the $14,492,138 excess over amount appropriated by a Republican Congress for the years 1911 and 1912; that is, if the amount agreed to by the House is appropriated for rivers and harbors this year. According to the table, appropriations made by a Republican Congress were, for 1911, $978,521,087.68; for 1912, $995,799,462.72; total for the two years, $1,974,320,550.60. Appropriations made by the present Democratic Congress is reported to be, for the fiscal year 1914, $1,057,605,694.40; for 1915, $1,089,408,777.26; total for the two years, $2,147,014,471.66, which is $172,693,921.26 in excess of appropriations for 1911 and 1912, which they denounced as waste of money wrung from the people by oppressive taxation. But they tell us now that because of war in Europe we must tax the American people an additional $105,000,000. They would have the country believe that because of the war, appropriations for war purposes have been increased, and therefore pass the bill. That statement, like many others, of course, is not a fact. The table shows that appropriations made for Army, Navy, and fortifications for the fiscal year 1915 to be $11,228,690.07 in excess of appropriations for the fiscal year 1914; but appropriations for pensions is less by $11,150,000, besides two battleships, the *Idaho* and *Mississippi*, were sold and $4,635,000 out of the proceeds of the sale were turned into the Federal Treasury, and adding that amount to the decrease of appropriations for pensions, instead of having an increase of appropriations because of war, we have a decrease of $4,556,309.93.

I take it that no further evidence is required to prove that the $105,000,000 asked for is because of extravagance and not because of the war in Europe. The war in Europe had nothing more to do with the $172,693,921.26 increase in appropriations than had King Dodo. Why this unjustifiable and indefensible extravagance? How was it brought about? The distinguished gentlemen from Mississippi [Mr. SISSON] and New York [Mr. FITZGERALD] and others have from time to time shed light on the subject. In the CONGRESSIONAL RECORD of February 24, 1913, page 3836, Mr. SISSON, of Mississippi, is recorded as saying:

But I want to say to my Democratic colleagues that if they do not want to put a check upon these appropriations to the income of the Treasury to-day Woodrow Wilson during his second, if not the first, year of his administration will be confronted with a bond issue. * * *

We denounce you because you have expended $90,000,000 more than you expended in the preceding year. The question arises, Why on earth have the Democrats the right to denounce Republicans for extravagance in the future? For the life of me I can not see.

He went on appealing to his colleagues to carry out the pledges to the people, and said:

And be able to go home and look the honest electorate squarely in the face and say that we have kept the faith.

On April 3, 1914, page 6210, again the distinguished gentleman, Mr. SISSON, in lecturing his Democratic colleagues and advocating economy, is reported saying:

Principle has gone to the four winds of the earth and we are writing ourselves down in the history of the country as being the most outrageously and most criminally extravagant Congress that ever sat on the American continent * * *. I said that in a speech before in the last session, and when I made that speech, Members of the Democratic House came to me and asked me not to put it into the RECORD because it would be used by the Republicans in their campaign book. Let them use it. * * * You may use the statement now, gentlemen, because when Democrats get to be so violently extravagant that it makes its own record look bad as compared to the very marked record of the Republicans, I must apologize to you Republicans for having ever used the words "criminally extravagant" in criticizing the appropriations that you made, for if that expression "criminally extravagant" was proper to apply to you, my God, the English language has never found an adjective strong enough to apply to Democratic extravagance.

If you will turn to the CONGRESSIONAL RECORD of April 10, 1914, you will find Mr. FITZGERALD, chairman of the Committee on Appropriations, expressing himself in this language.

It may seem somewhat strange, but I hope it is not out of place to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abandonment of useless office. * * * In a few months I shall be called upon in the discharge of my duty to review the record that the Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party, I am tempted to quit my place.

In admonishing his Democratic colleagues he said:

They seem to take it to be a huge joke not to obey the platform * * *. We have not had their support * * *. They have voted against recommendations that they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the profession of the Democratic Party has not been in good faith; that they can not be carried out, and that we are not entitled to power because of their profession.

I might read from remarks of others, but I believe this to be good authority and sufficient.

In order that we may more fully appreciate the enormity of the large and unprecedented waste of money it may be well to make a few comparisons. According to the Statistical Abstract I find that the $172,693,921.25 appropriated in excess of Republican appropriations is forty-six times the total expenditures for the public schools in Alabama, the home of the distinguished author of the Underwood bill. It is five times the total expenditures for public schools in the South Atlantic States, and twice that in the South Atlantic and South Central States. Thus good southern Democrats have been rewarded for their loyalty to the Democratic Party. The $172,693,921.26 in excess of Republican appropriations is more than eleven times the total expenditure for public schools in Iowa for 1912. According to a statement furnished me by the auditor of my State, the tax levy in Iowa for State purposes during the year 1913 was 3.4 mills, producing in taxes $2,510,910.84; in 1914, 2.9 mills, producing in taxes $2,724,693.30; total for two years, $5,235,604.14.

The average levy for counties during the years—	
1913 was 50.88 mills, producing	$33,689,650 25
1914 was 49.5 mills, producing	40,811,801 83
Total for 2 years	74,501,452 08
In indirect State taxes during the years—	
1913 there was collected	$2,916,943 84
1914 there was collected	3,479,663 16
Total for 2 years	6,396,607 00

According to his statement, the $172,693,921.26 appropriated by a Democratic Congress in excess of appropriations for 1911 and 1912, which was characterized in the Democratic platform as a waste of money wrung from the people by oppressive taxation, that amount is thirty-three times as great as tax levy in Iowa for State purpose during the year 1913–14 and twice as great as the taxes levied and produced in the State of Iowa for State and county purposes for the same years. The total taxes levied each year in Iowa for State purpose equals a little more

than $1 per capita in Iowa. The $172,693,921.26 excess is almost equal to $2 per capita in the United States. The total appropriations for either 1914 or 1915 by a Democratic Congress is more than $10 per capita in the United States. The $172,693,921.26 excess appropriation is nearly six times the $30,000,000 spent a year for foreign missions by the Protestant Church of the world in support of 25,000 missionaries in the field. It is nearly twice as large as the $88,301,023 production of gold in the United States; four times the $40,864,871 commercial value of production of silver in the United States for 1913. The average annual increase of appropriation for the years 1914–15 over 1911–12 in amount is as great as the total production of gold and twice the amount of the commercial value of silver produced in the United States for 1913.

If Democratic Congresses continue to increase appropriations at the rate they have been going, the increases in four years of Democratic administration will in the aggregate exceed the value of the 624,764,650 pounds of butter produced in creameries and the 994,650,610 pounds of butter produced on the farms in the United States for 1910. In other words, 5,864,493 farmers will feed and milk their cows and churn their cream for a whole year to produce an amount equal to the $172,693,921.26 excess appropriations made by the Democratic Party over what they in their platform condemned as waste. At the rate you are increasing appropriations, in five presidential terms of Democratic extravagance and mismanagement appropriations will be increased in amount equal to the value of all church property in the United States.

Truly it can be said that Democratic Congresses are skilled in the art of wringing money from the people by oppressive taxation. No one has ever doubted the ability of Democratic Congresses to tax. They have always succeeded in doing that; they always found and always will find something to tax. True, as stated by the distinguished gentleman from Alabama, the Underwood bill has produced revenue, but to raise revenue is one thing and to spend it wisely and economically is another. The distinguished gentleman from Massachusetts [Mr. GILLETT] pointed out the procrastination in passing appropriation bills under Democratic management. He pointed out that in 1913 none of the great appropriation bills were passed until the second month of the fiscal year; that for the fiscal year 1914, after 13 months' actual sitting, they permitted two of the great supply bills to die; that in this Congress, with 8 months' extra session before the regular session, still four of the great appropriation bills were delayed in their enactment until weeks after the fiscal year had commenced; that during the first year of Cleveland's last administration, with his party in full control, none of the 12 great appropriation bills were passed until some days after the fiscal year had begun, and some of them not for many weeks; also that under Republican control public business is always promptly dispatched; that with Democrats in full control Congress is obliged to sit the full year around in order to do its work; that 20 years ago, with a majority of 80 in the House, they could not keep a quorum here without docking Members, and now, with a Democratic majority of 141, they are again obliged to resort to the same humiliating device in order to keep the Members here; that from the 5th of last June until their salaries were threatened there had not at any time been a quorum of Democrats present at any roll call, despite their enormous majority of 141. As further evidence as to their incompetency I quote from the CONGRESSIONAL RECORD of May 14, 1914, page 8608:

Mr. UNDERWOOD. Mr. Chairman, I do not desire to discuss the merits of this bill, but I do desire to discuss the condition of public business in this House. This House has been in almost continuous session for three years. In my judgment the membership of this House are entitled to great credit for earnest work and a desire to do their duty and for the work that they have performed in the interest of the American people. But I equally believe that this House is entitled to adjourn at a reasonable date this coming summer. [Applause.] The membership of this House are entitled to go home to present their views to their constituents in the coming elections. More than that, this country is looking for peace, not only peace on the American border, but industrial peace. [Applause.]

The people of the United States are not clamoring as much for legislation to-day as they are for an opportunity to do business. [Applause.] But there are some matters of importance before this House that ought to be transacted before the House adjourns, that the Congress ought to have an opportunity to vote upon before the adjournment is reached. If the membership of this House will do its duty, will maintain a quorum of the committee and a quorum of the House during the sessions of the House, and other Members will be reasonable, so far as their own personal ambitions are concerned and their own personal desires are concerned, and suppress them, we will be able to vote on the great public matters that are before us and reach an adjournment, in my opinion, early in July. [Applause.]

But we certainly can not accomplish it if the House intends to pursue the tactics that have been pursued in the last two days. In the first place, it is the duty of Members to maintain a quorum here. In the second place, it is the patriotic duty of every Member of this House not to throw any unreasonable obstructions in the way of the House doing business.

As we all know, recently Mr. UNDERWOOD was compelled to bring in a resolution identical with one passed during Cleveland's administration, docking absent Members, in order to insure their attendance and to make up a quorum. This, I believe is sufficient to prove Democratic incompetency; that they are slow to act, there seems to be no question about that; yet, while they are slow to act, they are sure to make up lost time when it comes to taxing the people.

Senator TILLMAN at the very beginning of this administration said:

The Biblical quotation I used a few days ago will become historical: "The wild asses of the desert, athirst and hungry, have broken into the green corn." That applies all along the line from top to bottom. The Democrats have been out in the cold so long * * * that they are simply wild.

Evidently the present embarrassment and unfortunate condition is not psychological, nor is it because of Democratic incompetency to raise revenue, but because of their competency for spending it, and, in the language of their platform, "to wring money from the people by oppressive taxation." Just what is going to come of it all I do not know. I am not a pessimist. I said at the beginning I would not criticize, hence I dismiss the subject of Democratic extravagance and lavish appropriations by simply saying that when I stop to consider the unwise, indefensible increase in appropriations of $172,693,921.26; and, in addition to that, in the first seven months of the calendar year, before the war began, we suffered a loss of $248,234,773 in our balance of trade, which, of course, has drawn heavily on our supply of gold, as balances are settled in gold or its equivalent; that, with no evidence of retrenchment or improvements over present methods in administering the governmental affairs, I confess that the outlook is not as bright as I would like to see it. And in addition to the excessive appropriations and loss in balance of trade, the railroads are contending that because of the depressed condition they should be permitted to increase transportation rates. They point out that on May 31, 1913, they had 50,908 idle cars, and on May 31, 1914, seven months after the enactment of the Underwood bill, the number of idle cars had increased to 241,802, an increase of 190,894; that from 175,000 to 200,000 railway employees were laid off and out of work. They told the President that the operating income of 35 eastern roads for the year was $74,002,581 less than for 1913, and therefore they should be allowed to increase transportation rates 5 per cent. What a contrast, under Republican rule, for the year 1913: The net operating revenue of railroads operating 221,748.58 miles of road increased $85,478,325.97 over 1912, and under Democratic rule, in 1913, the operating revenue of 35 roads fell $74,002,581. Judging from the patient hearing granted representatives of the railroads by the President and his sympathetic letter addressed to railroad representatives who were granted a hearing, the further fact that immediately after the President's letter was given out the Interstate Commerce Commission ordered a rehearing of the rate case, and that so recently after the railroads had been denied an increase, after a most exhaustive investigation by the Commission. I take it that the 5 per cent increase will be allowed, at least, if the President may have his way.

The operating revenue of railroads is in the aggregate about $3,000,000,000; and 5 per cent of that amount would be $150,000,000, so, then, not taking into account the falling of prices caused by free trade, the depression of business in general, the loss to hundreds of thousands of people out of employment and those working short hours, the loss of gold, the decrease in bank clearings, which decreased $779,666,215 during the first nine months of the operation of the Underwood bill, the destruction of industries such as the sugar-beet industry, the commercial failures, and hundreds of other unfortunate things incidental to depressed business conditions; the three items alone—the increase in rates, $150,000,000; loss in trade for seven months, $248,234,773; increase in appropriations for two years, $172,693,921.26—aggregate $570,928,694.36. If we multiplied $150,000,000, annual increase of railroad rates, by 4, we have $600,000,000; if loss of balance of trade continues at the rate of $35,462,111, same as was the average loss for seven months prior to the beginning of the war, in four years the American people would suffer a loss in balance of trade of $1,702,181,328; if increase of appropriations and expenditures continue at the same rate as it has in the past two years, the excess of appropriations for four years over what Democrats denounced as waste in 1912 will amount to $345,387,842.52. The three items alone will amount to $2,647,569,170.52, which represents only three of the many Democratic blunders. The cost to the American people will be more than nine times the annual salaries paid superintendents and teachers in public schools, or five times the total expenditures of public schools in the

United States. It is three times the value of dairy cows and one and one-half of all the cattle in the United States. It is four times the value of mules, asses, and burros, the chief industry of Missouri. What a consolation it must be to the American people to know that if they will dispose of and sacrifice all their mules, asses, and burros and close their public schools, they will break even at the end of four years of Democratic rule.

But you say that the Underwood bill is not the cause of our unfortunate condition. According to the Monthly Summary of Commerce and Finance, July, 1914, imports for seven months, including July, 1913, were $1,018,648,675; for seven months, same period, 1914, were $1,140,593,373. According to it we have an increase in importation for seven months prior to the war in 1914 under the Underwood bill over 1913 of $121,944,698; our exports for the same period are reported to be, for 1913, $1,327,273,137; for 1914, $1,200,982,162; increase in exports for the seven months, $126,290,075, making the net loss of trade in seven months $248,234,773. In fairness I have given figures up to the beginning of the war to a time when war was not even dreamt of.

It would, of course, be unfair to compare exports, imports, and prices during the war, which has created such an unusual demand for products, especially farm products, and caused prices to go up.

What are the results of the Underwood bill and how did it pass? Congress organized with a majority in the House and Senate, in the House with 139 Democrats from the 18 Southern States; 31 from New York, the home of Tammany; 11 from New Jersey, the home and shelter of trusts; and 105 from the great Northwest. The Southern States out of their modesty took the chairmanship of 38 out of the 57 committees. The States north of Missouri and west of the Mississippi got the chairmanship of the Committee on Expenditures on Public Buildings, a committee that has not met for the consideration of bills for a quarter of a century. The South and Tammany took every important committee save two, on pensions and one one on elections, which went to Ohio. Here is what the gentleman from Colorado [Mr. KINDEL], a Democrat, had to say about committee assignments (see CONGRESSIONAL RECORD, August 11, page 13332):

Here is the cause of it all:

[Mr. KINDEL here exhibits a parcel-post map, on which the residence of the 21 members of the committee are indicated by marks.]

Every one of the 14 Democratic members of the Interstate and Foreign Commerce Committee resides within the circle of 650 miles, which is east of the ninety-seventh meridian. Every Democratic member of the committee is a lawyer by profession, and that is why I told them in Democratic caucus there was not a man among them that knew the difference between a bill of lading and a bill of fare. The three members of the committee that are shown west of the ninety-seventh meridian are Republicans.

Denver is located over here—one hundred and fifth meridian [indicating]. We had a representative on this committee in the last Congress, and before I came here. Every one of my colleagues, with the Senators, came to my bedside and promised me they would get me on that committee; but I did not get on, and that is why I am ready to tell on the floor of the House instead of in committee what I know about transportation rates. This shows the apparent discrimination. I regret that permission to insert the following maps in reduced size has been denied me.

There [indicating] is the Post Office and Post Roads Committee, within a circle of 600 miles. The fourteenth one is down in Texas—a Democrat—and the sixteenth is the Republican gentleman from Minnesota [Mr. STEENERSON]. No wonder we are paying these outrageous transportation rates. Talk about getting a square deal——

* * * * * * *

Mr. KINDEL. That is what they infer, but there is no proof of it. I am showing you by proof that there is not.

The Ways and Means Committee is within that circle of 650 miles. Denver is located out here. There is one Democrat, No. 10, Mr. GARNER, from Texas, and No. 21 is the Progressive gentleman, Mr. VICTOR MURDOCK, our esteemed friend, from Kansas. He is out here on line of ninety-seventh meridian [indicating]. Outside of those two we have not a soul from the trans-Mississippi West on that committee.

Here is the Appropriations Committee. Here is Denver [pointing]. The only committeeman on this important committee west of ninety-seventh meridian is the Republican gentleman from Wyoming [Mr. MONDELL]. We of the West are not considered when it comes to making up committees. We might as well be off the map. Here is the Agricultural Committee. We are the recognized bread basket of the universe in this the trans-Mississippi West [pointing]. We have been fighting for relief from discriminative rates for years. That is why I consented to get into politics, and why I led the Democratic victory in Colorado.

They called a caucus, and as a result of the splendid teamwork the 181 Members from New York, New Jersey, and the South overpowered the 105 Democrats from the Northwest. It was reported that some of the northern Democrats kicked and found fault, but they were subdued and put to sleep, and came out with mouth sealed, hands and feet tied, and have never peeped since. Because of their good behavior they have been permitted to sit at the pie counter and draw fat jobs for their lieutenants, while their constituents have reluctantly and inconveniently paid the bill. While they and their lieutenants have been looking after primaries and campaigns, their constituents have been selling what they had to sell in competition with the products of the cheapest land and labor on earth.

As a result of that caucus, products of the Northwest, such as cattle, corn, beef, mutton, pork, veal, milk, cream, eggs, and bacon went on the free list; duty on butter was reduced from 6 to 2½ cents a pound. On rice grown down South, they put a duty of 1 cent a pound on cleaned and five-eighths of a cent on uncleaned. On cotton goods, made from cotton grown down South, the duty was fixed at 30 per cent. Sacks to sack the wheat, corn, and oats up North were highly protected, but cotton ties went free. Trust-made articles, such as iron and steel, were well taken care of. Yet we have been told that there is no sectionalism in that—simply teamwork.

Democratic Congresses spent several thousands of dollars in investigating the Sugar Trust. Here is what representatives of the Sugar Trust told the Hardwick special committee:

FRANK C. LOWRY, SALES AGENT, FEDERAL SUGAR REFINING CO., "SECRETARY AND TREASURER," THE "COMMITTEE OF WHOLESALE GROCERS."

Mr. FORDNEY. Mr Lowry, I notice by a paper here that you are secretary, and the paper says secretary and treasurer, of the grocerymen's committee.

Mr. LOWRY. That is correct.

* * * * * * *

Mr. FORDNEY. How much money has been spent in distributing literature by that committee?

Mr. LOWRY. Somewhere in the neighborhood of $12,000.

Mr. FORDNEY. Who paid that money?

Mr. LOWRY. * * * the only one that subscribed was the Federal Sugar Refining Co.

Mr. FORDNEY. So that the Federal Sugar Refining Co. have paid in this $12,000 for the distribution of the literature?

Mr. LOWRY. Yes.

Mr. FORDNEY. And no other concern has paid in any sums of money?

Mr. LOWRY. No other concern; no. (Pt. 19, pp. 1607-1608 of hearings.)

* * * * * * *

Mr. FORDNEY. The Federal Sugar Refining Co. has paid, then, for the distribution of all this literature?

Mr. LOWRY. Yes; so far they have. (Pt. 19, p. 1609 of hearings, July 13, 1911.)

* * * * * * *

Mr. LOWRY. No.

Mr. FORDNEY. Does Mr. Spreckels donate all the expenses, pay all the expenses of sending out this literature? That is what you told us before.

Mr. LOWRY. He has been the only subscriber so far. (Pt. 41, p. 3379 of hearings, Dec. 9, 1911.)

* * * * * * *

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. HINDS. Mr. Spreckels, you have been carrying on a campaign to reduce the tariff as beneficial to the cane-sugar refiners?

Mr. SPRECKELS. I have.

Mr. HINDS. Of course that will be damaging to the beet-sugar refiners?

Mr. SPRECKELS. To some extent it will. (Pt. 27, p. 2275 of hearings.)

* * * * * * *

Mr. HINDS. Now, Mr. Spreckels, it was testified in Washington that the movement for lowering the tariff on sugar, the movement which is going on now and in which you were interested, that your company had expended $12,000 for literature, etc.

Mr. SPRECKELS. Possibly. I do not know what the amount is. I dare say we have. (Pt. 27, p. 2276 of hearings.)

Communications sent out by Mr. Lowry. Here is one, Bulletin No. 34:

(Committee of wholesale grocers formed to assist in obtaining cheaper sugar for consumers through reduction of duties on raw and refined sugars, 138 Front Street, New York, N. Y.)

Reasons why the present "infamous" sugar tariff should be materially reduced, if not removed, at this time.

	Refined sugar.	Raw sugar 96° test.	Assessed difference per degree.
	Cents.	*Cents.*	*Cents.*
Present rate.....per pound..	1.90	1.685	0.035
Rates we propose.....do....	.624	.60	.006

Under reciprocity treaty importations from Cuba pay 50 per cent less in both cases.

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. HINDS. In other words, perhaps, you would take it [the tariff] all off, would you not, and have free trade?

Mr. SPRECKELS. I would have free trade. (Pt. 27, p. 2277 of hearings.)

Mr. HINDS. You would have free trade in sugar?

Mr. SPRECKELS. Absolutely. (Pt. 27, p. 2278 of hearings.)

CHARLES R. HEIKE, SECRETARY AMERICAN SUGAR REFINING CO. FROM 1887 TO 1910.

Mr. FORDNEY. Now, if the duty were removed absolutely on sugar could we produce either cane or beets in this country?

Mr. HEIKE. I doubt it very much.

Mr. FORDNEY. Then that would destroy the industry absolutely in this country?

Mr. HEIKE. Yes.

Mr. FORDNEY. And you would approve of that?

Mr. HEIKE. Yes. (Pt. 4, p. 292 of hearings.)

WILLIAM G. GILMORE, PARTNER ARBUCKLE BROS., SUGAR REFINERS

Mr. MADISON. In other words, you think the thing to do is to take off the duty, and that it would be to your advantage to take it off as a refiner of cane sugar?

Mr. GILMORE. Yes, sir.

JAMES H. POST, PRESIDENT NATIONAL SUGAR REFINING CO.

* * * As far as I personally am concerned, I would like to see free sugar. As we look at the country at large, however, I think it would be a very unfair proposition. (Pt. 6, p. 527 of hearings.)

WILLIAM A. J. JAMISON, PARTNER, ARBUCKLE BROS.

Mr. RAKER. Michigan sugar, you say, competes with yours in New York?

Mr. JAMISON. Yes; the Michigan sugar has been down to New York State and all through there. It has interfered with us very largely in sales in Ohio and Pennsylvania.

Mr. RAKER. And West Virginia?

Mr. JAMISON. Yes.

EDWIN F. ATKINS, VICE PRESIDENT AND ACTING PRESIDENT AMERICAN SUGAR REFINING CO.

Mr. HINDS. So that a reduction of the tariff passing beyond a moderate amount would tend to the prosperity of the refiners and to the detriment of the beet-sugar people?

Mr. ATKINS. I think they say truly, that it is for the refiners' interest to have a low rate of duty rather than a high rate of duty, and reduce the basis of value upon which they can sell. The lower the price of the refined sugar the greater is the consumption. I think their position is well taken. (Pt. 2, p. 174 of hearings.)

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The CHAIRMAN. Is it really on account of the competition, Mr. Atkins? * * *

Mr. ATKINS. I think so. * * * There is very much larger capacity than is required, and the beet sugars are taking away the trade of the refiners year by year. (Pt. 1, p. 48 of hearings.)

* * * * * * *

Before election they solemnly promised not to injure or destroy a single worthy and legitimate industry. It is generally understood that every Democratic candidate for Congress in Iowa promised before election not to vote to destroy the beet-sugar industry. What happened? After that the Sugar Trust frankly told the Hardwick special committee that it wanted free sugar, that it had spent money in order to destroy the beet-sugar industry, its only competitor, to enable it to put up prices on sugar as had been its practice in the past when the beet-sugar was not on the market. Upon that showing and having sworn allegiance to the doctrine "United we stand, without Tammany and the trust we fall," Democrats in a single stroke killed the cane and beet sugar industry in the United States dead as a doornail, not exactly all at one time but by degrees, like the Irishman who cut the dog's tail piece by piece so as not to hurt the dog so much. So with the Democratic Party, they started with a reduction and ended up with free sugar on and after May 1, 1916. Every factory in my State and 12 others have closed. Others are allowed to linger on to May 1, 1916, when the Underwood bill is expected to consign the cane and beet sugar industry to its last resting place. The Sugar Trust did exactly what it said it would do. It put the price up, and the consumers are footing the bill.

Under the "new freedom" free trade, liberal expenditures, and rich in blunders, in the first nine months under the operation of the Underwood-Simmons bill, compared with the corresponding nine months of the previous year, the importation of cattle increased from $5,771,094 to $16,345,448; corn, from $160,761 to $7,598,702; oats, from $37,678 to $7,882,735; meat products, not including sausage, from $1,103,949 to $19,622,635; butter, from $258,367 to $1,646,408; eggs, from $143,784 to $1,059,593.

Did it affect prices? Take, for instance, corn; we have the evidence of a number of grain men, exporters and importers, who appeared before the Committee on Agriculture when that committee had under consideration the grain-inspection bill. All, regardless of political affiliation, agreed that the importation of Argentine corn had affected the price of domestic corn. Here is what Mr. George W. Eddy, Chamber of Commerce, Boston, had to say (see page 131 of the hearings):

Mr. HELGESEN asked this question:

Do you think that if we import corn that the imported corn in small quantities tends to establish the price?

Mr. EDDY. It does; and I think corn would have sold from 10 cents to 15 cents per bushel higher this year if it had not been for our importations.

Mr. HAWLEY. Does the corn go into the interior country?

Mr. EDDY. It moves into the interior.

Mr. RUBEY. What is the amount of corn imported from Argentina?

Mr. EDDY. Last year they exported about 200,000,000 bushels.

Mr. PADDOCK (from Toledo). They raised about 400,000,000 bushels. (Page 236.)

Mr. PADDOCK. We are feeling very seriously at this time the importation of Argentine corn as a competitor of native corn, which is already largely distributed through New England, New York, and central Pennsylvania

Mr. HAWLEY. Have you lost any market by reason of it?

Mr. PADDOCK. Yes, sir. We have not sold a car of corn in Boston in three weeks, where we usually sell 10 to 20 cars a day. We have not sold a car of corn in Buffalo in six weeks, where we usually sell 10 to 20 cars a day.

Mr. HAUGEN. What is the reason for that?

Mr. PADDOCK. The reason for that is that the Argentine corn comes in so low.

Mr. HAUGEN. Does your company think the price of our corn has been affected by the importation of corn from Argentina?

Mr. PADDOCK. Undoubtedly.

Mr. HAUGEN. To what extent?

Mr. PADDOCK. We had a 2,000,000,000-bushel crop last year, and if it had not been for the importation of Argentine corn I think the farmers would have realized 10 cents per bushel above the present price of corn.

Mr. SLOAN. Then the producers of corn this year did not get the benefit in price on what they sold that they would have gotten if the Argentine corn had not been shipped in in competition?

Mr. PADDOCK. I think not, sir.

Here we have the testimony of men with experience and who knew what they were talking about. With a drought in Kansas, Missouri, and Nebraska, the Iowa farmer did not suffer as much as they did farther east. Because of the drought he sold his corn in those States, close to his door, and, in most instances, sold above net Chicago prices, while if we had had a normal crop in the United States he would have had to do as he has been doing in the past—pay freight and sell in Southern and Eastern States. In that case he would have had to sell his corn in Southern States, pay more freight, and meet the price of Argentine corn, selling there at 66 cents per bushel. If on the coast or in the Eastern States, he would have had to meet the price of Argentine corn, selling there at 60 cents, which was about 12 cents less than the Chicago price, which, of course, would have brought the price down considerably from what he has been getting.

Judging from discussions reported at dairy meetings held throughout the country, prices of butter prior to the war were not satisfactory to the dairy people. I take it that the importation of seven and one-half million pounds of butter, at an average price of 22 cents per pound, had something to do with bringing the price down. But they complained of the high cost of living, and because the farmers in the Northwest were riding in automobiles they decided that they might be sacrificed in the interest of the consumer. So they put his product on the free list; but instead of the cost of living going down, it has continually gone up, and so far I know of no consumer who is very enthusiastic over the result or is now clamoring for Democratic free trade to lower the cost of living.

When it was fully demonstrated that the high cost of living was not being lowered by their free trade, they embarked upon a policy to eliminate the retail merchant, to put him out of business. They appropriated money to employ people to act as agents and to distribute farm products and merchandise. Two hundred thousand dollars were appropriated for a Bureau of Markets, and besides thousands of dollars to be expended in various ways.

They hoisted the flag upon which was written in large letters "From the farmer, the factory, and mill direct to the kitchen by parcel post." They sent out literature, employed and turned loose a large number of men and women to educate the consumer how to order direct from the farmer, factory, and mill by mail, or through representatives of the Government. The weight limit on parcel post was increased to 50 pounds, and the services of the large army employed in the Post Office Department was placed at their disposal. Still the packers, the produce combine, and transportation companies kept on putting prices up; they worked night and day, still prices went up. What next? More attorneys were employed and 30 Washington merchants were indicted; farmers were indicted and prosecuted for selling decomposed eggs; but eggs old as Methuselah continued to come in from China and foreign countries, free and without limit; Dr. Melvin was sent to South America to teach the packers and people there how to pack and ship their meats here; Argentine meat came in, notwithstanding all their efforts and the money expended; prices paid to the farmer fell, but the price to the consumer continued to go up. Why? The answer is simple. They had overlooked the fact that the trusts, combines, and transportation largely fix the price, not only to the farmer, but to the consumer as well. Right now, in the midst of the European war, foodstuffs are sold cheaper in England than here. Take, for instance, only a few days ago, bacon selling in Liverpool at 28 cents and in New York at 31 cents. Before the war farmers were getting 18 cents for eggs, 26 cents for creamery butter; the consumers in Washington paid 35 cents for eggs and 40 cents for renovated butter and 45 to 50 cents for creamery butter, and as high as 50 cents per pound for beef. It is clear, then, that while tariff may in some cases affect prices, the trusts and combinations generally control. In my opinion, if the cost of living is to be reduced the Government should, instead of prosecuting the farmers and merchants, it should prosecute trusts and combinations in restraint of trade and lower transportation rates, and not grant increase of rates, as has been done. It is true that the Justice Department has in years past prosecuted a number of trusts, combinations, and monopolies, but, while I do not wish to criticize, it is a well-known fact that trusts

have been prosecuted, convicted, and fined, but compromises have been made and fines abated.

In this connection, though suggestions offered may fall on deaf ears, I venture to suggest instead of impairing the Rural Free Delivery Service by letting the service to the lowest bidder, thus bidding for the slowest and poorest service obtainable, as is proposed by the Postmaster General, dispense with duplication, red tape, and antiquated bookkeeping; instead of increasing pay to railroads for carrying mail matter and parcel post, as is proposed to do in the bill recently passed by the House, cut the pay in two, the railroads would still receive more than two times the rate paid railroads by express companies for a similar service, after investigating Col. Mulhall's charges; instead of reporting lack of jurisdiction, report expulsion and prosecution; instead of sending and paying doctors $2,500 for examining Rockefeller, send the Sergeant at Arms; instead of giving immunity baths and doing what told to do by the Sugar Trust, do what seems to be in the best interest of the producer and consumer.

Instead of appointing officers and directors of trusts to office, as was attempted to do in nominating the second largest contributor to the Democratic campaign fund to a position to the Federal Reserve Board, instead of putting directors of the trust at the head of our banking institution and campaigns, instead of accepting money from lawbreakers to defray campaign expenses, they should be made to answer for their sins and to pay fines into the Federal Treasury, and, possibly, after paying fines and penalties, the consumer might look forward to some relief.

Instead of increasing the number of Government employees, as has been done, as, for instance, in the Treasury Department the number has been increased to the extent of 358 in the Treasury and 678 in the field, incurring an expense of $1,750,000; instead of appointing men to send into the field to look after nominations and elections of Democrats, put them to work for Uncle Sam; instead of levying taxes at the rate of $15,000,000 an hour, introduce sound and sane business methods in the administration of Uncle Sam's affairs. If they will do that and couple with it a little economy here and there, then they will obviate the necessity of passing the proposed bill, and the burden of not only the $105,000,000 carried in the bill but many hundred million dollars more can be saved. Before election they condemned Republican extravagance. In my opinion their position was well taken; there always was and always will be duplication, overlapping, and waste expenditures under our form of government, although Uncle Sam's business, aggregating more than a billion dollars a year, is the largest business in the world.

As a general thing, neither Congress nor the executive branch of our Government is made up of men with business training or experience, or with full comprehension of the cost and value of a dollar. If so, let us get away from the idea that Uncle Sam's business can be run economically and as successfully as the average business institution is run. Senator Aldrich said one time that one hundred million, and possibly three hundred million, dollars would be saved annually by applying business methods. Before election Democrats joined him in his condemnation of unwise expenditures; after election they forgot their promise and in two years added more than $172,000,000 to what they declared to be waste of money wrung from the people by oppressive taxation. Certainly no one reading the warnings sounded by Leader UNDERWOOD, Chairman FITZGERALD, Mr. GILLETT, or Senator TILLMAN will point with pride to the competency or the achievements of the Democratic Congress.

The Democratic platform declared rural credit of equal importance with currency legislation. They purchased a pair of scissors and a pot of paste; it is alleged that they hired a Wall Street editor to cut a few sections out of the Aldrich bill, which they so severely criticized before election; they included the Vreeland bill and passed it as their own. It contained many wise provisions, but the promised rural credit was not included. To the contrary, practically every Democrat voted against incorporating it in the currency bill. No rural-credit bill has ever been reported from the committee, and none is expected to be reported. When the gold began to disappear because of the falling off of our balance of trade, when the panic was on and the banks were about to suspend payment, instead of resorting to their own bill they reduced the rate of interest to banks in the Vreeland bill and turned on the printing press and issued currency under its provisions. Here is what the platform had to say:

RURAL CREDITS.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

We recognize the value of vocational education, and urge Federal appropriations for such training and extension teaching in agriculture in cooperation with the several States.

And here is what Democrats say after election (see CONGRESSIONAL RECORD, May 14, p. 8608):

Mr. UNDERWOOD. I think the gentleman from Oklahoma is right about the rural-credit bill. The gentleman is not half as much in favor of a rural-credit bill as I am, because I have strenuously insisted and endeavored to have a rural-credit bill presented to this House; but I say that the policy the gentleman is pursuing in his efforts to get a rural-credit bill is not a credit to him or an aid to the cause he supports. [Applause.] I say this without any intention of personal criticism of the gentleman, but I desire to point out to him where he is not aiding his cause.

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Mr. THOMPSON of Oklahoma. I want to say that the gentleman's position in the caucus does not square exactly with his talk on the floor.

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Mr. UNDERWOOD. But I do not intend it for facetiousness. I mean it as a statement of fact. I had overlooked the fact that the gentleman himself had made the point of no quorum.

Mr. WINGO. The gentleman may as well understand that a few Democrats and a few Republicans do not constitute the Committee on Banking and Currency, which has not met since last September, and I have not received any notice or any word of any of the conferences, and yet I am a member of that committee.

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Mr. THOMPSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. UNDERWOOD. Certainly; but I will ask the gentleman not to take up too much of my time.

Mr. THOMPSON of Oklahoma. I shall not take up much of the gentleman's time. Does not the gentleman think that it is quite important that the rural credit bill should be reported here, in view of the fact that the Democratic caucus last August instructed the Banking and Currency Committee to bring in this rural credit bill at this session?

Mr. UNDERWOOD. So much so that I framed that resolution of instructions myself.

Mr. THOMPSON of Oklahoma. After voting against incorporating it in the banking and currency act?

Mr. UNDERWOOD. Yes.

Mr. THOMPSON of Oklahoma. When a few of us were insisting that it should go there in that act?

In this session the Democratic Senate adopted an amendment to the deficiency bill appropriating $175,000 to pay officers' longevity pay. It provided for payment for those held to be unloyal by reason of having joined the Confederate Army and raised the bar of statute limitation, but did not provide for payment or raising bar of statute limitation to those loyal and in the Union Army. The Democratic leader, Mr. UNDERWOOD, on July 23, 1914, moved to recede and to concur in the amendment. The Republican leader, Mr. MANN, called attention to the discrimination in the following language (see CONGRESSIONAL RECORD, July 23, p. 12560):

You can not pay the Confederate soldiers who have these claims and refuse to pay the Union soldiers who have these claims, and while this proposition in this pending amendment, it is true, only pays the Confederate soldiers who had the claims, it is nonsense to say that we can do that and then refuse to pay the Union soldiers who had the claims. No one would claim that. No portion of the claims has yet been paid to anyone.

Mr. FITZGERALD, chairman of the Appropriations Committee, had this to say (see CONGRESSIONAL RECORD, July 23, p. 12563):

Mr. Speaker, this amendment provides for the payment of longevity claims of officers of the United States Army who left the United States Army and entered the Confederate service. No officer of the United States Army has received any allowance for longevity claims of this character during the period covered by this amendment. The only longevity claims of this character that have been paid are those for the six years prior to the decision of the United States Supreme Court. The adoption of this amendment means that men who were in the United States Army and who resigned from it to enter the Confederate Army are to be allowed these longevity claims, while no provision is made for men who were in the United States Army and remained in the Army and fought on the Union side.

This is the most ingenious amendment ever devised and presented to the House.

Mr. UNDERWOOD. It is stated in the report. I read it.

Mr. FITZGERALD. I do not care about the reports, because I do not read them very often. I do not have the chance. But nobody ever suspected that Congress was proposing to open the door to claims of men who left the Regular Army to go into the Confederate service, and at the same time denying the opportunity for claims for the same service for the same period to be presented by men in the Regular Army who remained loyal to the Union.

* * * * * * *

I would go as far as anyone to wipe out whatever lingering or smoldering animosities there may be arising out of that terrible conflict which divided this country from 1861 to 1865—and what I say is not for the purpose of arousing any feeling—but I would not have Congress do an act which, in effect, puts a premium upon the action of the men who left the service of their country to take arms in the Confederate service, and that is what is done in this amendment.

* * * * * * *

The awful conflict, which resulted finally in the preservation of the Union, has long passed. It is the duty of everyone to cooperate as much as possible to obliterate the causes of ill feeling that so long remained and to do everything possible to restore the common brotherhood of this country. But to say that Congress intended, in order to meet the condition that existed and to bring about a better feeling, to enact a law which gave the men who went into the Confederate service an advantage and preference and an opportunity to present I

claim to which Congress has persistently refused to the men who remained in the Army and were loyal to the Union is going far beyond what anyone can justify.

This Democratic Congress voted to cut their mileage and delayed making appropriations until after the primaries, and then passed a bill restoring the old mileage. Among other things, the Democrats condemned campaign contributions. According to reports on file, the Democrats reported having received $1,158,446.33 and paid out $1,134,848. Republicans received $904,827.67 and paid out $900,363.58. Progressives received $676,672.73 and paid out $665,500. In other words, they condemned campaign expenditures and spent a quarter of a million dollars more than any other party.

Mr. LEVER. I wish the gentleman from Arkansas [Mr. WINGO] and the gentleman from Illinois [Mr. MANN] would withdraw their objections, and let the other gentlemen extend their remarks. There are a number of gentlemen who would like to extend their remarks.

Mr. WINGO. On Saturday the gentleman from Virginia [Mr. JONES] gave notice, when some one objected to the gentleman from Alabama [Mr. HEFLIN] speaking on the cotton situation in the South, that he was going to object to all similar requests. Now, there have been speeches made ridiculing the southern cotton farmer, and until some one is permitted to speak in his behalf I feel that in justice to them I should object to Members extending remarks ridiculing proposed relief for the cotton farmers. As far as I am concerned, if you want to take the bridle off, and let both sides have an equal chance, I have no objection.

Mr. FLOOD of Virginia. I think the gentleman from Virginia [Mr. JONES] only said that he was going to object to giving time to anyone to discuss it on the floor. He had no objection to the extension of remarks, but he objected to debate on the floor on that subject while the Philippine bill was pending.

Mr. LEVER. I hope that the two gentlemen who have objected will allow the other gentlemen to extend their remarks.

Mr. WINGO. For that purpose I am willing to withdraw my objection. I have no desire to be unfair.

Mr. HAUGEN. I ask unanimous consent that all who speak on the bill be permitted to extend their remarks in the RECORD. I believe that is nothing more than fair.

The SPEAKER. The gentleman from Iowa asks unanimous consent that all gentlemen who speak on this bill have the right to extend their remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. HAMILTON of Michigan. I ask unanimous consent that the gentleman from Michigan [Mr. MCLAUGHLIN] be permitted to extend his remarks.

The SPEAKER. The gentleman from Michigan [Mr. HAMILTON] asks unanimous consent that his colleague [Mr. MCLAUGHLIN] be permitted to extend his remarks.

Mr. WINGO. I could not permit that under the circumstances.

Mr. HAMILTON of Michigan. I withdraw the request, Mr. Speaker.

Mr. MANN. I call for the regular order.

Mr. BORLAND. I ask unanimous consent that the gentleman from Michigan [Mr. MCLAUGHLIN] and the gentleman from Missouri [Mr. RUSSELL] have unanimous consent to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MANN. I object.

Mr. MADDEN. Mr. Speaker, I yield eight minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Speaker, a remark was once made that became famous, and it was, "What is the Constitution between friends?" As we read this bill to-day it may be paraphrased by saying, "What is the Constitution where cotton is concerned?" Mr. Speaker, I would not have believed it possible that a bill of this character could ever be proposed by any Democrat, especially from the Southern States. This bill is an invasion of State rights and an expansion of the Federal power far beyond the dreams of any disciple of Alexander Hamilton. I want to say this afternoon to any Democrat that votes for this bill in its present form his mouth should be forever closed against invoking the doctrine of State rights on the floor.

Mr. Speaker, this bill ought never to pass under a motion to suspend the rules. It is possible by amendment that it could be made into a workable bill, but there is only one provision in the bill to-day that will stand, and that is the provision taking $100,000 out of the Federal Treasury and spending it.

What does this bill do? It purports to authorize a license to a warehouseman, and then for the issuance of warehouse receipts and inspection. In the first place, a license issued by the Federal Government is not worth the paper upon which that license is written unless the thing that it authorizes to do is either something that the licensee can not do unless he had that permission or something that the Federal Government had the right to prohibit if he attempted to do it. There is not a lawyer that will admit or contend that in this case the Government has the right to go into every State in the Union and inspect cotton and grain and agricultural products, nor will they claim that we have a right to prohibit the doing of it. But gentlemen say this bill is permissive only; that it is not mandatory upon anyone. That is not true, in the first place, for under section 7 of the bill, when a warehouseman has once been licensed, the bill requires that all grain coming into that warehouse shall be submitted to Federal inspection.

Now, a man owns grain. That grain is grown in a State, goes to a warehouse in the State, to be consumed in the State, and yet this bill requires that grain to be submitted to Federal inspection. Will some one tell me where we get the power to do it?

Another section provides for the giving of a bond, and gives a right of action on the bond. Well, unless this bill authorizes something to be done which we have the right to prohibit doing a bond that is given by the licensee and the right of action of other persons is absolutely valueless. What would you think of the proposition of a pawnbroker from the city of New York coming to this Congress and asking us to license him to conduct a pawnbroking business in the city of New York and offering to give bond to protect his customers?

Mr. BEALL of Texas. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. BEALL of Texas. In a litigation upon a bond like that, or against any warehouseman holding a Federal license, where would such suit be brought, in the State or in the Federal courts?

Mr. LENROOT. It would not make a particle of difference if there was no authority for the issuance of the bond if the statute was invalid on which it was based.

Mr. BEALL of Texas. Would not the suit have to be brought in the Federal court? And would not that give jurisdiction of the bond?

Mr. LENROOT. Oh, the gentleman does not get the point that I make. I do not care where the jurisdiction would be. I am willing to admit that it would be brought in the Federal court, but where would the jurisdiction rest upon which to give the bond, and where does it rest upon which the obligor is made liable?

It would have been easy to provide in this bill that this inspection should apply to warehouses only in case of interstate commerce. But you did not do that. You have provided by the terms of this bill that cotton or grain grown in a State sent to a warehouse in the State, consumed in that State, shall be subject to Federal law. Can you imagine any greater invasion of State rights than that?

Again, it is said that the warehouseman exercises his option to apply for this license, and that it being permissive the fact that he comes in and applies for a license he thereby consents to this jurisdiction. Even if that were so, if the bill stopped with the warehouseman there might be something said in its favor; but it does not; it goes on and provides for the issuance of warehouse receipts. There are two parties interested—the warehouseman and the man who owns the property. The man who owns the property has not submitted to the license. He has had nothing to say or do about it, and yet you undertake by this Federal law to say what kind of a warehouse receipt shall be given to that man.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. BORLAND. Then, the man who owns the goods is under no obligation to put them into a bonded warehouse. Has he not complete liberty on that subject?

Mr. LENROOT. Let us see. Here is a warehouse in a city or a village, made under the laws of the State a public warehouse. Under this bill that man can not put his goods in that public warehouse if the warehouseman takes out a Federal license, made so under the laws of his State, unless the goods are inspected under the Federal authority. Does the gentleman say that does not deprive the citizen of a State of the right to which he is entitled?

Mr. BORLAND. Certainly it does not.

Mr. LENROOT. Because you say that he does not have to put his grain into that warehouse, when he has a right to put it there under the laws of the State.

Mr. BORLAND. He has the right only by contract with the man who owns the warehouse.

Mr. LENROOT. Oh, no; I beg the gentleman's pardon. Under the laws of every State that warehouseman is running a public warehouse, and any man has right to put grain into that warehouse under the laws of the State.

Mr. SHERLEY. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SHERLEY. If I understand the gentleman's contention, it is this: That a warehouseman operating under the State law is compelled to deal with all on equal terms?

Mr. LENROOT. Exactly.

Mr. SHERLEY. And the fact that he undertakes to get a Federal license can not relieve him from that obligation, and there is therefore a conflict of law.

Mr. LENROOT. Absolutely; and the bill in terms says that nothing shall be inspected in that warehouse except by Federal inspection.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. LENROOT. Certainly.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HENRY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and sixty-one Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Frear	Konop	Powers
Ansberry	French	Korbly	Ragsdale
Anthony	Gallivan	Kreider	Rainey
Austin	Gardner	Lafferty	Riordan
Bartholdt	George	Langham	Rothermel
Bathrick	Gill	Langley	Rouse
Bell, Cal.	Gittins	L'Engle	Rucker
Britten	Goeke	Lesher	Sabath
Broussard	Goldfogle	Lewis, Md.	Scully
Brown, N. Y.	Gorman	Lewis, Pa.	Sells
Brown, W. Va.	Goulden	Lindquist	Shreve
Browne, Wis.	Graham, Ill.	Linthicum	Slemp
Browning	Graham, Pa.	Loft	Small
Bruckner	Gregg	McAndrews	Smith, Md.
Brumbaugh	Griest	MacDonald	Smith, Minn.
Burgess	Griffin	Mahan	Sparkman
Burke, Pa.	Gudger	Maher	Stanley
Burke, Wis.	Guernsey	Martin	Stedman
Calder	Hamill	Merritt	Stephens, Cal.
Callaway	Hamilton, N. Y.	Metz	Stevens, N. H.
Carr	Harris	Montague	Stringer
Cary	Helvering	Morin	Sumners
Chandler, N. Y.	Hinebaugh	Moss, W. Va.	Talbott, Md.
Church	Hobson	Mott	Temple
Claypool	Howard	Murdock	Thomson, Ill.
Connelly, Kans.	Hoxworth	Neeley, Kans.	Treadway
Connolly, Iowa	Hulings	Neely, W. Va.	Vare
Conry	Humphreys, Miss.	Norton	Wallin
Copley	Jones	O'Brien	Walsh
Dale	Kahn	Oglesby	Walters
Dooling	Keister	O'Hair	Watkins
Doremus	Kelley, Mich.	O'Leary	Whitacre
Dunn	Kelly, Pa.	O'Shaunessy	Willis
Elder	Kennedy, R. I.	Paige, Mass.	Wilson, Fla.
Estopinal	Kent	Palmer	Wilson, N. Y.
Evans	Key, Ohio	Parker	Winslow
Fairchild	Kiess, Pa.	Patten, N. Y.	Woodruff
Faison	Kindel	Peters	Woods
Farr	Kinkead, N. J.	Peterson	Young, N. Dak.
Francis	Knowland, J. R.	Plumley	

The SPEAKER. On this roll call 269 Members—a quorum—responded to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Alabama moves to dispense with further proceedings under the call.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from South Carolina has 11 minutes and the gentleman from Illinois 7.

Mr. LEVER. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. HEFLIN]. [Applause.]

Mr. HEFLIN. Mr. Speaker, I will be able to say but very little in that length of time. I sincerely trust that there will be no serious opposition to this bill. I am a member of the committee which reported this bill. It passed the Senate almost unanimously. It is emergency legislation. If the South were not in the distressed condition that she is, and if the legislatures of the States were in session, we might go to the States and get this legislation; but, Mr. Speaker, there is only one State in which the legislature is now convened, I believe, in the entire South. This is a bill that will greatly aid the producer of cotton at this time. If he is permitted to store his cotton in a warehouse and it takes out a license, it becomes a bonded national warehouse. If he takes that receipt to a bank and executes his note and pins his warehouse certificate thereto, it will enable him to get credit, to obtain money, and this will be of great benefit to him at this time. Now, as to the place where suit would be brought on the bond. It would have to be, I believe, the amount of $3,000 before it could be brought in the Federal court, and therefore it would be in the State court.

Mr. Speaker, when a national bank takes out its license it becomes a national bank. When a warehouse takes out its license it will become a national warehouse. The State warehouse is not affected by this bill. The gentleman from Wisconsin [Mr. LENROOT] is entirely mistaken in his position on that. The State warehouse can operate independently under this bill. No warehouse is required to come under the operations of this bill. When it desires to do so, it will come under the operations of this bill.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. HEFLIN. I can not; I have not the time.

The SPEAKER. The gentleman declines to yield.

Mr. HEFLIN. Mr. Speaker, I trust that no gentleman on this side will vote against this bill because he thinks it will be interfering with State rights. I want to say to you gentlemen that the South is in the greatest distress that she has been in since the War between the States. This House does not seem to realize, or some Members in it, the distressed condition of that section. A billion dollars of property is now being sold below the cost of production, and I trust that gentlemen on this side will throw aside their objection on the ground of State rights and that we may pass this emergency measure. By doing that you will greatly aid the cotton producer. By standing in the way of this bill you are going to vote against a measure that will help us. [Applause.] Now, Mr. Speaker, if this bill passes there will be no objection to it in the Senate. This law will be put into immediate operation——

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. And when that is done then the producer can take his warehouse receipt and obtain money at the bank. [Applause.]

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Texas [Mr. HENRY].

Mr. HENRY. Mr. Speaker, as far as I have been able to examine this bill this afternoon the title should be changed, and it should read: "A bill to repeal or destroy warehouse laws of the various States." As now drawn it seems to me to be saturated, reeking, unduly intoxicated with rank federalism. Mr. Speaker, it appropriates $100 000. It is not open to amendment. Here it is, a bill of 17 sections offered to the farmers and the producers of this country as a real remedy, when if you analyze it, as far as its good effect is concerned, it is as weak as if it were a mushroom springing up over night. Mr. Speaker, what the producers want is a real rural-credit system that ought to be passed here at the very earliest possible moment. [Applause.] And if such a measure were passed we would not be tendering such temporary makeshifts as this to the American farmer. Mr. Speaker, I do not say that this bill might not be revamped so as possibly to accomplish some real good. It might be, but I am not willing to have it put through to-day under whip and spur in 40 minutes without any right to amend. Let us, if this sort of a bill is to be acted upon, have it so that it can be perfected. It has been said here to-day that amendments will be inserted in conference. Why not insert those amendments on the floor of this House?

Texas has recently passed a warehouse law, and I am not willing to pass hurriedly this bill that seems to be a shell and makeshift. It may have enough vitality in it to injure, partially supersede, or jeopardize the Texas law. I am not willing to thus imperil State laws and State functions.

Mr. Speaker, the people of the South are prostrated in this present crisis. The war in Europe has brought on a terrible paralysis of the cotton industry, and I am not willing to pass a measure like this and tender it to the southern people and say it is of any present and real benefit to them. What we need is the rural-credit system of which I spoke and the strong arm of this Federal Government to be extended to the 30,000,000 people in the South who produce 15,000,000 bales of cotton, the great export crop, and thus relieve them from their paralysis.

Mr. Speaker, the cotton question is not local. It is not one pertaining alone to the South or any section of this country. It is a national question. Aye, it is more than a national question; it is an international question. Cotton is the only product that brings gold back to us when all other products and manufactures fail.

Therefore I am ready to face the real situation. Let us vote as we should and lay aside all temporary makeshifts.

THE COTTON AND CURRENCY SITUATION IN THE SOUTH.

Mr. Speaker, in order that my position in regard to the real needs of the cotton growers in this emergency and crisis brought on by the war in Europe may be understood, permit me to urge the following points and suggestions. They will demonstrate that such proposals as this loose House bill will not salve our present distressing difficulties in the South. The remedy must be quicker, more heroic, and must swiftly come with healing in its wings.

Mr. Speaker, at the outset on this phase of the case I wish to present a telegram from the governor of Texas touching the cotton situation in that State. In my judgment the same condition obtains in all the cotton States of the South:

AUSTIN, TEX., *September 18, 1914.*

Hon. R. L. HENRY, M. C.,
Washington, D. C.:

Cotton conference passed resolution, with only four dissenting votes, in harmony with resolution adopted at El Paso and with your efforts to secure currency to be loaned either direct or through banks at 3 per cent on guaranteed cotton warehouse receipts. I want to add my hearty indorsement of your efforts. Situation is one beyond control of individuals. National banks absolutely not aiding cotton farmers with emergency currency. Unless National and State Governments can aid present situation, with enormous cotton crop coming on market in October, bankruptcy will overtake thousands of people in cotton-growing States. United States Treasury often has placed hundreds of millions of dollars of Government money in banks for their protection. Why can not this be done to save the cotton farmer and the merchant in this emergency?

O. B. COLQUITT,
Governor of Texas.

Gentleman, that telegram does not overstate the case, but gives accurate information in regard to the situation in Texas and the entire South. The conditions are simply deplorable and distressing there, and if something is not done by this Government within the next 60 days bankruptcy will ensue and many men will be destroyed in a business way. I have an abundance of information from various parts of the great State of Texas verifying just what Gov. Colquitt has said. There are 248 counties in that State, and they will produce something like 4,500,000 bales of cotton this year. The testimony is piled high every morning when my mail is received, confirming every single statement made by Gov. Colquitt. What we imperatively need in Texas and the South in this crisis, brought on by the war in Europe, is an emergency currency that will go directly to the farmers. We need this emergency currency under some kind of temporary arrangement, so that the men who have produced the cotton crop may get the cash as promptly as possible.

Gentlemen, the Federal reserve act has been passed and is now law. From my investigation in regard to the inauguration of that system I am going to take it for granted that it will not be in execution within 60 days. I do not believe that the Federal reserve act will be in complete operation until the 1st of January, or later than such date. I have no sort of criticism to make of that act, and will do everything in my power as a Representative in Congress to strengthen it and see that it accomplishes everything its authors intended it should accomplish. Therefore, for the present, I am going to assume that the Federal reserve act can not be made available to rescue the people of the Southern States from the ruin confronting them. And turning from that act to the Aldrich-Vreeland emergency law, I do not hesitate to say that such law will not serve the purpose. The emergency currency now being taken out by the national banks is not reaching the farmers. You may authorize the issuance of millions of dollars under the present conditions and it will not get directly to the farmers. Mr. Speaker, if you are to do anything, you must promptly pass a temporary act in order to relieve the situation. The Federal reserve act being in abeyance for the present, not being fully organized, and the Aldrich-Vreeland Act proving to be utterly futile in this crisis, the Secretary of the Treasury and the Federal Reserve Board are powerless to come to our aid. Is there any way that this great Government can save our people from impending ruin? The southern people are not coming as petitioners and beggars in this matter. They are presenting to you a question that is national, international, and world-wide in its aspect. For when you strike down the cotton industry in the South, you destroy a national and international product. You not only injure the South, but every State in this Union and the balance of civilized mankind. The farmers of the South did not bring this condition upon themselves. The terrible war conditions in Europe have brought it about. We all hope that those conditions will pass within the next few months and that our markets for cotton will be reopened and that the situation will be normal. And when the war is terminated and the market is reopened, then cotton can be purchased.

Last year nearly 9,000,000 bales of cotton were shipped to Europe; nearly 4,000,000 went to England, about 2,500,000, in round numbers, went to Germany; a little over 1,000,000 went to France; and a great many bales went to the other countries now drawn into the war. Our domestic consumption was something around 3,000,000 bales. But now there is an utter paralysis and there is no market for cotton. We appeal to you to view this as a national and international question. Is there any way to meet the emergency? This Government has met such emergencies before and can do it again. In 1907, when a great panic was about to sweep over us, the Government took its public deposits and in four days placed in the hands of J. Pierpont Morgan & Co. $39,000,000. Mr. Morgan was not a director or an officer in a single bank or trust company. He took those funds and deposited them with his favorite bankers in order that they might be loaned to stock speculators. And, I may say, without appearing to be harsh or without indulging in unjust criticism, *to be loaned to stock gamblers in order to relieve the situation in Wall Street.* These public funds, the Government's money, were deposited in those banks through the agency of Mr. Morgan, without interest, and were loaned to distressed stock speculators. The way out of the difficulty in the South is for the Government to do the same thing in regard to the cotton market.

Mr. Speaker, I have introduced a bill, after conference with representatives of the farmers' organizations and other bodies, that will relieve the situation. When this bill was introduced, on the 31st day of August, it was thought that the Federal reserve act would be in full operation by the 15th day of September, and this bill was drawn so as not to interfere with the provisions of that act, but to strengthen it. With permission of the committee I want to refer to section 16 of that act in regard to note issues:

Federal reserve notes, to be issued at the discretion of the Federal Reserve Board, *for the purpose of making advances to Federal reserve banks* through the Federal reserve agents, as hereinafter set forth, and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States, and shall be receivable by all national and member banks and Federal reserve banks, and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States in the city of Washington, D. C., or in gold or lawful money at any Federal reserve bank. Such application—

Omitting one sentence—

shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application.

Mr. Speaker, under section 16, in connection with other provisions of the bill, hereafter the paper money of the Government to be issued shall be "*Federal reserve notes*," and those Federal reserve notes can not be issued upon the initial movement of the Federal Reserve Board. That board is powerless to order the issuance of a single dollar in Federal reserve notes until a member bank, through a Federal reserve bank, presents its commercial paper to the Federal Reserve Board. And then Federal reserve notes, United States money, can be issued as an "*advance*" to the owners of those notes. So, in passing the Federal reserve law *we have built a great market house for the commercial paper and assets of the business world.* And the Government's money, United States notes or Federal reserve notes, can only be issued on that paper to care for financial situations. This is our permanent system. When national-bank notes are finally retired that is the only kind of Government paper money that will be issued. But we can not avail ourselves of that law now, because it is not in working order, and I am sure will not be in time to relieve our people in the South. Then, what is the remedy? Forgetting for the moment that we have in our statutes a Federal reserve act, and dismissing for the moment the Aldrich-Vreeland emergency law—because it has proved to be a snare and delusion in getting these issues of new currency to the farmers who need money—disregarding those two acts and coming squarely to the question, "What is there that Congress can do to remedy the situation in the cotton States"? I have redrafted my bill, disregarding for the present that such law has been passed. I can better state what is in my bill by reading two or three sections and then outlining to you the balance of it. Section 1 provides:

That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in the following States, to wit, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia, $500,000,000, to be advanced to the producer of cotton or owner of lands upon which the same was produced, at a rate of interest not exceeding 3 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act. The deposits herein authorized shall be apportioned among the several States above mentioned in accordance with the number of bales of cotton produced therein during the year 1913, as ascertained by the Department of Agriculture.

Here we provide for the deposit of public funds in the national and State banks as a trust fund, to be loaned directly to the

farmers who are faced with ruin during the war crisis. It is purely a great war emergency, and not a permanent system. The Government has deposited its funds heretofore; it can increase them and can deposit them again if it will. It is not proposed to loan this public money directly without resorting to the fiscal agency of the Federal Government and State governments. This Government can make and establish by law as many depositaries as it deems proper, and if there should not be a bank in any cotton county of the South, the Government can decree that its postmasters shall be custodians of these funds and make the post offices depositaries. So the first proposition is to deposit this money. Then the next question is, "Where will we get the $500,000,000?"

Section 2 provides:

That the Secretary of the Treasury shall immediately cause to be prepared United States notes to the extent of $500,000,000, to be used for the purpose of making the deposits in compliance with this act. And said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe: *Provided*, That all United States notes deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be canceled.

So we resort to the issuance of United States notes by the Federal Government, the only sovereignty and agency that has the power and upon whom rests the duty to supply the people with an adequate amount of currency in such crises as these. It does not provide for irredeemable paper money; it provides for redeemable currency, and endows these notes with all the legal qualities possessed by the United States notes issued during the war; that is to say, they shall be legal tender; they shall be redeemable in gold, in view of the fact that we are now upon a gold basis; they will be as good as any other paper money of the Government now in circulation. In my judgment, it would not jeopardize the credit of this great Government one particle to use its power and issue $500,000,000 in emergency United States notes. I do not believe it would hurt the credit of this Government if we issued a billion dollars in United States notes and made them redeemable in gold.

Mr. Speaker, what ought to be done is to stop the issuance of emergency currency under that temporary system—the Aldrich-Vreeland Act, put a brake upon their operations, and say, "You shall not issue any more of it, because it is not going directly to the people in distress." We should say, "We will travel another road." After refusing to allow the banks to go further and secure additional emergency currency under the Aldrich-Vreeland Act, we will resume the function that this Government undeniably has and issue United States money and deposit it as a trust fund in this terrible crisis, so that it may go directly to the men who have produced the cotton crop of the world, for this product clothes the people in all civilized countries. Is there anything undemocratic, anything un-American in that? We have done it before. And for my part I think it was a matter of financial wisdom when the greenbacks were issued during the early sixties to carry on the war and sustain the Government. And I think every word written in the Legal Tender decisions was absolutely correct and in strict accord with the Constitution of the United States. There is the proposition and there is the source of power for getting the money. Then, what is the next step? Loan this money, *advance* it—using the word that is used in section 16 of the Federal reserve act—to the men whose necessities you are undertaking to relieve, and here is the way we will do it:

Whenever any producer of cotton or owner of lands upon which the same was produced shall present to the National Banking Association or State bank within which State the said bank may be situated a bill of sale in writing to cotton in bales grown in 1914 in such form as may be prescribed by the Secretary of the Treasury, said bill of sale to be signed and sworn to by the producer or person upon whose land the same was produced, giving the number, mark, weight, classification, and location of said cotton, it shall be the duty of said banks to advance a part of said deposits on said cotton *at the rate of 10 cents per pound for middling cotton*, and other grades at the prices, off and on, according to the established differences in prices based on middling cotton at 10 cents per pound.

Mr. Speaker, *we propose to issue the Government's money and to advance it to our farmers of the South, just as we advance the Federal reserve notes to the commercial interests of every State in the Union on their commercial paper and assets when they are seeking a market and wish to find relief in securing currency from the Government.* We do not ask one whit more than is done in the Federal reserve act and has been done before. We have placed the price at 10 cents per pound. Why do we say 10 cents per pound? Because during the last five years cotton has brought on an average more than 12 cents a pound. It is worth the 10 cents a pound, and costs that much to raise it. In my own State we had to replant two or three times. So we have put it at 10 cents per pound, which would mean $50 per bale. But if you think that figure too high, if you are willing to advance money to relieve the situation and will make it absolutely possible for any farmer to walk up to the bank and secure $35 a bale as a loan from the Government, we might leave out 10 cents a pound. It would relieve the situation and perhaps might not be necessary to pay 10 cents a pound. We ought to loan or advance cotton growers the 10 cents a pound on cotton.

That is the next proposition. But if you leave it with the banks, where this emergency currency is now going, it will never reach the men who need it. Many banks in Texas and other States of the South are getting this currency and speculating with it. They are hoarding it and are shipping it back to New York and money centers, and the men who need it most are not receiving it. And this is no gratuitous statement on my part. I want to here ratify and confirm these things by cold evidence from my section, now blighted by this terrible paralysis in the cotton market. I read you part of a letter from Judge W. H. McClelland, county judge of Upshur County:

Upshur County will produce this year about 30,000 bales of cotton. Up to this date I understand that four bales have been marketed in this county at 8 cents per pound. Farmers are unable to get money for their cotton and are forced to keep it on their farms as long as their creditors will permit.

Then they met in a great mass convention in that county and passed resolutions. This convention was composed of men who do not want to injure this Government, but who are patriotic and are seeking a way to solve the difficulties confronting them. And here is one of their resolutions:

We desire to present to the convention—

That is, to the great convention held at Austin subsequently—

that in this (Upshur) county we have two national banks and nine State banks. Only one of the State banks under the amended Aldrich-Vreeland Act will be entitled to emergency currency, because of the amount of capitalization of State banks. None of the banks in this county will be able to furnish to the individual farmer emergency currency on warehouse receipts for cotton stored in warehouses. The individual farmer and producer will be unable to hold his crop, because he is forced to pay his merchant; and unless some relief is given promptly 30,000 bales of Upshur County's crop must be sacrificed.

And I want to add, further, the information from my congressional district that tenants—and, by the way, three-fourths of the cotton crop of Texas is produced by tenants—have abandoned their own crops, have walked out of their fields, and have gone to their neighbor's cotton fields to pick cotton *in order that they might secure cash to buy meat and bread and clothing for their wives and children, for the winter will shortly come.* That is the condition as I get it from practically every county in my congressional district, and I am quite sure that you will find it to be the situation in other parts of Texas and the South.

Then, here is a letter from a gentleman whom I happen to know. This is from Mr. W. B. Yeary, of Farmersville, in Collin County, one of the greatest counties in Texas. He says:

My home is in Farmersville, in Collin County. I have a farm of 1,000 acres and 75 shares in the Farmers and Merchants' National Bank of that place. I have been a close student of conditions all my life, am 54 years old, and this is the most serious condition that I have ever seen, but offers the best opportunity for correcting the evils we have in marketing farm products I have ever seen, if it is handled right.

To show you the strained condition, I can not borrow a dollar on bank stock, cotton, real estate, or anything else. I may have to suspend publishing the paper because of this condition.

He publishes a cotton journal in Dallas.

Here is another letter from out in the western part of the State from W. R. Timmons, chairman of the finance committee of the Roby Warehouse Association. Speaking of loans on cotton, he says this must be done—

For the reason that the national banks, notwithstanding the fact that they can secure emergency currency under the Aldrich-Vreeland law, are not assisting the farmers to get the money on their cotton.

The situation is desperate, and you can only imagine the conditions existing when the farmers are not able even to get the money to pay for the picking of the cotton.

The thing that the farmers need is money on their warehouse receipts, not credit. They need cash, and they must have it now.

Here is a letter from a gentleman in my district. I happen to know him, and do not think it would be inappropriate or out of place for me to say that in normal times this gentleman is worth a great many dollars. He is a merchant and cotton buyer and farmer. He is from Moody, a little town in the heart of as fine a cotton country, I believe, as there is in the State of Texas. He says:

The banks in this section are not lending one cent on cotton, and under present plans will not lend any.

That is from Mr. Charles Howard, a reputable gentleman and one who purchases many bales of cotton every year.

Then here is a letter from Benarnold, a town in a rich cotton country in Milam County; it is from Hon. Ike Looney, an ex-

member of the legislature and a farmer on a large scale. He says:

The banks are not letting any money out for less than 10 per cent, with the usual discount. *In fact, the banks are doing all in their power to force the farmer to part with his cotton.* They get the money for 2 per cent and we are forced to pay more than 10.

Here is a letter from Wills Point, Tex., several hundred miles away from Milam County. This letter is from northern Texas. And I am picking these out of my mail this morning in a haphazard way, in order to lay them before you gentlemen. This gentleman is Mr. J. J. Gibbard. He says:

It has been made very clear to the people of Texas that they can not depend on the banks or efforts of the Federal Government through the banks to relieve such business depression as now exists. Permanent help must come from aid by the Federal Government direct to the farmers, and no effort through the banks will prove effective, for the simple reason that in time of panic the banks are the first to lose their nerve and contract rather than expand, thus increasing the condition.

And here is a statement that comes from the city of Fort Worth. I happen to know this gentleman, John M. Scott, Esq., one of the prominent lawyers of that city. He sends an advertisement wherein one of the banks offers to loan on 1,000 bales of cotton, with certain restrictions, at 6 per cent interest. And then he goes on to explain what that means, and I think just a few lines of the letter should go into the RECORD. He says:

It loans to the grower at 6 per cent for advertising purposes on 1,000 bales, and at 10 per cent on all over 1,000 bales. Country banks are paying the local banks here 6 and 8 per cent for this money and loaning it to the grower for anything his necessities may require him to pay for it. Under the ruling of the Secretary of the Treasury this bank can take this 1,000 which it has secured by loaning $30,000 on and borrow from the Government $37,500 at 3 per cent, thereby reimbursing itself for its $30,000, and getting a surplus of $7,500, and making a profit of 100 per cent on the transaction in its 6 per cent interest, which it is getting from the farmer.

It occurs to me that there is an open field for you to come to the rescue of the cotton grower of this State in attempting at least to have the Government limit the profits which these banks may make to 1 per cent for handling this money between the Government and the grower.

There are hundreds of letters of that sort, and to my mind they establish the proposition beyond any controversy that this money is not getting to the farmers, the men who need it, and those who produce this crop; and that it will not reach that class of our citizens as long as the banks have the option of handling this trust fund, the people's money, as they see proper, and not in accordance with legal restrictions laid down by Congress, by and through which they shall distribute this Government money amongst the cotton farmers.

I am only discussing general principles here. If this bill is not properly drawn you gentlemen can help us to draw one that will recognize the absolute right of the producer of cotton to go to some agency set up by the Federal Government and put up his security, his cotton, and borrow money; have it advanced to him as a direct loan, if you choose, at a low rate of interest. Do not imagine that we are thinking of any kind of a permanent arrangement, and remember that our contention now is that you can not utilize the banks under the laws as they stand and get this money directly to the producers of cotton.

Gentlemen, there is other evidence in regard to these facts, if you want it.

Then section 4 of the bill provides:

That thereupon title to said cotton shall pass to and be vested in the national banking association or State bank making the advances; the said bank receiving such deposits shall pay the same over to the producer or person on whose land the same was produced, and shall thenceforward hold said cotton as custodian, with the right and power to appoint as many deputy custodians with actual possession as said custodians may deem proper and necessary; and among said deputy custodians may be included the producers of said cotton or owners of the land on which the same was produced; said custodians to take in all cases from the deputy custodian a forthcoming bond and an acknowledgement in writing of the fact that said deputy custodian holds the same as custodian of public property, with the common-law liabilities of warehousemen. The bank acting as custodian shall keep all cotton so held insured against loss by fire, loss, if any, payable to the said national banking association or State bank, and shall keep a correct and itemized account of insurance and storage actually paid; and upon the sale of said cotton, as hereinafter provided, shall have said expenditures refunded, together with interest on the same at the rate of 6 per cent per annum. Payments of insurance and storage are to stand until paid in the nature of an obligation of the United States. When said cotton is sold as hereinafter provided, said bank shall, in addition to the refunding just provided for, be paid for its labor and services as custodian 50 cents per bale, and as custodian shall be responsible only for gross negligence or breach of trust. All cotton upon which advances have been made as hereinbefore provided with such deposits shall be and remain the property of said bank until sold, at the pleasure of the Secretary of the Treasury, when and after middling spot cotton sells in the open market at Savannah, Ga., at 12 cents per pound, or upon request of the person or persons from whom title passed to the national banking association or State bank.

So there is your method for loaning on cotton and protecting it and holding it in the grasp of the Government until this crisis is over. We think that cotton will go above 12 cents per pound when this war is over. We know that the Government will not lose a single penny if it utilizes its public funds and its power to advance this money to the cotton growers, just as it will hereafter advance it to the commercial interests upon their assets to relieve their business necessities.

The section 5 reads:

That whenever the said bank, under the conditions named in the foregoing section, shall sell said cotton, interest shall be calculated on the original sums advanced by the bank at the rate of 3 per cent per annum, and principal and interest shall be remitted to the Secretary of the Treasury. The custodian shall prepare under oath and furnish the Secretary an account showing the amounts actually paid for insurance and storage, and interest thereon as hereinbefore provided, and also showing its compensation as herein allowed. These items the custodian shall retain to pay itself, and the balance of the proceeds arising from the sale of said cotton shall be paid over to the producer, or person on whose land the same was produced and from whom title passed to the said bank, or to the legal representative of such person receiving such loan.

SEC. 6. That this act shall take effect and be in force upon its passage.

SEC. 7. That this act shall expire by limitation on the 30th day of June, 1916.

Gentlemen, the principle of the bill is correct. There may be details that can be improved, but you can, if you will, put it in operation, and there will be no criticism from any part of this country, *except from those who have been used to handling the money and monopolizing the money market. It is not their money; it is the Government's money; it is the people's money that we propose to use and that the money monopolists propose to use hereafter when they ask for currency.*

I take it that it is settled that hereafter no State bank—and this is only my individual view, because there are other gentlemen who do not entertain this view—will be authorized to issue its notes to circulate as money, and I assume that the 10 per cent tax laid on State-bank circulation is permanent and will remain there under our system of government. So in our system of finance we have taken away from the sovereign States of this Union the power to create banks and corporations that can issue circulating notes. That is the first step.

In the second place, we have taken away from the national banks that were set up under the system established during the Civil War and subsequent to it the power to issue their notes. We have said that no State and no corporation created under any State law shall hereafter issue notes, and we have said in the Federal reserve act that no national banking association, when certain terms of that law have been complied with, shall issue its notes to circulate as money. We have resumed the function intended that this Government should exercise when the Constitution was written in 1789. That is to say that the Federal Government is the sovereignty and the power that should coin money and regulate the value thereof, and should issue, as the Legal Tender cases decided, the paper money to circulate as currency. We have now arrived at that point where the Government is the only agency that issues money. As far as I am concerned, I am not prepared to say that it is not a wise policy. But I shall not go into a discussion of State-bank issues. I am only recounting the things that have been done and the status to which we have come in regard to our monetary affairs.

So, that being the case, that no other power can issue money, then it becomes the duty of this Government to provide not only a permanent currency system but to provide an adequate amount of currency to serve the needs of the people in just such a crisis as this. I know where this proposition leads, and have deliberately counted all its consequences. But I have convinced myself, and think from an unselfish point of view, that this Government is as much in duty bound to look out for the distressed population of one-third of this country, occupying one-third of our area, and producing the great gold product sent abroad—that Congress is as much in duty bound to regard their interests in these crises as was done in 1907, when the Secretary of the Treasury deposited funds and took care of stock speculators, and as it has provided to do in the Federal reserve act. Am I violating any Democratic doctrine? Am I doing violence to any tradition of our Government or principle of the framers of the Constitution? We have done these things before. And I will allude to one or two of them, and then will have finished my remarks.

Why, Mr. Speaker and gentlemen, you well remember that when we passed the irrigation act, in order to protect the people of 15 Western States, we provided that we would take the proceeds of the sale of public lands in certain States and construct great irrigation plants there with that money for the benefit of the people of the West, and that we would allow them to make their notes in payment for the use of the water; and we put up the people's money in order that they might purchase farms and develop them by and through the help of the Government of the United States.

And only recently we passed a bill extending and practically remitting all interest on, I think, something like $80,000,000, because those people were distressed and could not pay it. And I doubt if the time ever comes when that money, principal and interest, will be refunded to the people and returned to the Treasury of the United States.

What is the difference in principle between this and that? We came to the rescue of the people who lived in a barren part of this country. We extended the strong arm of governmental aid in a financial way, and we made it possible for them to purchase, cultivate, and develop their farms.

To-day we are asking you to help us preserve in the South what we have produced on our farms, and there is no difference in principle; one is developing farms, the other conserving crops.

Why, gentlemen, in 1890 we passed the act in regard to purchasing silver, 4,500,000 ounces of it every month, and authorized the coinage of 2,000,000 ounces during any month and no more. And how did we pay for it? And why was the act passed? With your leave I will read just a few lines of that act so that we may clearly make the point:

That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as may be offered, in each month, at the market price thereof, not exceeding $1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, to be prepared by the Secretary of the Treasury in such form and of such denominations, not less than $1 nor more than $1,000, as he may determine.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States or at the office of any Assistant Treasurer of the United States, and when so redeemed may be reissued and may be paid out again; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury purchased by such notes.

I will omit one or two sentences, and then read:

That upon demand of any holder of Treasury notes herein provided for, the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other on the present legal ratio, or such ratio as may be provided.

That act was passed, and if you will examine the debates you will find the reason. It was enacted because times were hard. A terrible panic was sweeping over the mining States of the West, and Congress decided that it would go to the relief of the people of that section of the United States and purchase silver bullion, a mere commodity like cotton, and would keep the mines open and prevent men from being thrown into idleness; and would keep business going in the western part of this country by issuing the Government's money to pay them for this silver bullion, which is a mere commodity.

We are on the gold standard now, and so far as silver is concerned, for monetary purposes, it might as well be paper and would serve the same purpose, except perhaps that it may be a little more convenient in some instances to use silver.

But not only did we do that. Recently over in the Senate a bill passed without division, as I understand it, by which the Government would purchase 50 per cent of the output of the silver mines in the West and pay for it with Government money, with the people's funds, simply to keep those mines open and prevent our western brethren working there from being thrown into idleness; so that hereafter there might be an increase in the output of gold, which is a by-product in the mining of silver, and so that water might not run into the mines and thus place them out of commission. And there is the same principle invoked in the Senate of the United States.

Gentlemen, I think that makes the point in regard to this situation. This Government has the power to issue these notes. Read the legal-tender decisions, the latest one in One hundred and tenth United States Reports, and no living man can answer the argument found there *that this Government has unlimited power to issue currency;* and that being conceded, that we have the power to issue it, then we may advance our currency to cotton growers, just as we are going to advance it hereafter, through the Federal reserve system, to the owners of commercial paper and assets.

That is the proposition. I know that gentlemen will say that this is populism and amounts almost to anarchy in our financial system. Already I have been met with that answer. But I maintain that this Government was set up for the benefit and protection of the people. Sirs, in a crisis like this I have crossed the Rubicon, I have burned my bridges, and am ready to *fight for the principle that this Government shall issue its currency and preserve the progress and prosperity of the southern people.* [Applause.] I am ready to defend this principle everywhere.

We are not coming to beg Congress. This is the Government of all the people in this Union. We are coming to the only power that can give relief. We are saying to you, gentlemen, as we expect to say to the Federal Reserve Board, the Secretary of the Treasury, and the President of the United States, that the arm of your Federal reserve system is too short to save us now, and that the arm of the Aldrich-Vreeland Act has been seized by certain national bankers and those who would despoil the people in this hour of their need in the South, and they are withholding the relief that the Secretary of the Treasury and the President wish to go directly to the men who produce the wealth of the country. And I lay it down as an incontrovertible principle that if the Government, through the Aldrich-Vreeland Act, can deposit currency to be loaned to whomsoever the banks may choose to loan it, by the same principle it can deposit its currency in these banks as a trust fund and require that it be loaned to cotton growers.

And, restating the proposition, if the Federal Government, under the Federal reserve act, can deposit its money in the reserve banks as an advancement to be loaned on the mere paper merchandise of men placed there in return for it, and, furthermore, has power to deposit its authorized notes in national banks to be loaned under the Aldrich-Vreeland Act to any person of their choice, then by the same principle we are now warranted in demanding that this same Government send its currency, springing from its sovereign monetary function, to the stricken South, to be deposited in banks with the just restriction that it be advanced only to distressed cotton growers at a low rate of interest and upon reasonable terms.

Permit me, in conclusion, to invoke the Baltimore platform as ample warrant for our demand. It reads on this subject as follows:

We condemn the present methods of depositing Government funds in a few favored banks, largely situated in or controlled by Wall Street, in return for political favors, and we pledge our party to provide by law for their deposit by competitive bidding in the banking institutions of the country, national and State, without discrimination as to locality, upon approved securities and subject to call by the Government.

If we follow our pledge, then we "will render temporary relief in localities where such relief is needed" by issuing these emergency notes.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Mississippi [Mr. CANDLER].

The SPEAKER. The gentleman from Mississippi [Mr. CANDLER] is recognized for two minutes.

Mr. CANDLER of Mississippi. Mr. Speaker, there is nothing in this bill that will interfere in the least with any warehouses in any State or with any law governing warehouses in any State. As was stated a moment ago by the distinguished gentleman from Alabama [Mr. HEFLIN], there is no requirement in this bill, and there could not be any requirement in this bill, of course, that would be enforceable, that would demand or require that they should come under its provisions. It simply provides for the establishment of warehouses to be licensed by the United States Government.

The farmers throughout this country have been asking for many, many years for the establishment of warehouses in which they might place their products that were nonperishable and that would furnish a basis of credit upon which they could secure money from the United States Government. This meets the requests, this meets the requirements, this meets the demands, of the farmers throughout the United States of America. Their request was recognized in the currency bill, and this bill will give them an opportunity to realize it in a substantial way, because the Secretary of the Treasury says he will advance money on warehouse receipts. They are not citizens of this country that you can lightly consider, for the reason that they stand behind not only the balance of trade in this country but its prosperity, its welfare, and its good; and they are not only patriotic citizens in time of peace but they are patriotic and brave citizens in time of war.

This is an emergency, as was stated a moment ago, and it is an emergency that must be met at this time. My friend from Texas [Mr. HENRY] may call it a "makeshift," still it is better to secure something in order to give the people some character of legislation and some measure of relief than to secure nothing and to give them no relief whatever. I had the honor to be on the subcommittee and helped to write this bill, and hope it will pass. [Applause on the Democratic side.] It is not a sectional bill. It has to do with crops worth millions upon millions of dollars. These crops involve the prosperity of the whole country and enter into the very centers of trade and effects vitally the interest of all our people. The city and the country are all alike involved. The prosperity of one contributes to the prosperity of all. Will you, my fellow Members,

lend a helping hand and by your votes pass this bill and thus help us in the South in this hour of distress, and by helping us help your own people? I sincerely hope you will. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. HELGESEN].

The SPEAKER. The gentleman from North Dakota [Mr. HELGESEN] is recognized.

Mr. HELGESEN. Mr. Speaker, I am in sympathy with what this bill seeks to accomplish, and I am in sympathy with it, too, in spite of the fact that I represent a constituency that has no direct interest whatever in the price of raw cotton. I am in sympathy with it because I do not consider it a temporary measure. If it becomes a law, it will be a permanent law that will benefit all farmers so long as it remains on the statute books.

In our country we depend wholly upon the raising of grain. It is therefore called a "one-crop" country. Business is done on credit, and after harvest the farmers are compelled to throw their entire crop, almost, on the market immediately for the purpose of getting money enough to pay the running expenses of their farm operations. The throwing of this enormous amount of grain on the market in a hurry has the effect of depressing the price.

The SPEAKER. The time of the gentleman from North Dakota has expired.

Mr. MADDEN. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania [Mr. MOORE].

The SPEAKER. The gentleman from Pennsylvania [Mr. MOORE] is recognized for one minute.

Mr. MOORE. Mr. Speaker, this bill may be unconstitutional. It probably is; but whether it is or not, it is certainly special legislation. It pertains solely to cotton. It started in the Senate in the interest of cotton. Canned salmon was tacked on over there, but canned salmon has been taken out and grain has been added to cotton, to catch up on agricultural products.

I call the attention of the "farmers' friends" who have already spoken on this bill to the fact that the farmer who raises potatoes, or tomatoes, or apples, or cranberries, or other perishable crops, will have no advantage under this bill. Even grain is not wholly nonperishable. Wheat is not nonperishable. It will have no advantage under this bill. It is a buffer here for cotton.

Mr. LEVER. It is in the bill, I will say to the gentleman.

Mr. MOORE. It gets hot in the cars and it gets hot in ships. If the farmers who raise wheat or corn think they are going to get anything out of this bill, they should think twice. I want to help cotton, but I do not want to overlook other farm products that are equally entitled to our consideration. It is impossible to intelligently discuss this bill in one minute. However, it should be said that, while the bill looks like an agricultural bill, it intends to take care of cotton as the one great nonperishable farm product. The idea is to pave the way to finance cotton. Farmers who are not engaged in this special interest may not, and probably will not, have the warehouse-receipt opportunity of raising money that is here accorded to the planter. The representative on this floor of the ordinary farmer who raises other agricultural products than cotton ought to know that he is voting for a special interest if he votes for this bill.

Mr. MADDEN. I yield two minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, I am opposed to this bill. It proposes to extend the activities of the Federal Government into fields in which the States have ample powers, and if they properly perform the functions devolving upon them there will be no necessity for the Federal Government to interfere.

Section 3 of the House bill authorizes the Secretary of Agriculture "to investigate the storage, warehousing, classifying, grading, weighing, and certification of agricultural products." There is no limitation upon the authority conferred upon the Secretary of Agriculture in such investigations. It is like all similar legislation, couched in the most comprehensive language, accompanied by an initial appropriation of $100,000, eventually to mean that the Federal Government will have a horde of agents in every State in the Union inspecting warehouses, investigating warehouses, and performing functions that properly belong to States and municipalities. This is one of the evils of our present age, the constant tendency to transfer to the Federal Government from States and individuals burdens which properly belong to them.

I know that at present in many sections of the country an unfortunate condition exists, but that makes it all the more imperative that legislation designed to extend relief shall be guarded with the utmost care, that mere temporary expediencies shall not be adopted, to become a permanent policy, contrary to our traditions and to the unbroken policy of our Government. No more dangerous example can be set than to encourage the people of any community or of any section to believe that when disaster or trouble comes upon them a sure remedy can be found in Federal legislation. There are other fundamental objections to this bill based upon its underlying principles, which I can not discuss in the brief time at my disposal. The objections to the bill are such that I can not give it my support.

The SPEAKER. The gentleman from South Carolina [Mr. LEVER] has six minutes left.

Mr. LEVER. Mr. Speaker, I desire to congratulate the distinguished gentleman from Texas [Mr. HENRY] upon the company he is keeping this evening. The gentleman has posed for two months around this building as the only simon-pure, genuine friend of the farmer. We have brought in from the Committee on Agriculture a bill which, to the minds of practical men, will afford a measure of relief to the distressed people of the South and at the same time add to our system of marketing a permanent feature which it does not now have. The gentleman from Texas [Mr. HENRY] ought to remember that the Federal reserve act is about to go into operation, and that act, for the first time in the history of this country, recognizes agricultural products as being on a parity with commercial paper. This bill is a preparation for the utilization of that great currency measure. [Applause.] Where does the opposition to this bill come from? From my distinguished friend from New York [Mr. FITZGERALD], the chairman of the Committee on Appropriations; and I want to say to him that except for the hundreds of millions of dollars that my distressed people are pouring into the coffers of your merchants and your bankers of New York your city would be growing up in grass and bulrushes. [Applause.]

The contention is made that this bill is an interference with State rights. The bill in its very language asserts that nothing in it shall be construed to interfere with existing State laws.

My distinguished and verbose friend from Pennsylvania [Mr. MOORE] says that it is a cotton bill, that it has nothing but cotton in it. The gentleman has not read the bill, and I will bet him 20 cents to a dime that he has not. [Applause.] The very definition of the bill provides that it shall include cotton, grain, and such other stable and nonperishable agricultural products as shall be designated by the Secretary of Agriculture.

Mr. MOORE. Will the gentleman yield?

Mr. LEVER. I can not yield. The gentleman from Texas [Mr. HENRY] says that it is an interference with State rights and that it reeks of federalism. Great heavens, let the gentleman from Texas go over to his friend from Michigan [Mr. MCLAUGHLIN] and read with him the bills that the gentleman himself has introduced! [Applause.] But whenever we come with a piece of constructive legislation in the interest of the agricultural producing masses of this country we find men on this side and men on that side willing to oppose it on the ground of federalism or economy or something else. Why, we are appropriating more now for the harbor of New York than we are appropriating for the agricultural interests of the United States.

Mr. FITZGERALD. I beg the gentleman's pardon; we are not.

Mr. LEVER. How much are you appropriating?

Mr. FITZGERALD. Nothing, I regret to say. [Laughter.]

Mr. LEVER. Then the gentleman has been sleeping on his job.

Mr. FITZGERALD. No; I have not.

Mr. POU. New York Harbor has had $17,000,000.

Mr. LEVER. Exactly. Now, my friend from Wisconsin [Mr. LENROOT], who is usually very level-headed, complains because this bill is not predicated on the interstate-commerce clause of the Constitution. The Agricultural Committee deliberately refused to do that for the reason that we did not want to concentrate all of the cotton, all of the grain, all of the agricultural products of this country in great central warehouses. We are trying to get the benefit of this bill right back to the farmer and not to the greedy corporations which bleed the farmer.

Now, I want to say to my southern friends that while this bill is not a sectional bill—it does not pertain to the South any more than it does to any other agricultural section of the country—at the same time, in this condition of distress, the worst that we have had since the Civil War, a few men may stand on little technicalities, small objections, and defeat the bill; but the responsibility will be upon you and not upon the patriotic, hard-working members of the Agriculture Committee [applause], who have tried, in season and out of season, to bring to this House bills for the general welfare of agriculture, and which would do the business. [Applause.]

The SPEAKER. The time of the gentleman from South Carolina has expired. All time has expired, and the question is on suspending the rules and passing the bill.

Mr. HEFLIN and Mr. LEVER demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 164, nays 109, answered "present" 5, not voting 150, as follows:

YEAS—164.

Abercrombie	Davenport	Helm	Raker
Adair	Davis	Helvering	Rauch
Adamson	Decker	Hensley	Reed
Aiken	Dent	Holland	Reilly, Wis.
Alexander	Dershem	Howell	Rubey
Allen	Dickinson	Hughes, Ga.	Rupley
Aswell	Dies	Jacoway	Russell
Baltz	Difenderfer	Johnson, Ky.	Saunders
Barkley	Dillon	Johnson, S. C.	Seldomridge
Barnhart	Dixon	Keating	Sims
Barton	Doolittle	Kettner	Sinnott
Bathrick	Doughton	Kinkaid, Nebr.	Sloan
Beakes	Dupré	Kirkpatrick	Small
Bell, Ga.	Eagle	Kitchin	Smith, Tex.
Blackmon	Edwards	La Follette	Steenerson
Borchers	Evans	Lazaro	Stephens, Miss.
Brodbeck	Falconer	Lee, Ga.	Stephens, Nebr.
Browne, Wis.	Fergusson	Lee, Pa.	Stephens, Tex.
Bruckner	Ferris	Lever	Stone
Brumbaugh	Fields	Lieb	Stout
Bryan	Finley	Lindbergh	Taggart
Buchanan, Ill.	Fitzhenry	Lloyd	Tavenner
Burke, S. Dak.	Flood, Va.	Lobeck	Taylor, Ala.
Burnett	Floyd, Ark.	McKellar	Taylor, Ark.
Byrnes, S. C.	Foster	Maguire, Nebr.	Taylor, Colo.
Byrns, Tenn.	Garner	Mitchell	Taylor, N. Y.
Candler, Miss.	Garrett, Tex.	Morgan, La.	Thacher
Cantrill	Gilmore	Morgan, Okla.	Thomas
Caraway	Glass	Morrison	Thompson, Okla.
Carter	Godwin, N. C.	Moss, Ind.	Tribble
Clancy	Goodwin, Ark.	Mulkey	Underwood
Clark, Fla.	Gray	Nelson	Vaughan
Claypool	Hamlin	Oldfield	Vollmer
Coady	Hammond	Padgett	Walker
Collier	Harrison	Page, N. C.	Watson
Connelly, Kans.	Hart	Park	Weaver
Cooper	Haugen	Peterson	Webb
Cox	Hawley	Porter	Whaley
Crisp	Hayden	Pou	Wingo
Cullop	Heflin	Prouty	Young, N. Dak.
Curry	Helgesen	Quin	Young, Tex.

NAYS—109.

Ainey	Edmonds	Humphrey, Wash.	Post
Ashbrook	Esch	Igoe	Rayburn
Avis	Fess	Johnson, Utah	Reilly, Conn.
Bailey	Fitzgerald	Kahn	Roberts, Mass.
Baker	Fordney	Kelley, Mich.	Roberts, Nev.
Bartlett	Gallagher	Kennedy, Conn.	Rogers
Beall, Tex.	Gard	Kennedy, Iowa	Scott
Booher	Garrett, Tenn.	Lenroot	Sherley
Borland	Gerry	Levy	Sherwood
Bowdle	Gillett	Logue	Sisson
Brockson	Gittins	Lonergan	Slayden
Buchanan, Tex.	Good	McClellan	Smith, J. M. C.
Bulkley	Gordon	McGillicuddy	Smith, N. Y.
Butler	Green, Iowa	McLaughlin	Smith, Saml. W.
Calder	Greene, Mass.	Madden	Stafford
Campbell	Greene, Vt.	Mann	Stevens, Minn.
Cantor	Griest	Mapes	Sutherland
Carew	Griffin	Miller	Towner
Cline	Hamilton, Mich.	Mondell	Townsend
Cramton	Hamilton, N. Y.	Moon	Tuttle
Crosser	Hardwick	Moore	Underhill
Danforth	Hardy	Murray	Volstead
Deitrick	Hay	Patton, Pa.	White
Donohoe	Hayes	Payne	Williams
Donovan	Henry	Peters	Witherspoon
Driscoll	Hinds	Phelan	
Drukker	Hughes, W. Va.	Platt	
Eagan	Hull	Plumley	

ANSWERED "PRESENT"—5.

Hill	Johnson, Wash.	Manahan	Shackleford
Houston			

NOT VOTING—150.

Anderson	Dooling	Harris	Lewis, Pa.
Ansberry	Doremus	Hinebaugh	Lindquist
Anthony	Dunn	Hobson	Linthicum
Austin	Elder	Howard	Lo't
Barchfeld	Estopinal	Hoxworth	McAndrews
Bartholdt	Fairchild	Hulings	McGuire, Okla.
Bell, Cal.	Faison	Humphreys, Miss.	McKenzie
Britten	Farr	Jones	MacDonald
Broussard	Fowler	Keister	Mahan
Brown, N. Y.	Francis	Kelly, Pa.	Maher
Brown, W. Va.	Frear	Kennedy, R. I.	Martin
Browning	French	Kent	Merritt
Burgess	Gallivan	Key, Ohio	Metz
Burke, Pa.	Gardner	Kiess, Pa.	Montague
Burke, Wis.	George	Kindel	Morin
Callaway	Gill	Kinkead, N. J.	Moss, W. Va.
Carlin	Goeke	Knowland, J. R.	Mott
Carr	Goldfogle	Konop	Murdock
Cary	Gorman	Korbly	Neeley, Kans.
Casey	Goulden	Kreider	Neely, W. Va.
Chandler, N. Y.	Graham, Ill.	Lafferty	Nolan, J. I.
Church	Graham, Pa.	Langham	Norton
Connolly, Iowa	Gregg	Langley	O'Brien
Conry	Gudger	L'Engle	Oglesby
Copley	Guernsey	Lesher	O'Hair
Dale	Hamill	Lewis, Md.	O'Leary
O'Shaunessy	Sabath	Stevens, N. H.	Walsh
Paige, Mass.	Scully	Stringer	Walters
Palmer	Sells	Sumners	Watkins
Parker	Shreve	Switzer	Whitacre
Patten, N. Y.	Slemp	Talbott, Md.	Willis
Powers	Smith, Idaho	Talcott, N. Y.	Wilson, Fla.
Ragsdale	Smith, Md.	Temple	Wilson, N. Y.
Rainey	Smith, Minn.	Ten Eyck	Winslow
Riordan	Sparkman	Thomson, Ill.	Woodruff
Rothermel	Stanley	Treadway	Woods
Rouse	Stedman	Vare	
Rucker	Stephens, Cal.	Wallin	

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. DOREMUS with Mr. ANDERSON.

Mr. NEELY of West Virginia with Mr. BARCHFELD.

Mr. RIORDAN with Mr. BARTHOLDT.

Mr. RUCKER with Mr. SMITH of Minnesota.

Mr. CARLIN with Mr. WINSLOW.

Mr. ANSBERRY with Mr. FREAR.

Mr. ELDER with Mr. MCGUIRE of Oklahoma.

Mr. HOWARD with Mr. SMITH of Idaho.

Mr. FOWLER with Mr. WOODRUFF.

Mr. GOEKE with Mr. TEMPLE.

Mr. ROUSE with Mr. DUNN.

Mr. SPARKMAN with Mr. LANGHAM.

Mr. STEDMAN with Mr. MCKENZIE.

Mr. WILSON of Florida with Mr. J. I. NOLAN.

Mr. HAMILL with Mr. SWITZER.

On this vote:

Mr. HUMPHREYS of Mississippi (for motion) with Mr. JOHNSON of Washington (against).

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. LINTHICUM, indefinitely, on account of illness.

To Mr. WALTERS, indefinitely, on account of illness.

To Mr. CARY, for 10 days, on account of illness.

To Mr. LENROOT, indefinitely, on account of illness in his family.

RURAL CREDITS.

Mr. MOSS of Indiana. Mr. Speaker, I ask unanimous consent that immediately after the reading and approval of the Journal on Thursday next I be given the right to address the House for 30 minutes on the question of rural credits.

The SPEAKER. The gentleman from Indiana asks unanimous consent that on Thursday next, after the reading of the Journal and the disposition of business on the Speaker's table, he be allowed to address the House for 30 minutes on the subject of rural credits. Is there objection?

Mr. DONOVAN. Mr. Speaker, I object.

EXTENSION OF REMARKS IN THE RECORD.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the war-revenue tax.

The SPEAKER. Is there objection?

Mr. MCLAUGHLIN. Mr. Speaker, I make the same request upon the same subject.

The SPEAKER. The gentleman from Michigan makes the same request. Is there objection?

Mr. FLOOD of Virginia. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, do gentlemen really wish to extend their remarks on the war-revenue bill, when they have had leave for 10 days, 7 days after the bill was passed?

Mr. BORLAND. Mr. Speaker, I will say to the gentleman that I realize that the time has expired and I had the leave, but I really intend to print some views on the war-revenue tax and on no other subject.

Mr. SPEAKER. Is there objection?

Mr. LEVER. Mr. Speaker, reserving the right to object, the gentleman from Indiana [Mr. Moss] has submitted a request for a little time on a very important proposition. Objection is made to that, and I wish that the gentleman from Connecticut [Mr. DONOVAN] would withdraw his objection. The gentleman from Indiana is a close student of the question.

Mr. DONOVAN. Mr. Speaker, I am going to object to all requests for time for speeches, regardless of who makes them. It is pretty nearly time for this Congress to stop talking and adjourn. [Applause.]

The SPEAKER. Is there objection to the requests of the gentleman from Missouri [Mr. BORLAND], the gentleman from

Michigan [Mr. McLAUGHLIN], and the gentleman from Virginia [Mr. FLOOD] to extend their remarks?

Mr. MANN. Upon the subject of the war-revenue tax?

The SPEAKER. Yes. Is there objection?

Mr. LEVER. Mr. Speaker, reserving the right to object, I desire to submit with that request a request that all gentlemen who spoke on the warehouse bill this afternoon may have the right to extend their remarks upon that subject.

The SPEAKER. Coupled with that request, the gentleman from South Carolina——

Mr. MANN. Mr. Speaker, I think they ought to be put separately.

The SPEAKER. The Chair will first submit the requests of the three gentlemen to extend their remarks on the war-revenue bill. Is there objection? [After a pause.] The Chair hears none. The gentleman from South Carolina asks unanimous consent that all gentlemen who spoke on the warehouse bill shall have the right to extend their remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, here is a bill that comes up under a rule with 20 minutes' debate on a side, and I suppose many gentlemen who spoke, who desire to extend, will want to extend speeches in the RECORD that if delivered would take two or three hours to deliver, but I shall not object.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HEFLIN. Mr. Speaker, there are a good many Members here, and some, at least, would like to have an opportunity to discuss the cotton situation in the South. The gentleman from Indiana [Mr. Moss] wants to make a speech in reference to rural credits. I wish we could have a night session or two at which we could discuss these propositions and do nothing but discuss them, and I ask unanimous consent that when the House adjourns to-morrow afternoon that it reconvene at 8——

Mr. FITZGERALD. That is when the committee rises.

Mr. HEFLIN. Yes; when the committee rises, that the House shall take a recess until 8, and there may be a night session until not later than 11 o'clock for the purpose of discussing the cotton situation, and that the gentleman from Indiana [Mr. Moss] may have 30 minutes of that time, and I am to have 45 minutes of it. [Laughter.]

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] asks unanimous consent that to-morrow afternoon at 5 o'clock the House shall stand in recess until 8 o'clock, and there shall be a night session extending until not later than 11 o'clock for the sole purpose of discussing the cotton question, and that the gentleman from Indiana [Mr. Moss] is to have 30 minutes of that time and the gentleman from Alabama [Mr. HEFLIN] is to have 45 minutes. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object——

Mr. RAKER. Mr. Speaker, reserving the right to object, I want to ask whether any other subject is to be discussed. I want 30 minutes.

The SPEAKER. Not under the request.

Mr. RAKER. Then, Mr. Speaker, reserving the right to object, I want to call the attention of the gentleman to the fact that I want 30 minutes at some time to address this House.

Mr. HEFLIN. I am in favor of having other night sessions. We will have plenty of time. There will be no trouble about that, I am sure.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, when the rule in reference to the Philippine bill came before the House the other day I called the attention of the House to what would be the effect of that rule—that it would crowd out everything else. In spite of that, the Democratic side of the House forced that rule through. Since then that side has extended no courtesy to this side of the House in reference to debate, and I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. BEAKES. Mr. Speaker, I ask permission to extend my remarks in the RECORD.

The SPEAKER. On what subject?

Mr. BEAKES. On the subject of the work of the Sixty-third Congress.

The SPEAKER. The gentleman from Michigan [Mr. BEAKES] asks unanimous consent to extend his remarks in the RECORD on the work of the Sixty-third Congress. Is there objection?

Mr. MANN. Mr. Speaker, I object.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned to meet to-morrow, Tuesday, October 6, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ADAMSON: A bill (H. R. 19113) to enable owners of cotton produced by them or on their land to borrow money by depositing as security warehouse receipts issued for the period of the loan; to the Committee on Banking and Currency.

By Mr. TAYLOR of Colorado: A bill (H. R. 19114) to amend section 2324 of the Revised Statutes of the United States, relating to mining claims; to the Committee on Mines and Mining.

By Mr. CASEY: A bill (H. R. 19115) to appropriate $50,000 to erect a suitable monument on the Wyoming battle grounds on the Susquehanna River, in the State of Pennsylvania; to the Committee on the Library.

By Mr. TAYLOR of Colorado: A bill (H. R. 19116) to grant certain lands to the city of Grand Junction, Colo., for the protection of its water supply; to the Committee on the Public Lands.

By Mr. FOWLER: A bill (H. R. 19117) granting to the soldiers of the Civil War and the War with Mexico a pension of $30 per month, and for other purposes; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 19118) providing that the annual assessment work on placer and lode mining claims in Alaska for the year 1914 may be performed not later than January 1, 1916, without lapse or forfeiture of such mining claims; to the Committee on Mines and Mining.

By Mr. LEVY: Joint resolution (H. J. Res. 365) requesting the President to take such steps as he may deem necessary to have the Republic of Cuba reimburse the United States for expenditures from the United States Treasury, made necessary on account of the army of pacification in Cuba; to the Committee on Foreign Affairs.

By Mr. FITZGERALD: Joint resolution (H. J. Res. 366) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.; to the Committee on Rivers and Harbors.

By Mr. CAMPBELL: Resolution (H. Res. 635) calling upon the Secretary of the Treasury for certain information concerning the deposit of Government funds in the National Park Bank, of New York; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKMON: A bill (H. R. 19119) for the relief of William S. Yongue; to the Committee on Naval Affairs.

By Mr. CARY: A bill (H. R. 19120) granting an increase of pension to Vernon D. Bennett; to the Committee on Pensions.

By Mr. COADY: A bill (H. R. 19121) granting a pension to Ida L. Carter; to the Committee on Pensions.

Also, a bill (H. R. 19122) granting a pension to Michael Williams, alias William H. Cabondy; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 19123) granting an increase of pension to Angelette Van Buskirk; to the Committee on Invalid Pensions.

By Mr. FITZHENRY: A bill (H. R. 19124) granting a pension to Joseph M. Howe; to the Committee on Pensions.

Also, a bill (H. R. 19125) granting an increase of pension to William Kinsey; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 19126) granting a pension to Julia E. Barber; to the Committee on Invalid Pensions.

By Mr. HULL: A bill (H. R. 19127) for the relief of the heirs of Joseph G. Berry; to the Committee on War Claims.

By Mr. LANGHAM: A bill (H. R. 19128) granting an increase of pension to Mary J. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19129) granting an increase of pension to Harvey Haugh; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 19130) granting a pension to Stella M. Glas; to the Committee on Pensions.

Also, a bill (H. R. 19131) granting a pension to Bridget E. Reid; to the Committee on Pensions.

Also, a bill (H. R. 19132) granting an increase of pension to Marilla Shakelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19133) granting an increase of pension to Thomas Williams; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 19134) granting a pension to John McGovern; to the Committee on Invalid Pensions.

By Mr. SAMUEL W. SMITH: A bill (H. R. 19135) granting an increase of pension to Michael Cribbins; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 19136) granting a pension to Frank Mitchell; to the Committee on Pensions.

Also, a bill (H. R. 19137) granting a pension to Harvey C. Van Meter; to the Committee on Pensions.

Also, a bill (H. R. 19138) granting an increase of pension to John B. Kelley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 19139) granting an increase of pension to Samuel Tygret; to the Committee on Pensions.

PETITIONS, ETC.

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

By Mr. CARR: Petition of E. F. Hemminger, of Meyersdale, Pa., and the Harris-Smith Coal & Coke Co., of Uniontown, Pa., protesting against bill to prohibit Post Office Department from furnishing return envelopes; to the Committee on the Post Office and Post Roads.

Also, petition of the Somerset County (Pa.) Medical Society, protesting against House bill 6282, the Harrison national narcotic bill; to the Committee on Ways and Means.

By Mr. CARY: Petition of M. G. Rankin & Co., of Milwaukee, Wis., and Cudahy Bros. Co., of Cudahy, Wis., protesting against legislation to prohibit selling stamped envelopes with the address to business people; to the Committee on the Post Office and Post Roads.

By Mr. CURRY: Petition of 12 citizens of the third California congressional district, favoring national prohibition; to the Committee on Rules.

By Mr. MILLER: Petitions of sundry citizens of the eighth Minnesota district, favoring national prohibition; to the Committee on Rules.

Also, petition of sundry citizens of the eighth Minnesota district, against national prohibition; to the Committee on Rules.

By Mr. POU: Petition of various merchants of the State of North Carolina, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. REED: Petition of Hurd & Kinney, attorneys and counselors at law, of Claremont; J. F. Libby, attorney at law, Gorman; and Arthur T. Cass, cashier of the Citizens' National Bank, Tilton, all in the State of New Hampshire, protesting against the passage of the bill to discontinue the furnishing of special-request envelopes; to the Committee on the Post Office and Post Roads.

HOUSE OF REPRESENTATIVES.

TUESDAY, *October 6, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, that out of the terrible conflict now raging in all Europe a broader patriotism is being awakened in the hearts of our people, born of love for mankind, made manifest in the gathering together of the peoples of all churches, in response to our President's proclamation, in a universal prayer for peace; for the spirit of sympathy aroused for the suffering and sorrowing, demonstrated in the relief going out from our National Red Cross Association, and from many other sources, which will not only be felt and appreciated by the wounded but by all who are made to suffer by the cruel and relentless hand of war, and we pray that the horrors of war may teach the larger lesson of brotherly love and a clearer vision come to the world, which will forever make war impossible, peace sweeter, and the spirit of the Christ more universal in the hearts of men, and everlasting praise be Thine, our God and our Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The message also announced that the President had approved and signed bills of the following titles:

On October 3, 1914:

S. 1930. An act granting to the Atchison, Topeka & Santa Fe Railway Co. a right of way through the Fort Wingate Military Reservation, N. Mex., and for other purposes; and

S. 3550. An act ratifying the establishment of the boundary line between the States of Connecticut and Massachusetts.

On October 5, 1914:

S. 657. An act to authorize the reservation of public lands for country parks and community centers within reclamation projects, and for other purposes.

On September 29, 1914:

S. 4274. An act to authorize and require an extension of the street railway lines of the Washington Railway & Electric Co., and for other purposes.

ANTITRUST LEGISLATION.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the conference report just presented from the Senate on the bill H. R. 15657, to supplement existing laws against unlawful restraints and monopolies, and for other purposes, be taken up to-morrow for consideration.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent that to-morrow, after the reading of the Journal and the disposition of matter on the Speaker's table, the conference report on the trust bill be taken up. Is there objection?

Mr. MANN. Reserving the right to object, would it not first require unanimous consent to dispense with the proceedings under the rule to-morrow?

Mr. WEBB. My idea of it was that by granting of unanimous consent to take up the trust bill to-morrow it would be tantamount to doing away with Calendar Wednesday.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object——

Mr. BARNHART. Reserving the right to object, I would like to inquire of the gentleman if it will take all day?

Mr. WEBB. I think I can answer the gentleman in a few moments, after I have had a little parley with my friends on the other side.

Mr. MANN. We would undoubtedly insist on its taking all day.

Mr. BARNHART. Mr. Speaker, I object.

Mr. WEBB. Then, Mr. Speaker, I ask unanimous consent that we take up the conference report on Thursday.

Mr. BARNHART. I did not know that the gentleman's request had to do with the trust bill. I withdraw my objection.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, how much time for debate would the gentleman be willing to grant?

Mr. WEBB. Any liberal amount. We would have no objection to discussing it for half a day, if we can agree on what half a day would be in hours. I think that would be proper.

Mr. STAFFORD. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Is it possible, by unanimous consent, on a day other than Calendar Wednesday, to set aside the proceedings in order on that day?

The SPEAKER. The Chair did not understand the gentleman's question.

Mr. STAFFORD. Is it possible, by unanimous consent, on a day other than Calendar Wednesday, to set aside the proceedings in order on Calendar Wednesday?

The SPEAKER. Why, yes; the Chair would think so. The Calendar Wednesday rule provides simply for a two-thirds vote, and surely unanimous consent is better than a two-thirds vote.

Mr. STAFFORD. There is also that further rule of the House that the Committee on Rules is not permitted to bring in any rule that will set aside proceedings on Calendar Wednesday without a vote of two-thirds of the membership.

The SPEAKER. That is all true, but anything can be done by unanimous consent. And the Chair will undoubtedly hold that where there is unanimous consent given it outranks even a two-thirds vote.

Mr. STAFFORD. Unanimous consent being presented on Calendar Wednesday——

The SPEAKER. There is one thing about it; if the gentleman does not like this proposition, he can object.

Mr. STAFFORD. That is not the question. It is a question of Calendar Wednesday.

Mr. MANN. Would the gentleman from North Carolina [Mr. WEBB] be willing whenever this is taken up to allow us two hours and a half debate on a side, and make it so that if it comes up to-morrow and is not disposed of, as it might not be—I can not tell how much time might be taken up on other matters—it could go over then?