By Mr. DENISON: A bill (H. R. 17658) for the relief of Logan Collins; to the Committee on Military Affairs.

By Mr. DUPRÉ: A bill (H. R. 17659) for the relief of the Seaboard Refining Co. (Ltd.); to the Committee on Claims.

By Mr. GARD: A bill (H. R. 17660) for the relief of William Martin; to the Committee on Military Affairs.

By Mr. GORDON: A bill (H. R. 17661) granting an increase of pension to Acquilla Huff; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 17662) for the relief of Mary Ann Gordon; to the Committee on Claims.

Also, a bill (H. R. 17663) to waive the age limit in the appointment of Alexander L. Mahon as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. McGILLICUDDY: A bill (H. R. 17664) granting a pension to Edward L. Eaton; to the Committee on Pensions.

By Mr. AIKEN: A bill (H. R. 17665) granting an increase of pension to Luther H. Hester; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 17666) granting an increase of pension to Nancy A. Heiskell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17667) granting an increase of pension to Malinda Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17668) granting a pension to Barnard D. Chapman; to the Committee on Pensions.

Also, a bill (H. R. 17669) granting a pension to Josephine Parker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17670) granting a pension to Brent S. Jones; to the Committee on Pensions.

Also, a bill (H. R. 17671) for the relief of Thurman R. Ingram; to the Committee on Military Affairs.

By Mr. RUSSELL of Missouri: A bill (H. R. 17672) granting an increase of pension to Isaac Melton; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 17673) granting an increase of pension to Louis S. Harris; to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 17674) granting an increase of pension to Charles Thompson; to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 17675) granting an increase of pension to Romanzo A. Coats; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 17676) granting an increase of pension to Elizabeth Beorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17677) granting an increase of pension to Mary E. Stirett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17678) granting a pension to Charles B. Cundiff; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 17679) granting a pension to Thomas Horan; to the Committee on Pensions.

Also, a bill (H. R. 17680) for the relief of Riegel & Roe; to the Committee on Claims.

By Mr. WHEELER: A bill (H. R. 17681) granting an increase of pension to William J. Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17682) granting a pension to Clarence P. McLoud; 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. BRUCKNER: Petition of James Wallace, of New York City, favoring passage of House bill 16631, for increase of pay for custodian employees; to the Committee on Expenditures in the Treasury Department.

Also, petitions of William E. Whited, of Bronx, and J. P. Williams, of New York City, favoring passage of the pension bill for employees of the Postal Service; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry insurance companies against stamp tax on insurance policies; to the Committee on Ways and Means.

Also, petition of New York County Medical Society, favoring adequate preparedness; to the Committee on Military Affairs.

Also, petition of Mackay & Co., New York, relative to settlement of difficulties between railroads and employees by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of Religious Society of Friends, against preparedness; to the Committee on Military Affairs.

Also, petition of Order of United Commercial Travelers of America, favoring Federal aid for good roads; to the Committee on Roads.

Also, memorial of board of directors of the Italian Chamber of Commerce of New York, favoring the Webb bill, House bill 16707; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREW: Petition of the National Board of Fire Underwriters, of New York, relative to investigation of the causes of the explosion on Black Tom Island, in Jersey City; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES: Petitions of citizens of Amsterdam and of Oneida County, N. Y., against stamp tax on insurance policies; to the Committee on Ways and Means.

By Mr. COPLEY: Petition of Woman's Missionary Society, United Evangelical Church, of Waperville, Ill., against polygamy in the United States; to the Committitee on the Judiciary.

By Mr. DALE of New York: Petition of Merridale Farms, N. Y., against passage of House bill 16307, relative to registering pure-bred live stock; to the Committee on Agriculture.

Also, petition of Rev. G. Sommer, of Brooklyn, N. Y., against seizure of United States mails, etc., by Great Britain; to the Committee on Foreign Affairs.

By Mr. DAVIS of Texas: Petition of sundry citizens of Fort Worth, Tex., for location of Federal farm-loan bank at Fort Worth, Tex.; to the Committee on Banking and Currency.

By Mr. O'SHAUNESSY: Petition of sundry citizens of Newport, R. I., relative to conditions at present obtaining to civil-service employees in harbor-boat service of the Quartermaster's Department, United States Army; to the Committee on Reform in the Civil Service.

By Mr. ROWE: Petition of members of the Holy Name Society of the Church of Our Lady of Good Counsel, favoring censorship by Government of moving pictures; to the Committee on Education.

By Mr. TAGUE: Petition of Patrick Shea, Charlestown, Mass., against seizure of our mails, etc., by Great Britain; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, *August 30, 1916.*

(Legislative day of Tuesday, August 29, 1916.)

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

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Hughes	Nelson	Simmons
Bankhead	Husting	Norris	Smith, Ariz.
Beckham	James	Oliver	Smith, Ga.
Bryan	Jones	Overman	Smith, S. C.
Chamberlain	Kenyon	Penrose	Smoot
Chilton	Kern	Phelan	Sterling
Culberson	Lane	Pittman	Stone
Curtis	Lea, Tenn.	Pomerene	Thomas
Dillingham	Lewis	Ransdell	Thompson
Fletcher	McCumber	Reed	Vardaman
Gallinger	Martin, Va.	Robinson	Williams
Hardwick	Martine, N. J.	Shafroth	
Hitchcock	Myers	Sheppard	

Mr. MARTINE of New Jersey. I desire to announce the unavoidable absence of the Senator from Louisiana [Mr. BROUSSARD] on account of illness.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

Mr. KERN. I desire to announce the unavoidable absence of my colleague [Mr. TAGGART]. He is detained on account of important business.

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

THE REVENUE.

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

Mr. THOMAS. Mr. President, my attention has been called to a typographical error which should be corrected on page 36, line 1. The word "of" where it occurs the second time in the line before the word "employment" should be "or." I ask that that correction be made.

The VICE PRESIDENT. The amendment will be agreed to without objection. The pending amendment will be stated.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The SECRETARY. On page 95, line 23, after the word "thereof," the committee proposes to insert a semicolon and the following words:

Not containing such sweet wines, three-fourths of 1 cent on each pint or fraction thereof.

Mr. POMERENE. Mr. President, this matter came up just before the recess last night. I desire to state in a sentence my objection to the amendment.

It refers to cordials which are made out of alcohol beverages, which are taxed $1.10 per gallon. We have grape brandy, and so forth, which is taxed under the bill at 55 cents a gallon. This tax of three-fourths of 1 cent on each half pint or fraction thereof is a supertax over and above the $1.10 a gallon.

My thought is that so long as we have some of these liquors taxed below $1.10 it is hardly a fair proposition to tax others by this supertax who are now already taxed $1.10.

That is all I care to say.

Mr. PHELAN. Mr. President, I do not know what action the committee is going to take on the amendment suggested by the Senator from Ohio, but I beg to submit that the Democratic caucus approved of the measure as reported, and the Senator from Ohio is endeavoring without an appeal to the caucus to change the phraseology of the bill in a vital matter.

I am new to the deliberations of the Senate. Yesterday I made an argument by which I endeavored to show that the action of the caucus was wrong, and whereas in the caucus or so-called conference I had the assurance of the support of nine Senators who were polite enough after the vote was taken yesterday to inform me that they could not support their own views in view of the fact that they had attended the caucus.

As for myself, I understood that I was released because the caucus never undertakes to bind a Senator who is pledged to his own constituents. Therefore, I had no compunction; but it pains me to believe as a new Member of this body that Senators will admit that a certain contention is right but that they can not support it because they are overborne by the action of a mere majority of a majority—a mere fraction of the whole Senate.

If it is not revealing the secrets of my prison house, however, I desire to say that when the Senator from New Jersey proposed in the caucus an agreement to the report of the committee it was lost. There was a tie vote, and therefore the recommendation of the Finance Committee was disallowed. Instead of accepting that as the action of the caucus, the gentlemen served notice that there was no quorum present, and it went over to another evening when a mere quorum was present and an agreement was made with the recommendation of the committee under forced draft.

Now, I merely desire to say this for the RECORD by way of a protest, that nothing so undemocratic could possibly occur as the composition of a body by which the voice of the majority is suppressed by the influence of the minority. A mere majority of a minority under a caucus rule is enabled to control the deliberations, and I might be able to say in this case that the decision of that body was effected by the determination of only two men in the ultimate analysis.

A California satirist of the first class, Ambrose Bierce, once said:

The caucus meets—the devil's own device
For purchasing two souls at one soul's price.

But what I protest against is that Senators should come to me in an apologetic way and say that I am right and that they deliberately voted wrong.

Mr. REED. Mr. President——

Mr. PHELAN. I refuse to be interrupted until I finish my speech. I will conclude immediately.

Mr. REED. All right.

Mr. PHELAN. I can not see how they can reconcile themselves to their conscience. I can not see how they can, in a matter which involves no party policy, but a mere matter of dollars and cents and revenue, consider themselves bound to vote against their convictions. It was an American poet—and a good American he—who said:

They are slaves who fear to speak
For the fallen and the weak,
They are slaves who will not choose
Hatred, scoffing, and abuse
Rather than in silence shrink
From the truth they needs must think,
They are slaves who dare not be
In the right with two or three.

And two or three seemed to represent the minority vote when the roll was called on yesterday afternoon.

Mr. HUGHES. Mr. President, the Senator from California seems to be surprised at the light vote which his propositions received yesterday, and I was somewhat surprised at it myself. I advised one or two Members on this side of the House to vote with the Senator so that he might have some comfort. If the Senator wants an explanation of the reason why it received such a light vote I will give it to him, as far as my judgment is concerned. It was because of the unfair manner in which he conducted his fight for the amendment, because he persistently, over and over again and with full knowledge, read a letter to this body stating that that letter was directed against an amendment which was then pending before the Senate when he was informed on the floor of this body that the letter was directed to an entirely different amendment. In my opinion, if the Senator wants my opinion, it was because of the unfairness of the method he pursued yesterday that his proposition received the light vote it did.

Mr. PHELAN. I am glad to have the Senator's explanation, which does not go to the point I make. However, I still reaffirm that the Agricultural Department is in favor——

Mr. HUGHES. Mr. President——

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

Mr. HUGHES. I have not yielded.

The VICE PRESIDENT. The Senator from New Jersey has the floor.

Mr. PHELAN. Will the Senator yield to me?

Mr. HUGHES. I decline to yield.

Mr. PHELAN. I will seek an opportunity in my own time immediately to make my statement.

Mr. HUGHES. I have not the slightest doubt of that. Now, Mr. President, I will ask if there is any motion pending with reference to this paragraph?

The VICE PRESIDENT. Yes. The pending amendment is on page 95, in the clause beginning in line 18.

Mr. HUGHES. The committee amendment?

The VICE PRESIDENT. Yes.

Mr. HUGHES. I ask for a vote on the committee amendment.

I will state, however, that the difference between the one-and-a-half cent tax and the three-fourths of 1 cent tax is necessitated by the difference in the tax on grape brandy and grain alcohol. Grape brandy, under the law at present and under the proposed law, will pay a tax of but 55 cents per gallon. Some liqueurs and cordials are made from or fortified with grape brandy; others are made from grain alcohol. The committee thought it was only fair to those manufacturers who made their cordials from grain alcohol and paid a tax of $1.10 a gallon that the supertax laid upon their packages should be as much lower as the difference between the tax laid upon the grape brandy and the grain alcohol would justify. For that reason a tax of 1½ cents on one-half pints or fraction thereof is laid upon liqueurs or cordials made from grape brandy and a tax of three-fourths of a cent on liqueurs or cordials made from grain alcohol.

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

Mr. PHELAN. Do I understand that the Senator from New Jersey has accepted the amendment offered by the Senator from Ohio [Mr. POMERENE]?

Mr. HUGHES. The Senator from Ohio has offered no amendment.

The VICE PRESIDENT. The Senator from Ohio has offered no amendment. The question is on the committee amendment.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I read in this morning's Washington Post an editorial, which is so apropos and forcible and, in my opinion, convincing, that I ask leave to insert it in the RECORD.

Mr. OLIVER. Mr. President——

Mr. WILLIAMS. If there is objection to my doing so, of course I shall read it.

Mr. OLIVER. Mr. President, I think I shall have to object. I have no particular objection to this particular editorial, but I do object to encumbering the RECORD with utterances of this kind.

Mr. WILLIAMS. Then I will read it. I wanted to have it inserted without reading, because it would save the time of the Senate, but I can read it just as well.

Mr. OLIVER. The Senator from Mississippi can very readily save the time of the Senate by allowing the consideration of the pending bill to proceed.

Mr. WILLIAMS. Oh, of course, but I am saving the time in this way, too.

The article is headed "A radical program to compel industrial peace," and is as follows:

A RADICAL PROGRAM TO COMPEL INDUSTRIAL PEACE.

The legislative action proposed by President Wilson to meet the industrial crisis is so radical that it caused astonishment, if not dismay, when its outlines were first disclosed.

That neither the railroads nor their employees will relish this dose is a foregone conclusion. If only those parties to the dispute were concerned, Mr. Wilson's proposal would be regarded as a grave political mistake, as both sides are likely to antagonize his program.

But the third party to this great dispute—the public—will soon agree that desperate diseases require desperate remedies, and the people will uphold the President and Congress in enacting legislation that will put an end to the menace of country-wide strikes.

The issue may as well be faced now as later. It was bound to confront the American people. No halfway measures will serve. They have been tried and found wanting.

The railroads are a mighty force, and so are the brotherhoods. But neither can be permitted to dictate to the people. Neither can determine for itself when there shall be war in the industrial world. Both of them must submit to laws framed for the peace and safety of the people.

When an eight-hour day is established by law the railroad workers will have no possible excuse for refusing to submit their demands to arbitration, whatever these demands may be. It is proper and necessary that the United States should now provide that railroad wage disputes shall be submitted to investigation and that strikes or lockouts pending such investigation shall be made unlawful.

It is necessary that the question of rates should be investigated, to the end that justice should be done to the railroads. The Interstate Commerce Commission should be enlarged, if necessary, to enable it to make this investigation promptly and thoroughly.

It is inevitable that the executive power of the United States should be authorized to take over the railroads in times of national peril. No nation on earth can escape such action when its safety or its existence is endangered. The nations now at war are using their railroad facilities for military purposes as a matter of course. Even if Congress should refuse to adopt this portion of the President's program at this time, it would necessarily adopt it in case of civil or foreign war. As a measure of national defense, the law should be enacted now, when it can be calmly considered.

Railroads, unions, and shippers may be expected to object to particular portions of the President's suggestions. But the more they are studied the more they are likely to commend themselves to the people. They constitute a rounded-out, thoroughgoing, effective plan that insures fair treatment of employees and justice to the railroads and prevents them both from paralyzing the country.

Unless Congress is willing that the country should be plunged into industrial war it will adopt the program outlined, with such changes as the wisdom of the lawmakers may suggest. The President has shown his moral courage by facing the issue bravely and daring the resentment of powerful capital and labor interests for the sake of preventing disaster to the public. He has given Congress a splendid example of political courage. The public welfare is now in the hands of Congress. If it acts with the courage that President Wilson has displayed, all will be well. The Nation will have asserted its resolute purpose to do justice in labor quarrels and to lay its heavy hand upon disputants who in passion and for self-interest would sacrifice the public.

That is all I have to say, Mr. President.

Mr. PHELAN. Mr. President, the Senator from New Jersey [Mr. HUGHES] has undertaken to explain the few votes which were cast on the amendment submitted by me on yesterday on the ground that I had misrepresented what was contained in a communication from the Agricultural Department. I still persist in saying that the Agricultural Department is in favor of the amendment which I submitted and is not in favor of the amendment which was adopted, notwithstanding the statement of the Senator from New Jersey that he on yesterday visited the department and had assurances of their support. I learn over the telephone that Dr. Emerson, whom the Senator quoted, did not give that assurance. In the absence of the Secretary, Mr. Houston, the subordinates have undertaken, if at all, certainly without authority, to make representations contrary to the views of the Secretary of Agriculture; but even then they disavow having given any approval to the measure proposed by the Senator from New Jersey. Therefore I desire to acquit myself, if the Senator does not acquit me of making any misrepresentation to the Senate. I consider that a very grievous charge. I should think there should be some means within the power of the Senate to discipline a Member who would make misrepresentations on this floor. I still persist in the belief that so just is the proposition which was advanced yesterday that it will be remedied in the conference, which is the court of last appeal.

There is, however, another reason why there were so few votes cast in favor of the amendment which I proposed on yesterday, and that is because it is distasteful to what has come to be known as the "Whisky Trust," one of the most powerful trusts in this country, which has its agents infesting the halls of Congress trying to influence legislation in order to make a more extensive market for its wares. It has alcohol for sale, and it does not want alcohol to enter in any quantity for fortification into the sweet wines of California without paying the full commercial brandy tax. It does not want the wines of the country to be of that standard of perfection that will drive, as ultimately they may drive, John Barleycorn out of the market. They enter into every State in this country fighting the movement for temperance. In my State they are busy to-day. It is only because of the enormous investment in the wine industry in California that prohibition has not been imposed upon that Commonwealth.

But I venture to predict that if the wine industry is destroyed prohibition will prevail in California. If there is no way of dissociating wine from whisky, then whisky and wine shall fall together; but if we may dissociate wine from whisky we will promote the cause of temperance by giving the people an opportunity to indulge in a beverage at once wholesome and exhilarating.

Mr. Hilliard E. Welch, banker and grape grower, of Lodi, Cal., came here as the representative of the California Viticultural Commission, a body established by law to look after the legitimate interests of the wine growers, and I beg to say with pain that this man, with credentials—which I published in the RECORD of yesterday's proceedings—from the California commission, although I made application in his behalf, was denied a hearing by the Committee on Finance. The members of that committee said that they had had sufficient hearings, but that he might file a brief if he were so disposed. As that was the only means of reaching the committee, the brief was filed, but I submit that the difference between a filed brief and an oral hearing is very great, because there is no assurance that a brief is ever read; and it was practically a denial of justice.

This gentleman, who is of the highest repute, made a statement to me that the attorney of the Whisky Trust came to him with a view of making a trade or a bargain by which it would appear to the Senate that there was practical unanimity of action on the part of both the wine men and the whisky men. You can see, Mr. President, the cunning device of tying up the wine interests and the whisky interests together. I asked Mr. Welch if he was prepared to make an affidavit to that effect, and here is the affidavit, which I will read, as it is brief:

DISTRICT OF COLUMBIA, *ss.*

Hilliard E. Welch, of Lodi, Cal., being first duly sworn, deposes and says:

"On the afternoon of August 1, 1916, in response to a telegram from Mr. E. M. Sheehan, secretary of the California Viticultural Commission, I called on Mr Levi Cook, an attorney, at his office in room 623, Union Trust Building, Washington, D. C., and talked with him concerning an amendment to the revenue bill (H. R. 16763) which he had advocated before the subcommittee of the Committee on Finance of the United States Senate, which amendment levied a tax of 24 cents a gallon on 'liqueurs, cordials, compounds, or preparations containing wines fortified under this act.'

"On the morning of August 2, 1916, in company with Mr. F. Albertz, of Cloverdale, Cal., I again called on Mr. Cook and explained to him that those manufacturers who under the emergency revenue act had been accorded the privilege of using wines in the manufacture of cordials, liqueurs, and compounds without paying the stamp tax were insistent that the same privilege be extended in the pending bill; that I had written each one of these complainants that I could see no good reason, should the Government contemplate a tax on cordials, why a cordial made from wine should be exempted from any tax. I called his attention to the fact that his amendment would impose a tax of 24 cents a gallon where wine was used as the base, eliminating from the same tax those preparations having a base of distilled spirits; that his request and the request of the manufacturers using wine as a base were in direct opposition, and suggested to him that he should call the opposing factions of cordial makers together and have them settle their differences without bringing me into it; that I was interested in the tax on wines alone, and would not take either side of this controversy.

He then stated to me that he was the attorney for the National Wholesale Liquor Dealers' Association; that his people were, in strict compliance with Federal laws, contributing to the campaign against prohibition in California; that should I refuse to go with him to Senator THOMAS in support of his amendment, those contributions might be stopped, and the wine men might get a tax of $1.10 on brandy used in the fortification of sweet wine when the bill was reported to the Senate. I refused to go with him to Senator THOMAS as he requested.

HILLIARD E. WELCH.

—

DISTRICT OF COLUMBIA, *ss:*

F. Albertz, of Cloverdale, Cal., being first duly sworn, deposes and says:

"I was present with Mr. Hilliard E. Welch, of Lodi, Cal., the maker of the above affidavit, in the office of Mr. Levi Cook on the morning of August 2, 1916, and heard the conversation between them, and know that the statements by Mr. Welch in his above affidavit are true, to the best of my knowledge and belief.

"F. ALBERTZ."

—

DISTRICT OF COLUMBIA, *ss:*

Personally appeared before me, M. W. Pickering, a notary public in and for the District of Columbia, Hilliard E. Welch, of Lodi, Cal., and F. Albertz, of Cloverdale, Cal., who, being first duly sworn, testified that the above statements are true to the best of their knowledge and belief. Subscribed and sworn to before me this 16th day of August, 1916.

[SEAL.] M. W. PICKERING,
Notary Public.

My commission expires September 19, 1919.

I have had this affidavit for many days in my possession, but I did not desire to introduce the subject on the floor of the Senate. It was sufficient for me to know that the Whisky Trust was working against the wine interests, and I was curious to see what the outcome would be.

Now, I am told that the reason why the amendment failed on yesterday was because of misrepresentations concerning the innocent letter of the Secretary of Agriculture. I feel, therefore, justified in saying that I believe one of the elements which entered into the result of yesterday was the influence of the Whisky Trust; and I think that this evidence is quite sufficient. I know that great interests have a right to be heard, and pos-

sibly from their point of view they may justify themselves; but I beg to submit that in my advocacy of the amendment I had only one thing in view and that was the public interest.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 96, line 11, after the word "stamps," to strike out "nor to medicinal compounds prepared by retail druggists on physician's prescription, where the quantity of such compound does not exceed one-half pint," so as to make the clause read:

The taxes imposed by this section shall not apply to wines, liqueurs, or cordials on which the tax imposed by the act approved October 22, 1914, entitled "An act to increase the internal revenue, and for other purposes," and the joint resolution approved December 17, 1915, entitled "Joint resolution extending the provisions of the act entitled 'An act to increase the internal revenue, and for other purposes,' approved October 22, 1914, to December 31, 1916," has been paid by stamp.

The amendment was agreed to.

The next amendment was, on page 96, line 21, after the word "section," to insert:

Provided, That the collection of the tax herein prescribed on imported still wines, including vermouth, and sparkling wines, including champagne and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, by assessment instead of by stamps.

So as to make the clause read:

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to have prepared suitable revenue stamps denoting the payment of the taxes imposed by this section; and all provisions of law relating to internal-revenue stamps, so far as applicable, are hereby extended to the taxes imposed by this section: *Provided*, That the collection of the tax herein prescribed on imported still wines, including vermouth, and sparkling wines, including champagne, and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, by assessment instead of by stamps.

The amendment was agreed to.

The next amendment was, on page 97, line 10, after the word "cordials," to strike out "preparations"; in the same line, before the word "compounds," to insert "similar"; in line 14, before the word "spirits," to strike out "or"; in the same line, after the word "spirits," to insert "liqueurs, cordials, or similar compounds"; and in line 16, after the words "United States," to insert:

But the provisions of this subdivision of this section and the provision of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of this section with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in section 53 of this act.

So as to make the clause read:

(f) That any person who shall evade or attempt to evade the tax imposed by this section, or any requirement of this section or regulation issued pursuant thereof, or who shall, otherwise than provided in this section, recover or attempt to recover any spirits from domestic or imported wine, or who shall rectify, mix, or compound with distilled spirits any domestic wines, other than in the manufacture of liqueurs, cordials, or similar compounds taxable under the provisions of this section, shall, on conviction, be punished for each such offense by a fine of not exceeding $5,000, or imprisonment for not more than five years, or both, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States. But the provision of this subdivision of this section and the provision of section 3244 of the Revised Statutes of the United States, as amended, relating to rectification, or other internal-revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of this section with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in section 53 of this act.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 4, on page 99.

Mr. HUGHES. Mr. President, I send to the desk an amendment which I offer, to be known as subdivision "(i)."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert in the bill, on page 99, after line 4, subdivision "(i)," to read as follows:

That the second paragraph of section 3264, Revised Statutes of the United States of America, as amended by section 5 of the act of March 1, 1879, and as further amended by the act of Congress approved June 22, 1910, be amended so as to read as follows:

"In all surveys 45 gallons of mash or beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and 7 gallons of mash or beer brewed or fermented from molasses shall represent not less than 1 gallon of molasses, except in distilleries operated on the sour-mash principle, in which distilleries 60 gallons of beer brewed or fermented from grain shall represent not less than 1 bushel of grain, and except that in distilleries where the filtration-aeration process is used, with the approval of the Commissioner of Internal Revenue; that is, where the mash after it leaves the mash tub is passed through a filtering machine before it is run into the fermenting tub, and only the filtered liquor passes into the fermenting tub, there shall hereafter be no limitation upon the number of gallons of water which may be used in the process of mashing or filtration for fermentation; but the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in order to protect the revenue, shall be authorized to prescribe by regulation, to be made by him, such character of survey as he may find suitable for distilleries using such filtration-aeration process. The provisions hereof relating to filtration-aeration process shall apply only to sweet-mash distilleries."

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

The amendment was agreed to.

Mr. CUMMINS obtained the floor.

Mr. JONES. 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:

Bankhead	Hardwick	Martine, N. J.	Shields
Beckham	Hitchcock	Myers	Simmons
Borah	Hughes	Nelson	Smith, Ga.
Brandegee	Husting	Norris	Smith, Md.
Bryan	James	Oliver	Smith, S. C.
Chamberlain	Jones	Overman	Smoot
Chilton	Kenyon	Penrose	Sterling
Clarke, Ark.	Kern	Phelan	Stone
Culberson	Lane	Pittman	Thomas
Cummins	Lea, Tenn.	Pomerene	Thompson
Curtis	Lee, Md.	Ransdell	Underwood
Dillingham	Lewis	Reed	Vardaman
Fletcher	McCumber	Robinson	Wadsworth
Gallinger	McLean	Shafroth	Weeks
Harding	Martin, Va.	Sheppard	Williams

Mr. KERN. I desire again to announce the unavoidable absence of my colleague [Mr. TAGGART], who is detained on account of important business.

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

PROPOSED RAILROAD LEGISLATION.

Mr. CUMMINS. Mr. President, in view of the subject which I have announced, it might be inferred that I have risen to discuss the message of the President of the United States delivered yesterday to the two Houses of Congress. It is not so. The notes I have before me were prepared a week or more ago, and have no relation whatever to the views expressed by the Chief Executive, save that they touch the same general subject.

During the last two months I have received a great many letters and telegrams relating to the threatened strike of certain railway employees, all of them based upon the assumption that something practical and effectual should be done by Congress to prevent the disaster which a general suspension of traffic throughout the United States would inevitably inflict upon a vast number of people who have no direct interest in the controversy, and who are absolutely powerless to avert the catastrophe.

During the same period I have read many editorials published in the newspapers, which day after day sit in judgment upon Congress, and which, with a fine sense of irresponsibility, express opinions upon this subject, as upon many others, without knowledge and render judgment without even the pretense of inquiry.

I am not so much concerned about the utterances of individual newspaper writers, but I am deeply anxious about the views held by millions of honest men who want their Government to be both just and efficient, and who rely upon it for protection against forces over which they have no control except through the Constitution and laws of the land.

My purpose in the task I am about to perform is not to advocate any policy, nor to defend the course proposed by either party to the present dispute between railway managers and railway operatives. The real issue between them is fundamental, and touches the very foundation of organized society. My object is to turn the thought of the people, and possibly of Members of Congress as well, from abstract into concrete channels. I desire to point out some of the things which Congress can do which may have some effect upon like situations in the future, and to refer to some of the things which have been suggested, but which Congress can not do, in order that the thinking men of America may study and reflect upon the specific legislation within the power of Congress; all to the end that they may reach a definite conclusion, and that Congress may know whether these people really desire it to take the action which is necessary if the dangers incident to a strike are to be averted. They ought clearly to apprehend the consequences of such further legislation and to know whether the concert of workingmen for the betterment of the conditions under which they labor—a concert which alone makes a serious strike possible—should be prohibited or qualified.

Upon this voyage in search of legislation there are, as upon nearly every other of importance, a Scylla and a Charybdis, and

it will be interesting to consider how far we can steer away from the one without encountering the perils of the other.

There is one preliminary observation which I feel compelled to make:

I do not underestimate the effect of the general strike, which seems to be imminent. The losses, hardships, and suffering which it will entail can not be exaggerated, and no man can look forward to them without shrinking from the dire consequences which must ensue. My discussion has no especial application to the immediate situation, for I shall deal with all such interruptions of transportation and my suggestions will, in the main, be pertinent to all like disturbances affecting commerce among the States, although I shall look at the question from the standpoint of transportation by common carriers.

It is well known that aside from incidental regulations which are possible under the power of Congress to tax, and to establish post offices and post roads, the laws of the United States which affect transportation of both passengers and property are and must be founded upon the authority of Congress to regulate commerce with foreign nations and among the States, and it is this clause of the Constitution which I shall have in mind in the development of the subject.

The right of Congress, judged by practice, to merely investigate is substantially without limit. The right is often abused, for there is no true basis for investigation unless it is believed that legislation can follow inquiry, and ordinarily examination is worse than useless unless it can be followed by action. However that may be, it must be understood that I am not reviewing the authority of Congress to make any investigations which it may seem wise to initiate. I invite attention: First, to the widespread feeling that Congress should long ago have in some way provided, and having failed to do so should now provide, for the compulsory arbitration of disputes between employers and employees. These words are so commonly used that it may be rather startling when I say that in the full sense of the term there is no such thing as compulsory arbitration—never has been and never will be.

I am speaking now, of course, of a free country and free men. It may be that men can be coerced by indirect methods into an agreement for arbitration or may be deprived of the power to resist successfully the judgment of a Government tribunal; but compulsory arbitration, which, of course, includes the execution of the award, is impossible in any country whose organic law contains such declarations as are found in the fifth and the thirteenth amendments to the Constitution of the United States.

I do not doubt that Congress could create a tribunal, giving it any name that might seem desirable—court of arbitration, commerce court, industrial commission—and confer upon it jurisdiction to seize upon a controversy between a collective body of railway operatives, such, for instance, as the Brotherhood of Locomotive Engineers, and the railway company which employs the engineers, call the parties in dispute before it, take evidence, and render judgment. If this procedure is what the people have in mind when they speak of compulsory arbitration, the plan is, I believe, well within the constitutional authority of Congress, assuming, of course, that the dispute affects commerce with foreign nations or among the States.

If, however, I understand the thought in the minds of men who speak or write of compulsory arbitration, it means vastly more than the proceeding I have described. It further means that the tribunal which renders the judgment must be clothed with power to enforce it, and if the judgment is to be always heeded there must be a method of enforcement. To enforce it in the instance I have suggested, without mentioning the railway company, it would be necessary to compel the members of the brotherhood to work for the wages and under the conditions prescribed in the judgment. Otherwise there might come the strike, the disturbance, and the disaster which we now confront.

Here is the obstacle that can not be overcome. The attempt to make men work against their will is involuntary servitude, forbidden not only by the thirteenth amendment to the Constitution but by the natural instinct of free men in a free country. Compulsory arbitration, in the complete sense, is a myth, a mere idle dream, for in the end the voluntary action of the men involved is absolutely necessary. It is only possible under pure socialism in which all the relations of the human being are determined by the State, or in a pure monarchy in which industrial workers are subjects to the same laws which we apply to our military establishments, to those who are confined for crime, and formerly applied to sailors. If we are ready to treat the man who refuses to work, or leaves his work because he is dissatisfied with compensation and conditions, as we treat the deserting soldier and the criminal, compulsory arbitration may become possible. Until that time comes, and I pray that it may be a long time coming, we may as well dismiss the suggestion of so-called compulsory arbitration in labor controversies.

Mr. President I am well aware that these suggestions are trite and well known to the Members of the Senate. I am trying, if I can, to correct what I believe to be a false opinion throughout the country held by many good people who have not carefully examined the subject.

I know it will be said that the experiment has been tried. It is quite true that there are statutes in some of the States which have been termed compulsory arbitration laws, but there is no State in the Union which undertakes to compel a free workingman to labor, much less to labor for any given compensation or under prescribed conditions. If I dared to take the time, I would be glad to review some of these laws, but I forbear to do more than to invite a study of their provisions.

The acts of Great Britain and of the Dominion of Canada respecting the disputes between employers and employees have sometimes been cited as instances of wise legislation upon this subject. I pause only long enough to assert that, while these laws may be more effective in composing labor disputes than the Erdman Act was, or the Newlands Act is, and while in the Canadian law there is more compulsion than in our statute, it falls far short of establishing a compulsory arbitration which will in and of itself prevent strikes.

A brief consideration of the Canadian procedure is worth while.

The Canadian act is most frequently mentioned in this country, and I submit a very brief statement with regard to its general scope. To understand the legislation of the Dominion completely it must be remembered that there are two acts, one known as an act respecting conciliation and labor and the other known as the industrial disputes and investigation act. The former embraces controversies between railway companies and their employees; the latter covers all other industrial disputes.

The administration of the railway act is initiated by application to the minister of labor and provides for the creation of a board of conciliation and also, if conciliation fails, a board of arbitration; but there is no method of enforcing the award of the arbitrators, so far as I have been able to learn, except as the proceeding of the railway board may be merged into the proceeding under the industrial disputes and investigation act. The latter provides for the creation, under proper application, of a board of conciliation and investigation, and if the dispute can not be adjusted, then the board proceeds to render a judgment or award; and it may be remarked that the board acting under the conciliation and labor act may refer certain railway disputes to the board of conciliation and investigation.

The board makes a report indicating what, in its opinion, the respective parties to the controversy ought to do or ought not to do.

Mr. HUGHES. Will the Senator permit me to interrupt him? Is there any provision in either of the acts to which the Senator is now referring where the party would agree that any award when it is arrived at or any recommendation shall be made a rule of any court?

Mr. CUMMINS. Not in the Canadian act, as I understand it.

Mr. HARDWICK. If the Senator will pardon me, there was in the Erdman Act that provision exactly.

Mr. CUMMINS. There was, in the Erdman Act. I am speaking of the Canadian act. There is just such a provision in the act of New Zealand. I will not say positively, but it may be there is some provision of that sort in the Canadian act; but if there is, I have not been able to find it.

Mr. BORAH. Mr. President, my understanding of the Canadian act is that they depend entirely upon public opinion to enforce the award, or whatever you call it; that they make no effort whatever to enforce it through any act of a court or through any act of the Government.

Mr. CUMMINS. I think the Senator from Idaho is right about that. I am quite sure that he is. I am just from rather a close examination of both statutes, and so far as I recall them there is no provision for the enforcement of the report or award or judgment, as I may call it. It is only operative until the report is made. The very moment the report is made that is the end of the governmental authority, and the men involved are at complete liberty to move according to their desire; and the way they are restrained until the report is filed is through a criminal penalty.

Mr. HUGHES. Of course there is a vast difference between establishing a court and clothing that court with power to compel men to work for certain prescribed wages, and the voluntary submission by both parties to a board of arbitration and an agreement on the part of both parties that the award, whatever it may be, shall be made a rule of court and be enforced. That might be done for the protection of either side to the controversy.

Mr. CUMMINS. I am speaking of involuntary arbitration, so termed. I am not speaking of voluntary arbitration. Of course if the parties agree to arbitrate a dispute, and the arbitrators reach an award, the laws of nearly every State in the Union provide for filing the award in a court, and thereafter it is enforced just as a judgment of a court would be enforced.

Mr. SMITH of Georgia. Is there not a further provision in the Canadian law that if the parties agree that the board shall pass upon their controversy, then the finding of the board is enforced as a voluntary action is enforced by criminal procedure? There is such a provision, I am sure.

Mr. CUMMINS. Whether they agree or not, as I understand the Canadian statute, that is true. The very moment that the Government takes jurisdiction of a dispute the right of men to strike or the right of the employer to lock out is suspended, and it remains suspended until the report of the board is made. When made, as the Senator from Idaho says, it is assumed that public opinion will coerce the parties to the dispute into obedience; but if public opinion fails to do that the parties are at full liberty to proceed just as if there had been no conciliation, no mediation, no arbitration.

Mr. SMITH of Georgia. There is this further provision, if the Senator will allow me. If the parties agree pending the *investigation* to submit to the investigation, then after the finding is made the right to lock out or to strike does not exist, but is punished as a crime just as it would be punished pending an investigation.

Mr. CUMMINS. That is true. I am referring only to an involuntary proceeding—to what is called compulsory arbitration. I am not reviewing either the statutes of Canada nor of the States with respect to voluntary arbitration.

So far as compulsion in the enforcement of awards is concerned—I am now still speaking of the Canadian statute—it is found in a section which I quote:

SEC. 56. It shall be unlawful for any employer to declare or cause a lockout, or for any employee to go on a strike.

I ought to interpose here the suggestion that the strike is defined in the statutes, and it does not mean an individual ceasing work; it means what we understand in this country as a union strike, a strike through concert and arrangement.

Mr. HARDWICK. If the Senator will pardon me, I have been very much interested in his argument. I wish to suggest to the Senator that while involuntary servitude or enforced labor may not be had in this country under our constitutional provision, yet has not Congress power to make it unlawful for two or more individuals to combine or conspire to impede the operation of the great interests of interstate commerce?

Mr. CUMMINS. I am coming to that. I hope the Senator will not anticipate that phase of it.

Mr. HARDWICK. I withdraw the question if the Senator is going to discuss that.

Mr. CUMMINS. I quote section 56:

It shall be unlawful for any employer to declare or cause a lockout, or for any employee to go on strike, on account of any dispute prior to or during a reference of such dispute to a board of conciliation and investigation under the provisions of this act, or prior to or during a reference under the provisions concerning railway disputes in the conciliation and labor act: *Provided*, That nothing in this act shall prohibit the suspension or discontinuance of any industry or of the working of any persons therein for any cause not constituting a lockout or strike: *Provided also*, That, except where the parties have entered into an agreement under section 62 of this act—

That being the section to which the Senator from Georgia referred—

nothing in this act shall be held to restrain any employer from declaring a lockout or any employee from going on strike in respect of any dispute which has been duly referred to a board and which has been dealt with under section 24 or 25 of this act, or in respect of any dispute which has been the subject of a reference under the provisions concerning railway disputes in the conciliation and labor act.

These sections relate to the findings of the board and the report of the board to the public authority.

What I have just read means that the moment the report is filed or the work of the so-called arbitrators or board of conciliation is completed there is no penalty imposed upon employees, whether singly or in concert, if they thereafter leave the employment in which they had been engaged.

Mr. THOMAS. Mr. President——

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

Mr. THOMAS. I should like to ask the Senator a question, if it will not interrupt him.

Mr. CUMMINS. Not at all.

Mr. THOMAS. The provisions of the Canadian act, to which the Senator refers, have recently been characterized as so unjust and restrictive as to amount practically to an act of slavery. The Senator has evidently examined the law with much care, and doubtless has also made an investigation into the actual workings of that act. I therefore should like to ask if he thinks, from the practical operation of that law, there have been such consequences as would justify such a criticism?

Mr. CUMMINS. I think there have been such consequences. I am not familiar with the details of the various proceedings under the law to which the Senator from Colorado refers, but even in Canada—a little country of seven or eight millions of people—the act which I am now reviewing can be so manipulated and so used that the reports of these boards of conciliation pending which the men are restrained from the exercise of their liberty of striking might be delayed over a period of a dozen years. I do not say that that has happened in Canada to that extent, but such an application of the law is possible. If all the railroads were united in a single controversy and all the employees of all the railroads were uniting in that same controversy, there would need be but one investigation and one report; but if the roads disintegrate and if the unions disintegrate, and there must be boards of conciliation and boards of arbitration for each employer and each system of employees, the effect of the Canadian statute would be practically to indefinitely limit the right of union men to strike.

Mr. STERLING. Mr. President——

Mr. CUMMINS. Just a moment. Applied to our country, with its hundred million of people and with its hundreds of railway companies, the result would be still more disastrous, so far as delay is concerned. I now yield to the Senator from South Dakota.

Mr. STERLING. I merely want to ask a question. The Senator may have answered it during his discussion, but, I think, not quite definitely. I ask whether, as to the employees who, under the penalties provided by the Canadian statute, remain at work pending negotiations or pending action on the part of the Board of Mediation and Conciliation or on the part of the board of arbitration, the work done is not involuntary servitude, and whether it is the Senator's belief that it is an involuntary servitude?

Mr. CUMMINS. I am coming to consider that in a few moments. I have a definite opinion about it, but I will reach it at a little later time.

A penalty of not less than $10 nor more than $50 a day is imposed upon any employee who strikes contrary to the provisions of the act; and an employer who declares or causes a lockout contrary to the provisions of the law is fined not less than $100 nor more than a thousand dollars for each day of the lockout.

I departed a moment ago from the path that I intended to follow, namely, to discuss this matter somewhat upon its merits. I did not rise for the purpose of discussing the wisdom of the Canadian act; that is, of expressing my full opinion as to its merits or demerits.

Mr. STERLING. Mr. President, if the Senator will pardon me one moment, when I used the term "involuntary servitude" I meant involuntary servitude within the meaning of the Constitution of the United States.

Mr. CUMMINS. Certainly; I understand that.

New Zealand and some of the Australasian States have gone further than either Europe or America toward control through the power of the Government. I will examine alone the experiment of New Zealand, for it is the only one of its kind which has even measurably survived. I mean by that that the New Zealand law, which was adopted by some of the States of Australia, was found so irksome and so impossible, if you please, of operation and administration that the law has been modified in many of those States, and in most of them where it was enacted has been practically abandoned.

Mr. BORAH. Mr. President, will the Senator from Iowa pardon an interruption?

Mr. CUMMINS. Yes.

Mr. BORAH. In Australia, I understand, the Government enforces the decrees.

Mr. CUMMINS. The Australian law is practically the same as the New Zealand law.

Mr. BORAH. I am not so familiar with that; but does the New Zealand law provide for the enforcement of the decree through the operation of the Government?

Mr. CUMMINS. It does.

Mr. BORAH. The Australian law does that?

Mr. CUMMINS. Yes.

It will be first remarked that the Government of New Zealand approaches State socialism. It is not necessary to either approve or disapprove this view of government, but it is not to be questioned that New Zealand has adopted many laws which the United States could not enact under the Constitution, as well as many laws which the present temper of the people of the United States would not tolerate for an instant.

The underlying purpose of the New Zealand industrial arbitration law is to compel both employers and employees to unionize. New Zealand establishes her system upon the hypothesis that all occupations, all kinds of business, should be cooperative or should be bound together in some form of combination. Its application is confined, so far as employees are concerned—now mark this—not alone to labor unions, but to labor unions which have registered under the act. In the registration the union surrenders the freedom of a voluntary organization and agrees to abide the judgment of the arbitration board. If a labor union prefers to exist as a voluntary organization, it may do so either by refusing to register or by canceling its registration. In such cases it is just as free to strike and as little bound as are similar bodies of laboring men in this country.

The law creates, first, councils of conciliation, and, second, a court of arbitration. Mark you, there is no shrinking in New Zealand from the real question. The body which finally decides the dispute between employers and employees is a court, and is clothed with all the powers of a court.

Mr. LEWIS. Mr. President, may I ask the able Senator if he has not inadvertently fallen into error—an error of expression rather than of understanding—or may I ask him if I am in error? Is not the provision in the New Zealand law like unto that we have put into the Federal Trade Commission act in the United States, to wit, that if the body authorized to investigate finds an infraction or finds necessary an enforcement it sends its decision to a court, which court then reduces it to the form of a judgment of the court, to be enforced then by the court processes?

Mr. CUMMINS. There are some instances in which that can be done, but, if the Senator will wait a moment, he will see that I am absolutely accurate in the statement that I have made.

Mr. LEWIS. I will be very glad to hear the Senator through.

Mr. CUMMINS. The court of arbitration is composed of two members, nominated or appointed by the respective parties to the dispute, and a judge of the supreme court. Practically speaking, and historically speaking as well, the final decree, judgment, or award is that of a single man. It has been often asserted that the court of arbitration, to which I have referred, can compel absolute obedience in all cases.

This conclusion is not at all clear, although it may very well be contended from the language of the act that the court can enforce obedience. I am now speaking of the court of arbitration, and not of the board of conciliation or mediation, which refers the controversy to the court of arbitration. I am inclined to doubt some of the powers which are imputed to the court of arbitration, but they are broad enough in any event. As I interpret the law, the most that can be said of it is that if a man works he must work under the terms and conditions provided in the award, or if an employer continues his business he must continue it as prescribed by the court of arbitration.

I have endeavored to ascertain whether there is any record of these courts in existence in which the court of arbitration has ordered a man to work against his will. I do not find any such instances, although they may exist. There are plenty of instances in which employees have been fined for not working in the way in which the court has declared the work should be carried on.

Mr. BORAH. Mr. President——

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

Mr. BORAH. So far as the Australian law goes and the power of the Government to enforce the decrees, there are instances noted in which parties were punished for violating the decree; that is, for refusing to work they were fined, and in this way compelled to continue at their work.

Mr. CUMMINS. There are instances of that kind in New Zealand. What I had in mind was something in the nature of an injunction, that brought one who disobeyed it into contempt of the court, with a punishment which might continue until the process of the court was obeyed.

For a complete understanding of the New Zealand act it is necessary to inquire into the jurisdiction of the court of arbitration and how it acquires jurisdiction. The board of conciliation, which can only proceed, first, where an industrial agreement provides for the reference of disputes to it; second, where an individual employer or several employers in combination, or an industrial union, trade-union, or association of workers, all of which must be registered, request a reference to the board.

However compulsory the law of New Zealand may be in the execution of the finding or judgment, it is not at all compulsory so far as the jurisdiction of either the board of conciliation or the court of arbitration is concerned. Any organization of labor, any organization of employers, may escape the jurisdiction of the particular board. I am not now including railways.

I have mentioned these provisions of the law because, with one exception, the court of arbitration acquires its jurisdiction solely through a reference by a board of conciliation. The exception relates to the Government-owned railways, and with respect to them it is provided that either the railway commissioners or the Amalgamated Society of Railway Servants may refer industrial controversies arising between them to the court of arbitration. It is compulsory in jurisdiction, therefore, so far as railway employees are concerned.

It will be observed that as to what may be called private industrial disputes the court of arbitration obtains jurisdiction by the voluntary act of one or both of the parties interested and that as to railway disputes it obtains jurisdiction upon the request of the official bureau known as the railway commissioners or upon the request of the Union of Railway Operatives. The judgment or award of the court of arbitration is enforced in the main through a system of penalties imposed, not only upon the union but, in proper cases, upon the members themselves.

It is quite clear that once the court of arbitration secures jurisdiction and makes its finding or renders its judgment, it can coerce, through penalties, and impose obedience to whatever the finding may be.

The act is very elaborate, and I have given simply its prominent features, so far as they pertain to the subject I am discussing. The law does not bring within its operation all industrial controversies, and it is a matter of recent history that strikes have occurred in New Zealand, which could not be controlled through either the boards of conciliation or the court of arbitration. So far as railways are concerned, its compulsion is practically complete.

Without expressing my personal opinion as to the policy of such legislation, it seems to be clear that it could not be adopted in the United States, in view of the constitutional limitation which Congress must respect.

In order that the whole subject may be conveniently studied, I append to my remarks a copy of two good examples of State legislation, namely, Wisconsin and Massachusetts, and also the Federal statute, ordinarily known as the Newlands law; also the Canadian act and the New Zealand act, to which I have just referred.

I am not unfamiliar with the expressions of the Supreme Court of the United States indicating how far the Federal Government or the government of a State may go in curtailing freedom of contract and of personal action, when the public welfare requires it, in such cases as Robertson *v.* Baldwin (165 U. S., 275), Patterson *v.* Bark *Eudora* (190 U. S., 169, 175), Bailey *v.* Alabama (219 U. S., 219, 244), Noble Bank *v.* Haskell (219 U. S., 104, 111), Shallenberger *v.* First State Bank (219 U. S., 114), Schmidinger *v.* Chicago (226 U. S., 578), Crowley *v.* Christiansen (137 U. S., 86, 89), Lawton *v.* Steele (152 U. S., 133, 136), McCulloch *v.* Maryland (4 Wheat., 316, 415).

Nor have I overlooked the decisions in inferior courts, such as Southern California Ry. Co. *v.* Rutherford (62 Fed., 796), Ann Arbor Ry. Co. *v.* Pennsylvania Co. (54 Fed., 746, 756), United States *v.* Debs (64 Fed., 724, 759); but giving the utmost liberality to the application of the principles which have been fairly well established in these and other decisions, it is exceedingly doubtful whether Congress could go to the length of the Canadian law, and it is quite clear that it could not, under the Constitution, enact the restrictions of the New Zealand law.

Nothing that I have said is to be construed as indicating any opposition upon my part to the arbitration of labor disputes. On the contrary, I am not only strongly in favor of the tendency toward arbitration, but I am profoundly convinced that we have made great progress in that direction and that the laws we have, not only in the States but in the Nation, have accomplished great good. They have been productive of the most gratifying results—results which I would be glad to lay before the Senate and the country if it were possible to do so within the limits of the discussion I have proposed.

The Erdman Act, and its amendment, the Newlands Act, have fully justified their existence, for, while there is nothing in them which coerces either employers or employees, the mediation which they authorize and the opportunity for profound and considerate judgment which they present have brought about agreements and arbitration in many controversies which would otherwise have terminated in disastrous disturbance.

The point which I desire to emphasize is that direct compulsory arbitration—that is, a law which not only gives some Government tribunal the authority to take the dispute against the will of either or both the parties to it and decide it, and then to directly enforce the judgment by compelling the employers to

retain the men involved under the prescribed conditions, or to compel the men then working to continue to work for the compensation and under the conditions imposed—is forbidden by the Constitution, is repugnant to the enlightened sense of human liberty, would destroy the entire fabric of organized society, and may be at once dismissed as a solution of the problem before us.

Without advocating it or expressing any opinion upon the justice or wisdom of it—and I now come to the point suggested by the Senator from South Dakota—there is, however, a way in which the effect of compulsory arbitration can be secured.

It is obvious that the individual strike is of no great consequence. There can be no effectual strike without the intervention of a union or an association among the employees. It is the concert of action among them which makes the strike formidable. If workingmen were unorganized and could not move together as a body, while individuals might cease work, there would be no strike problem. The chief object of a union is to combine the strength of all its members. The strike through which the whole membership ceases to work at a given time is the modern weapon with which laborers fight for more wages and better conditions. It is the weapon with which workingmen in modern times have emancipated themselves from the slavery of former years. Without it in some form they would be speedily reduced to their ancient subjection, unless the Government undertakes to enforce their just demands.

It is my deliberate judgment that there is no method for the prevention of strikes by force of law except to deny to workingmen the right of striking in union or in concert; that is to say, to make it unlawful to enter into an agreement or understanding that they will cease to work at a prescribed time and in a body, unless—and, mark you, I emphasize this as I emphasized the former—unless the Government undertakes to enforce their just demands. To do this, which I believe to be within the constitutional authority of Congress, without providing an efficient substitute, is to practically prohibit unions; for while the unions have other and notable functions, if they are deprived of their right to quit work in a body as the outcome of an understanding or agreement, they will be shorn of their real power, and will rapidly become mere benevolent societies.

I for one am unalterably opposed to any such legislation, unless it is accompanied with sure relief from injustice.

The industrial peace which might be attained by taking away from the workingman the only weapon with which he can fight, would, in the end, inflict graver consequences upon the country than we ever have experienced or ever will experience through any strike, however general or however perilous.

I can not believe, therefore, that Congress will ever broadly and absolutly make it a crime for union men to strike in concert. There are some misinformed people who believe, apparently, that it was the act of 1915, generally known as the Clayton law, which permits members of labor unions to strike in pursuance of an understanding or agreement, but this is not so, for the Supreme Court of the United States had theretofore repeatedly held that a union strike, peacefully begun and peacefully carried out, was not an offense against the antitrust law.

I have said that while constitutional, Congress would never make it a crime for workingmen to strike in concert through prearrangement under any and all circumstances. There is, however, another phase of the subject which is well within our power and which deserves consideration. It is contended that a modified or partial restriction of the right to strike in a combined way would make for industrial peace, and at the same time would not unduly infringe upon personal liberty. It has been frequently urged that with or without the consent of employers and employees the Government should assume jurisdiction through a proper tribunal of disputes between organized employees acting through representatives and employers; that the tribunal should proceed, after due notice and hearing, to determine what each side ought to do; that until the award or judgment, and for a reasonable time thereafter, it should be unlawful for the members of the union to combine in order to bring about a strike or for the employers to establish what is called a lockout in order to bring the employees to terms.

The theory of those who advocate a law of this character is that the investigation and decree of an impartial tribunal would, in a great majority of instances, enforce itself through popular sympathy and public opinion. They think that if all combination looking toward the strike or lockout can be prevented until there is a full inquiry and an unprejudiced decision, a subsequent combination for a strike or a subsequent lockout will rarely occur.

This is the general basis for the Canadian act. While we could not reach the end in the way in which the Dominion of Canada has reached it, and answering the question of the Senator from South Dakota [Mr. STERLING], I have little doubt that it is within our power to make unlawful a combination of employees looking to a strike in concert. We could not simply make it unlawful to strike. All that we could possibly make unlawful would be the combination or the conspiracy to strike. I assert no unqualified opinion upon that point; but if we can approach the Canadian procedure, that is the way in my judgment in which we must approach it.

There are other students of the subject who insist that when the Government has undertaken to settle the rights of parties to such a dispute, and does settle them through an involuntary proceeding such as I have described, that it ought to be made unlawful to combine, either before or after the judgment is pronounced.

Their reasoning is something like this: If it is fair to withdraw or take away from union men the right to strike in concert for a limited period while an investigation is in progress—an investigation and report that are intended to influence public opinion, and which it may be assumed will declare the very right of the matter—why should it not be unlawful to combine or conspire together to strike after the Government has ascertained the justice of the controversy and published it and provides for carrying it into effect?

Mr. BORAH. Mr. President——

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

Mr. BORAH. Purely as a constitutional question, if we could pass a law upon the basis of the Canadian law, making it an offense to strike during the pendency of the investigation, upon what constitutional principle would we be inhibited from passing a law making it an offense to strike during the life of the judgment or decree which was rendered?

Mr. CUMMINS. None whatever. It is quite as constitutional to make it unlawful to combine for the purposes of a strike after the award is made as it would be constitutional to prohibit it before, of course. I think myself it would be much more logical. However, that is treading upon ground that is very controversial and which I did not intend to consider at this time.

Mr. BORAH. It is controversial, and I do not desire to break the continuity of the Senator's argument; but it does seem to me that it is a question which we will have to meet in this situation. That is to say, if we have the constitutional power in one instance, certainly we have it in the other, and the wisdom of exercising it in one instance is just as great, in my judgment, as in the other. That is, if we are going to exercise it at all, it should be exercised effectively. Personally, I do not think it exists at all.

Mr. SMITH of Georgia. Mr. President——

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

Mr. SMITH of Georgia. I wish to ask the Senator, if we have this power to prevent a strike, would it not equally exist to bring a strike to an end—to prohibit the continuation of a strike?

Mr. CUMMINS. Mr. President, I have not the same confidence in public opinion and its effect upon parties to a controversy that many people seem to have. I have never seen anything like a consolidated or unanimous public opinion upon a subject of this kind. After the board has investigated and reported what should be done, there will be just as much difference of opinion respecting the real justice and right of the matter as there was before. There will be partisans who will insist upon the prejudice or ignorance of the board; there will be partisans who will reason in a different way upon the facts which the board or court shall develop. My own judgment is that if we had the power and if we thought it wise to adopt the Canadian act, word for word, instead of composing labor disputes, and instead of preventing strikes, the whole tendency would be to inflame the people of the country who are directly interested, and to promote just such strikes as we are now endeavoring to avert.

Mr. SMITH of Georgia. Mr. President, I do not think the Senator understood my question. My question was this: If the power to prevent a strike exists, then, even though a strike had been inaugurated, would not the power equally exist to pass legislation which would compel a desistence of the strike?

Mr. CUMMINS. That presents an entirely different question. I do not think the two things are the same at all. If we can handle the question at all, we must approach it through the combination. We can not interfere with the right of the individual to quit work—to dispose of his time and his energy as he sees fit. The utmost we could do would be to declare certain combinations unlawful. Now, if the combinations have taken place before they are made unlawful, of course we could not reach them through an ex post facto statute.

Mr. STERLING. Mr. President——

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

Mr. STERLING. I should like to ask the Senator from Iowa if the whole matter does not come back to the question of public interest, and to the question whether any man or any combination of men have a right to do that which will be detrimental to the public interest? And if either a strike or a lockout pending negotiations for a settlement or during arbitration proceedings seriously embarrasses or affects the public interest, then may there not be the restraint of the law?

Mr. CUMMINS. Mr. President, I did not rise to discuss with any degree of fullness the constitutionality of these provisions. My effort has been rather to make the question or questions concrete in the minds of Senators and of the public. There will develop, as this matter proceeds, I suspect, the widest difference of opinion as to the constitutionality of any law that may be proposed.

Mr. REED. Mr. President——

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. REED. I think the Senator's contribution to this subject this morning is very valuable. I was compelled to leave the Chamber, being called out during the last few minutes of the Senator's remarks, and if he has covered the question I am about to ask I shall not ask him to answer it. But what remedy or what method has the Senator to suggest? Has he discussed that subject?

Mr. CUMMINS. Mr. President, I have not entered upon that subject at all, nor do I intend to do so at this time. We have before our committee now under consideration various proposals, and I do not intend either to preclude my own mind in advance as to them nor to attempt to forestall the judgment of any Senator with respect to them.

Mr. REED. Will the Senator permit me, then, to trench so far upon his time as to make a very short statement, and then suggest a matter?

The railroad companies have for many years followed the practice, whenever they are in financial difficulty with their bondholders, or whenever they are in difficulty with creditors holding floating debts of the company, of going into the courts and asking that receivers be appointed. Generally these suits are brought by some bondholder who alleges that he has a debt, a contract, which results in a financial obligation; that the road is being mismanaged, or that the road is about to be seized by creditors, to the detriment and injury of the property; that the public has large interests and the property must be kept going, and so forth—the usual allegations with which we are all familiar. Thereupon sometimes in friendly suits, sometimes in actions that are really adversary, a receiver is appointed. The court takes the property and proceeds to manage it. After a time, when the difficulties have been passed, it turns the property back. It sometimes sells the property to satisfy obligations. As the basis of all this circumstance lies the idea that there is a contractual obligation between the road and somebody that is being interfered with.

Now, the Government has contracts with substantially every railroad in the United States to carry its mails. It also employs the railroads in the shipment of large supplies to its Army, to its Navy, and to all those points where the business of the Government makes it necessary to move freights. It also has a lively interest in the transportation of troops. Those matters at least in part rest upon contracts which are now existing. In addition to that, there is of course the great interest of the public, and I might almost say the question of the preservation of the peace is involved.

Why has not Congress the right to pass a statute providing that whenever the Attorney General of the United States shall file in a court of proper jurisdiction a petition alleging that the Government has these contracts with the railroad companies; that they are about to permit their violation by failing to operate their trains; that this is a voluntary act on the part of the companies from which they can escape by the mere expenditure of an additional sum of money; that the entire business of the country is dependent upon these lines of transportation, and so forth, bottoming the case upon our contracts, and the willful violation by the proprietors of the roads, followed with the further allegation that our damage and injury is irremediable, that it can not be compensated in money judgment, and, under those circumstances and those facts being made to appear, the court can appoint a receiver or receivers for one or more of the roads?

Mr. CUMMINS. Mr. President, the suggestion of the Senator from Missouri, however sound and well worthy of consideration, is not within the scope of the argument I am endeavoring to make. My purpose was to review as well as I could the subject of compulsory arbitration, so called, or the power of the Government to deal with the men who are involved in a union strike.

All such plans may be within our constitutional authority, and at this time I express neither approval nor disapproval of their wisdom or policy. To do so would involve me in an argument in which I do not intend to indulge under the circumstances which surround the Senate, for there is much to be said both for and against regulation along the line of the above suggestions. One thought, however, should be constantly borne in mind: Industrial peace is exceedingly desirable, just as peace between nations is the ideal condition of mankind. Notwithstanding our devotion to peace, we all recognize that it may cost too much. The doctrine of peace at any price is as fatal in commerce and industry as it is in the relations of the Governments of the earth.

It is apparent that these disputes which so vitally affect the whole body of the people should be settled, if possible, by an impartial tribunal, and I do not think of it as an arbitration; I think of it as a court, composed of men of the highest character and greatest attainments; a court composed wholly of members who have no possible interest in the controversy, and who have the same sense of high responsibility which we expect of men chosen to exercise the judicial office. It must be composed of men in whom the entire country has confidence, of humanitarians who are looking constantly for the true pathway to a better civilization. If we can secure such a court, the strike, in concert or combination, may, for a time and in a degree, be subordinated to its judgments.

The most imperative task of the present time is to search our consciences and ascertain whether we are willing to establish such a tribunal. If we are ready for this duty, further legislation may be wise. If we are not ready for it, we must endure the hardships and sufferings which fall upon us until we are prepared.

The whole heart of the great controversy is in the immense difficulty we encounter in creating a tribunal which will do justice between the men who operate railways and the men who own railways. We have never so far as I know been able to even suggest the composition of any tribunal in whom the people, and especially those who are vitally interested, would have that implicit confidence necessary to make their awards binding in conscience as well as in the law.

Looking at the present situation we might just as well face it with courage and resolution. We might just as well understand that unless we are able to create a court or a tribunal of whom it will be true that it will judge fairly, honestly, humanely between employers and employees, there can be no legislation which will have even a tendency to avert strikes in concert.

If you will examine, if you will search and probe the question you will finally come to that one high vital necessity. Do you know how a tribunal of that kind can be composed? I am not suggesting that it is impossible to do it; I believe it is possible to do it; but, Senators, have you reflected upon the subject sufficiently to be willing to suggest a plan for the creation of such a tribunal? There will be no peace, there can be no peace, until that problem finds its solution.

Mr. LEWIS. Mr. President——

Mr. CUMMINS. It would be inhuman, it would be intolerable to take away, if we can, the right of men to strike in concert in order to sustain their demands for higher wages and better conditions unless we can offer these men a tribunal for the settlement of their controversies which will command the same confidence that the courts of the United States command among those who must resort to them for arbitrament. I yield to the Senator from Illinois.

Mr. LEWIS. In response to the able Senator's suggestion whether any Senator has a remedy, I suggest to the Senator I have tendered a measure enlarging the scope of the Interstate Commerce Commission and vesting in the Interstate Commerce Commission the right to hear any disputes or any grievances concerning the wages of employees and disputes with employers to the same extent that they have jurisdiction to settle the matter of freight rates between shippers and carriers and dividing the Interstate Commerce Commission into sections so that they may be nearer to the people. I ask the able Senator does he not think that forum one as potent to execute judgment and justice between employers and carriers as it is to-day in the rates of shipment between shippers and carriers, and that that is a method which is adaptable for both parties to the controversy?

Mr. CUMMINS. I find myself differing evidently with the Senator from Illinois, for while I hold the Interstate Commerce Commision in the highest regard, I think of all the bodies we have created by law or could create by law the Interstate Commerce Commission is the most unavailable body to pass on the question I have been discussing. In the first place, its duties

as between railways and those who employ the service of railways are radically unlike the duties suggested by the Senator from Illinois. Moreover, a body of men that is to pass upon the disputes between laborers and employers ought not to be permanent; it ought to be created for the particular controversy. There may be some difference of judgment about that. Such is my opinion, however, for the qualities of mind, the training of mind, the experience and knowledge which might be imperatively required in one case might not qualify in another, and a board composed for the settlement of this railway dispute might be not at all adequate for the settlement of some other dispute which may arise between employers and employees.

Mr. BORAH and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Iowa yield, and if so, to whom?

Mr. CUMMINS. I yield to the Senator from Idaho first. I think he rose first.

Mr. BORAH. Any board or tribunal organized for the purpose of settling labor disputes would have to have one safeguard thrown around it which the Interstate Commerce Commission has not. I do not suggest here and now how it should be done, but it would certainly have to be achieved in some way, and that is to prevent the pressure of political influence upon the *body at the time* it was dealing with a particular hearing. The last remarkable exhibition of that kind toward the Interstate Commerce Commission, with reference to the 5 per cent rate case, disclosed beyond question that even as great a tribunal as that yields to such pressure and influence, and it even founded its opinion upon propositions not founded in the statute. It is a mistake to leave any body of men discharging a quasi judicial duty open to such shameless influence as was exerted in the 5 per cent case.

Mr. CUMMINS. I now yield to the Senator from Nebraska.

Mr. NORRIS. I wanted to ask the Senator from Iowa if he has any doubt about the constitutional right of Congress to give to the tribunal he has been describing the right to fix the wages and regulate the hours of employment not only of the employees but of the officials of the various interstate railroads?

Mr. CUMMINS. I have very grave doubt about it.

I must be permitted to express one further thought, lest it may be said that I tolerate the disorder which sometimes attends the strike.

When men quit work in a body, they ought to recognize that every employer has the right to fill their places and proceed with his business, whatever it may be, in peace and quiet. Just as I believe that until we can substitute something fair and efficient for the strike that men have an inalienable right to strike in union, so I believe that the employer has the right to hire others for the work he is pursuing, without the least interference on the part of those who have abandoned the employment. This applies with increased emphasis to the functions of the Government, such as the transmission of mails and the like.

Passing from the subject of compulsory arbitration, I turn my attention for a moment to other legislation within the authority of Congress, which might have a tendency to prevent union strikes.

Undoubtedly Congress could prescribe maximum hours of work upon railways engaged in interstate commerce. It is clear, however, that if this were done there would still be wide opportunity for disputes between employers and employees.

Mr. NORRIS. The Senator is now discussing the question somewhat, and I wish to ask him if he doubts that Congress would have the constitutional right to fix the compensation as well as the hours?

Mr. CUMMINS. I am coming to that.

Mr. NORRIS. All right; I will not interrupt the Senator.

Mr. CUMMINS. Unquestionably Congress has authority to prescribe both minimum and maximum wages to be paid by such railway companies. It is true that regulation of this character might sometimes be overthrown in the courts if challenged as unreasonable or arbitrary, because there is no well-established standard for compensation in the various occupations of life.

Now, I answer the former question of the Senator from Nebraska. It is to be doubted whether Congress could confer upon a commission or tribunal of any kind the power to fix wages, for the reason just given. It would be found well-nigh impossible to give to a commission or tribunal a rule of sufficient certainty to bring the delegation of the power within the accepted principles of the law.

Our civilization has so far advanced that we have definite ideas with respect to hours of labor. We have already legislated upon the subject, but the maximum time of continuous service is so great that the regulation is of little value.

I have no doubt that Congress will speedily turn its attention to the matter and that a provision better adapted to secure safety in railway operation and the well-being of railway operatives will be enacted. It may be that it would be wise to establish minimum wages, but when the variety of employment and the difference in ability and skill required to perform the several tasks of railway operation are considered, the immense difficulty of the undertaking is at once apparent. When we advance toward the establishment of maximum compensation these difficulties are infinitely multiplied, and I look upon any attempt to restrict the freedom of contract in this respect—that is, maximum compensation—as doomed to complete and immediate failure.

Mr. NORRIS. Mr. President——

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

Mr. CUMMINS. I yield.

Mr. NORRIS. Does the Senator think there is any greater constitutional authority conferred upon such a tribunal as he has been describing to fix, not necessarily the maximum and minimum, but the absolute compensation of various kinds of employees than there is conferred upon the same tribunal the right to fix a rate that shall be charged, of which the salaries of all the employees and officials must be one of the component parts?

Mr. CUMMINS. There is a little difference in the constitutional authority. From time immemorial the standard which is applied to test the validity of a rate imposed by a common carrier has been known theoretically at least. When we created the Interstate Commerce Commission we gave to that commission the standard which had been for centuries the law with regard to the transportation of persons and property by common carriers, and the courts have held that that is a sufficiently definite standard to warrant the delegation of power which the interstate-commerce law involves.

Now, mark you, I am not speaking of Congress; but when Congress would attempt to delegate the power to fix wages, what is the standard, what is the rule? What is to determine whether a man ought to be paid $2 a day or $5 a day or $10 a day? I do not know of any standard at all.

Mr. BORAH. Would the phrase "a fair and reasonable wage" be any more definite or less definite than "unfair competition" or "a reasonable rate?

Mr. CUMMINS. I think it would be very much less definite. Both unfair competition and reasonable rates for the carriage of persons or property have become fairly well established. But it is not necessary for me to argue the matter. If the power exists, it is to be exercised through regulation and is not involved in the subject I am discussing. You can not compel a man to work for any wage that the commission may fix.

Mr. NORRIS. Mr. President——

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

Mr. CUMMINS. I yield.

Mr. NORRIS. I concede the point the Senator has made. It was not the object of my question to contest that, but I was wondering if the board or tribunal, or whatever it is the Senator has been describing, has the authority to fix a rate and a part of that rate is made up of the salaries that the president of a road draws and the brakemen draw, that being a part of the rate that it is considered they have the constitutional right to fix, and we have the constitutional right to provide, if we define it as we did in the power to fix the rate, that the salaries of all the employees and officials should be reasonable, that being a part of the rate, why could they not fix those rates; and when they were fixed would they not partake much of the same as a governmental position, and a strike would probably be unknown in regard to it if they controlled the entire situation?

Mr. CUMMINS. If the Senator from Nebraska will reflect, he will, I think, agree with me that there are two senses in which the power to fix wages may be delegated; that is, there are two standards or tests that will be applied to determine the validity of any such legislation. But what I have said is that I do not believe we could delegate to a commission the authority to fix a wage and prosecute a man who refused to work for it or prosecute a railway company if it refused to pay it. But we can create a commission or a tribunal, a court, that will have jurisdiction to determine all disputes between railway companies and employees, and I think all things that pertain to the management and conduct of the railways, and provide that the right to strike in concert shall be suspended until that award or that report is made. I have connected those two things together, and, as the Senator from Nebraska will observe——

Mr. NORRIS. The Senator makes one mistake in his last statement in regard to any such tribunal having power to fix the salary of an official when he says that we could not compel anybody to work for it and we could not compel the railroad companies to pay it. We bear a different relation, as I understand it, under the Constitution to the railroad company than we do to the employee. We can regulate them to a greater extent than we can the man who is working.

Mr. CUMMINS. I think possibly I have misapprehended the view of the Senator from Nebraska. I supposed that he was addressing his question to me with reference to something that could be done to avert a strike. That is the subject I am discussing.

Mr. NORRIS. That was the object of my inquiry, and I was seeking information only. I am not asking my question in any critical sense.

Mr. CUMMINS. I know it, and I do not——

Mr. NORRIS. It seems to me if we did what I have suggested we would practically place all these positions on the same basis as Government positions, so far as men working for the Government are concerned. We could not prohibit the man, neither would I want to prohibit the man, from quitting if he wanted to quit at any time, but I do not believe the Senator doubts that if Congress desired it could pass a law which would provide, for instance, that any of these interstate railroads should not pay a salary to the president nor to a conductor above a certain amount mentioned—that an official should get a certain salary.

Mr. CUMMINS. I am not prepared to assert that. I am very sure that if they pay exorbitant salaries Congress has power to declare that they shall not be reflected in the charge for service.

Mr. NORRIS. It is a part of the rate. Nobody contests that, whether it is a brakeman's salary or the president's salary.

Mr. McCUMBER. The Senator from Nebraska is talking about the system of regulating railways. I am talking about industrial disputes which arise between employers and employees.

Mr. NORRIS. Does not the Senator think if such a system were enacted as a law the danger of strikes would at once disappear?

Mr. CUMMINS. Oh, no; I think that the railway men have much more concern about what they themselves get than what the president of the company gets.

Mr. NORRIS. But I am including what the railroad men get as well as the president. I am only putting them together because they are both employees of the road. If we can control one we can control the other.

Mr. CUMMINS. I think it would have some effect in composing the situation, but that has nothing to do with disputes which arise between railway employees : nd their employers, and my remarks were limited entirely to controversies of that sort.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I yield.

Mr. McCUMBER. The Senator has indicated in his remarks the grave difficulty in securing a board in which the public itself would have confidence and in which the railway officials would have confidence as well as the labor unions. The Senator has also indicated that several bills are now before the committee. So far the Senator has discussed only two parties to this controversy, the railway companies and the employees. There is a third party, the public, which is vitally interested in the wages paid to employees and also vitally interested in the charges that are made for carriage of passengers and freight. The Senator will recall that some years ago we had an arbitration of the coal strike. That matter was settled and it was settled in an increase of wages. I am not saying that the wages should not have been increased, but immediately 75 cents more a ton for coal was loaded upon the public.

I am not prepared to say that that was just. I simply suggest it as indicating that the public are deeply interested, and any board, it seems to me, if we are to have confidence in it, should represent the public interest as well as the interest of the contestants.

Mr. CUMMINS. Mr. President, the Senator from North Dakota is wholly right. The public is really the principal party in interest; and any adjustment that a governmental tribunal may make with regard to the relations of employers and employees must and ought to take into consideration the paramount right of the public, for in the end the increase in the expenses of the operation of railways will be reflected in the charges which the railway companies make for the service they render; and it would be in the last degree unjust and intolerable for the railway operatives to receive more than fair compensation and then allow the railway companies to pass that burden to those who must ultimately "pay the freight." These men have as deep an interest in the controversy as any others who may be involved in it.

Mr. McCUMBER. And therefore the Senator would agree that under any system of arbitration the interest of the people generally ought to be subserved in the appointment of some one who would look after their interests?

Mr. CUMMINS. I have not reached a settled conclusion with regard to the best way of creating a tribunal of that sort; but, to say the very least, it ought to be composed of men, all of whom are disinterested, who are public servants in just the sense that the judges of the Supreme Court of the United States are public servants. It ought to be composed of members, I think, appointed by the President of the United States and confirmed by the Senate, so that there will be some certainty that the tribunal will not only be qualified for the task that it undertakes, but that it will also command the respect and confidence of all the people.

APPENDIX.

EXHIBIT V.

WISCONSIN ARBITRATION LAW, AS AMENDED 1897.

CHAPTER 364.

An act to provide for a State board of arbitration and conciliation for the settlement of differences between employers and their employees

The people of the State of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. The governor of the State shall within 60 days after the passage and publication of this act appoint three competent persons in the manner hereinafter provided to serve as a State board of arbitration and conciliation. One of such board shall be an employer, or selected from some association representing employers of labor; one shall be selected from some labor organization and not an employer of labor; and the third shall be appointed upon the recommendation of the other two: *Provided, however,* That if the two appointed by the governor as herein provided do not agree upon the third member of such board at the expiration of 30 days, the governor shall appoint such third member. The members of said board shall hold office for the term of two years and until their successors are appointed. If a vacancy occurs at any time the governor shall appoint a member of such board to serve out the unexpired term, and he may remove any member of said board. Each member of such board shall before entering upon the duties of his office be sworn to support the Constitution of the United States, the constitution of the State of Wisconsin, and to faithfully discharge the duties of his office. Said board shall at once organize by the choice of one of their number as chairman and another as secretary. All requests and communications intended for said board may be addressed to the governor at Madison, who shall at once refer the same to the said board for their action.

SEC. 2. Said board shall as soon as possible after its organization establish such rules of procedure as shall be approved by the governor and attorney general.

SEC. 3. Whenever any controversy or difference not the subject of litigation in the courts of this State exists between an employer, whether an individual, copartnership or corporation, and his employees, if at the time he employs not less than 25 persons in the same general line of business in any city, village, or town of this State, said board may, without any application therefor, and upon application as hereinafter provided, and as soon as practicable thereafter, shall visit the locality of the dispute and make careful inquiry into the cause thereof, hear all persons interested therein who may come before them, advise the respective parties what, if anything, should be done or submitted to by either or both to adjust said dispute, and make a written decision thereof. This decision shall at once be made public, shall be published in two or more newspapers published in the locality of such dispute, shall be recorded upon proper books of record to be kept by the secretary of said board, and a succinct statement thereof published in the annual report hereinafter provided for, and said board shall cause a copy of such decision to be filed with the clerk of the city, village, or town where said business is carried on.

SEC. 4. Said application shall be signed by said employer, or by a majority of his employees in the department of the business in which the controversy or difference exists, or their duly authorized agent, or by both parties, and shall contain a concise statement of the grievances complained of and a promise and agreement to continue in business or at work without any lockout or strike until the decision of said board: *Provided, however,* That said board shall render its decision within 30 days after the date of filing such application. As soon as may be after the receipt of said application the secretary of said board shall cause public notice to be given of the time and place for the hearing thereof; but public notice need not be given when both parties to the controversy join in the application and request in writing that no public notice be given. When notice has been given as aforesaid the board may in its discretion appoint two expert assistants to the board, one to be nominated by each of the parties to the controversy: *Provided,* That nothing in this act shall be construed to prevent the board from appointing such other additional expert assistants as they may deem necessary. Such expert assistants shall be sworn to the faithful discharge of their duty, such oath to be administered by any member of the board. Should the petitioner, or petitioners, fail to perform the promise and agreement made in said application, the board shall proceed no further thereupon without the written consent of the adverse party. The board shall have power to subpœna as witnesses any operative in the departments of business affected by the matter in controversy, and any person who keeps the records of wages earned in such departments, and to examine them under oath, and to require the production of books containing the record of wages paid. Subpœnas may be signed and oaths administered by any member of the board.

SEC. 5. The decision of the board herein provided for shall be open to public inspection, shall be published in a biennial report to be made

to the governor of the State with such recommendations as the board may deem proper, and shall be printed and distributed according to the provisions governing the printing and distribution of other State reports.

SEC. 6. Said decision shall be binding upon the parties who join in said application for six months, or until either party has given the other notice in writing of his intention not to be bound by such decision from and after the expiration of 60 days from the date of said notice. Said notice may be given by serving the same upon the employers or his representative, and by serving the same upon the employees by posting the same in three conspicuous places in the shop, factory, yard, or upon the premises where they work.

SEC. 7. The parties to any controversy or difference as described in section 3 of this act may submit the matters in dispute in writing to a local board of arbitration and conciliation; said board may either be mutually agreed upon or the employer may designate one of such arbitrators, the employers or their duly authorized agent another, and the two arbitrators so designated may choose a third, who shall be chairman of such local board; such board shall in respect to the matters referred to it have and exercise all the powers which the State board might have and exercise, and its decision shall have such binding effect as may be agreed upon by the parties to the controversy in the written submission. The jurisdiction of such local board shall be exclusive in respect to the matters submitted to it, but it may ask and receive the advice and assistance of the State board. Such local board shall render its decision in writing within 10 days after the close of any hearing held by it, and shall file a copy thereof with the secretary of the State board. Each of such local arbitrators shall be entitled to receive from the treasurer of the city, village, or town in which the controversy or difference that is the subject of arbitration exists, if such payment is approved in writing by the mayor of such city, the board of trustees of such village or the town board of such town the sum of $3 for each day of actual service not exceeding 10 days for any one arbitration.

SEC. 8. Whenever it is made to appear to the mayor of a city, the village board of a village, or the town board of a town, that a strike or a lockout such as is described in section 9 of this act is seriously threatened or actually occurs, the mayor of such city, or the village board of such village, or the town board of such town, shall at once notify the State board of such facts, together with such information as may be available.

SEC. 9. Whenever it shall come to the knowledge of the State board by notice as herein provided, or otherwise, that a strike or lockout is seriously threatened, or has actually occurred, which threats to or does involve the business interests of any city, village, or town of this State, it shall be the duty of the State board to investigate the same as soon as may be and endeavor by mediation to effect an amicable settlement between the employer and employees, and to endeavor to persuade them, provided a strike or lockout has not actually occurred or is not then continuing, to submit the matters in dispute to a local board of arbitration and conciliation as herein provided for, or to the State board. Said State board may, if it deems it advisable, investigate the cause or causes of such controversy, ascertain which party thereto is mainly responsible or blameworthy for the existence or continuance of the same and may make and publish a report finding such cause or causes and assigning such responsibility or blame.

SEC. 10. Witnesses subpœnaed by the State board shall be allowed for their attendance and travel the same fees as are allowed to witnesses in the circuit courts of this State. Each witness shall certify in writing the amount of his travel and attendance, and the amount due him upon approval by the board shall be paid out of the State treasury.

SEC. 11. The members of the State board shall receive the actual and necessary expenses incurred by them in the performance of their duties under this act, and the further sum of $5 a day each for the number of days actually and necessarily spent by them, the same to be paid out of the State treasury.

SEC. 12. This act shall take effect and be in force from and after its passage and publication.

Approved April 17, 1897.

ARBITRATION LAWS.

State boards of mediation and arbitration were established in New York and Massachusetts in 1886; those States being the first to try official mediation and arbitration as a means of adjusting disputes between employers and employees. Since then similar boards have been established in California, Connecticut, Illinois, Louisiana, Minnesota, Montana, New Jersey, and Ohio. An act of the Legislature of the State of Michigan, approved July 3, 1889, authorized the governor of that State to appoint a State board of mediation and arbitration, but the law is inoperative because the governor has failed to exercise such authority. The constitution of Utah, which was admitted to the Union as a sovereign State on January 4, 1896, directs the legislature to provide by law for a board of labor, conciliation, and arbitration. The law creating the bureau of labor statistics of the State of Colorado provides that when differences arise between employer and employees, threatening to result or resulting in a strike or lockout, it shall be the duty of the commissioner to mediate between the parties to the controversy, if either party request his intervention. Similar powers are conferred upon the commissioners of labor statistics of the States of Missouri and Nebraska, and they are also authorized, under certain circumstances, to form local boards of arbitration. The laws of Iowa, Kansas, Maryland, and Pennsylvania simply authorize the courts to appoint tribunals of voluntary arbitration when the parties to labor disputes petition for or consent to their appointment; the jurisdiction of such tribunals being limited to the county or portion of the State in which the dispute may arise. The parties to such controversies have seldom, if ever, availed themselves of the provisions of such laws, in States in which there are no regularly constituted boards of arbitration.

—

COMMONWEALTH OF MASSACHUSETTS, 1902.

An act to establish an industrial court for the administration of industrial justice between corporations and their employees.

Be it enacted by the senate and house of representatives in general court assembled, and by the authority of the same, as follows:

INDUSTRIAL COURT ESTABLISHED.

SECTION 1. A court to be called the industrial court is hereby established to administer industrial justice between corporations doing business in the Commonwealth, whether foreign or domestic corporations, and their employees, whether resident or nonresident in the Commonwealth.

The industrial court shall be composed of a chief justice, whose salary shall be ——— dollars per year, and two associate judges whose salary shall be ——— dollars per year each; all of whom shall be appointed, and any vacancies filled, in the manner provided by the constitution.

The industrial court shall be a court of record, and shall cause to be made a seal, and to be sealed therewith all orders, processes, and papers made by or proceeding from the court and requiring a seal. All notices, orders, and processes of said court may run into any county and be returnable as the court may direct. Citations, orders of notice, and all other processes issuing from the court shall bear test of the chief justice and be under the seal of the court and signed by the clerk.

The industrial court may appoint a clerk, a stenographer, and such other assistants, and upon such salaries, as may be approved by the governor and council.

The industrial court shall hold its sittings in Boston, but may adjourn from time to time to such other places as the public service may require. In the county of Suffolk the board of aldermen of the city of Boston, and in other counties the county commissioners, shall provide suitable rooms for the sittings of the court, and shall provide all necessary books and such printed blanks and stationery as may be ordered by the court.

Upon the request of the industrial court, or of any justice thereof, the sheriff of any county shall assign one or more deputies to attend the sittings of the court in that county.

INDUSTRIAL AGREEMENTS.

SEC. 2. A corporation and 10 or more of its employees may enter into an industrial agreement under this act for a term not less than six months, nor more than 2 years, fixing wages and other terms of employment not contrary to law, which industrial agreement may be filed in the principal office of the industrial court at Boston at any time after execution; and, if it be approved by the industrial court, it shall be recorded and indexed in a book kept by the clerk for that purpose.

No party to an industrial agreement which has been approved by the industrial court shall, while the agreement remains in force, petition the industrial court under the other sections of this act, with respect to the opposite party or parties.

If the industrial agreement be signed by a corporation, and by three-quarters at least of its employees in the Commonwealth, and be approved by the industrial court, no subsequent petition by the employees under the other sections of this act shall be entertained or decided by the industrial court so long as the agreement remains in force and is signed by said number of employees. Two or more agreements between the same corporation and its employees may be filed and approved, and the total number of employees who are parties to all the agreements shall be counted in deciding whether or not three-quarters of the employees have signed the agreement; but no individual shall be counted more than once.

The industrial court may approve or disapprove an industrial agreement, and may suggest such changes and alterations therein as it deems proper.

Before approving an industrial agreement the industrial court shall investigate the facts, and may enter and view the premises of the corporation in question and interrogate any of the officers, agents, or employees of said corporation.

In determining whether or not the wages and hours stated in the industrial agreement are fair, reasonable, and proper, the industrial court shall be controlled by the tests, matters, and considerations prescribed in section 5 of this act.

Disputes and controversies relating to the meaning or construction of the industrial agreement for the future action or conduct of the parties shall be heard and finally decided by the industrial court in such manner as it may determine by rules and regulations approved by the supreme judicial court or a justice thereof.

Disputes and controversies arising out of the past action or conduct of the parties under an industrial agreement shall be heard and decided by the superior court, with a right of appeal to the supreme judicial court for the Commonwealth.

JURISDICTION AND POWERS.

SEC. 3. The industrial court shall have jurisdiction throughout the Commonwealth, and, when an industrial dispute exists between a corporation and 10 or more of its employees whose sole or principal work is hand labor and who are engaged in the same kind or class or grade of work, the industrial court shall have the power—

First. To decide what shall be the minimum wage for the work performed by the employees before the court, and to enjoin the corporation before the court from paying a lower wage to any of its employees doing work of the same kind, quantity, and quality as the work performed by the employees before the court for a reasonable time in the future not exceeding two years;

Second. To decide what shall be the maximum workday for the employees before the court, and to enjoin the corporation before the court from requiring a longer workday from any of its employees doing work of the same kind, quantity, and quality as the work performed by the employees before the court for a reasonable time in the future not exceeding two years, except in cases where the legislature has fixed a maximum work time;

Third. To recommend the adoption by the parties before the court of other matters pertaining to employment, such as the services of union or nonunion workers, the time of beginning and ending work, the time and mode of payment, and the like, except where the legislature has regulated the matter.

OTHER POWERS OF INDUSTRIAL COURT.

SEC. 4. The industrial court shall also have the power—

First. To make general rules and forms for procedure from time to time, to take effect upon the approval of the supreme judicial court or a justice thereof.

Second. To issue citations, subpœnas, orders of notice, and all other processes necessary for carrying into effect the provisions of this act.

Third. To hear the parties to the dispute; to compel the attendance of witnesses; to issue commissions for taking testimony; to order the production of books, papers, and documents relevant to the questions before the court; to administer oaths and affirmations.

Fourth. To cause its decisions and recommendations, together with its reasons therefor, to be published in one or more newspapers having a general circulation in the vicinity of the dispute.

Fifth. To grant rehearings and bills of review; and in general the industrial court may do any and every thing or matter necessary to give full effect to the terms and provisions of this act, in accordance with the law and practice of superior courts of record, unless otherwise provided by this act.

TESTS OF FAIR WAGES AND FAIR HOURS.

SEC. 5. In determining the minimum wage the industrial court shall, as far as practicable, regard the capital and labor employed in the corporate business as a partnership, in which each partner shall be entitled to share in the joint product in proportion to the industrial value contributed by that partner toward the whole value of the product, and shall endeavor to preserve the American standard of living, and to secure to labor its fair participation in the increasing productivity of labor rendered possible by the advance of science and invention and machinery.

The industrial court may also consider the past and present business and future prospects for business of the corporation in question; the existence or nonexistence of foreign competition; the increasing or decreasing purchasing power of the dollar; the cost of living in the locality according to the American standard of living, and any other matters tending to show what wages are fair, just, and reasonable.

In determining the maximum workday the industrial court shall take into consideration the effect upon the health, welfare, or safety of the employees caused by working under the conditions of employment furnished by the corporation in question, and any other matters tending to show how many hours of labor are best adapted to the existing conditions.

PROHIBITED POWERS.

SEC. 6. The industrial court shall not have the power to compel employees to work, nor to punish them for refusing to work for any cause, or for working for any person or corporation, or at such wages or hours as they prefer, nor to issue injunctions against workmen.

The industrial court shall not have the power to compel corporations or capitalists or individuals to carry on business or works of any kind, nor to punish them for refusing to do so for any cause, or for employing such workers as are willing to work for them, nor to issue injunctions against them, except as provided in section 3 of this act.

THE PETITION.

SEC. 7. The proceedings shall be instituted by petition addressed to the industrial court, and shall be filed in the principal office of the industrial court at Boston within three months after a strike or lockout arises, or other industrial disturbance or dispute occurs.

The petition shall be brought by or on behalf of—

First. Ten or more employees of the same corporation whose sole or principal work is hand labor, and 10 of whom at least are engaged in the same kind or class or grade of work; or by

Second. The corporate employer, acting through its president or board of directors; or by

Third. The governor of the Commonwealth or the mayor of the city or the selectmen of the town in which the industrial dispute exists.

If the aggrieved employees are members of any labor union or association duly organized under the laws of the Commonwealth, the names of such employees need not be disclosed in the petition, nor until the hearing of the dispute, if the president or secretary of such labor union or association certifies under oath that 10 or more members of such labor union or association have authorized him in writing to act on their behalf, in which case the president or secretary may sign the petition on their behalf, stating his official character and the number of employees that he represents, and the kind or class or grade of work performed by each employee, and such certificate shall be filed with the petition.

The jurisdiction of the industrial court shall not be ousted or defeated by the discharge or lockout of the employees after the industrial dispute arises, if the petition be brought within four weeks after the discharge or lockout occurs.

The petition shall state the names and post-office addresses of all the parties, so far as known, and shall state the cause or causes of the dispute, and the kind of work performed by each employee, and other matters, in accordance with the rules and forms adopted by the industrial court.

As soon as may be after the filing of said petition the clerk of the industrial court shall give notice in writing to all the parties by mail or by publication in a newspaper, appointing a time and place for a hearing before the industrial court, and the clerk's certificate that he has given notice by mail or by publication, as directed by the court, shall be filed in the case before the hearing, and shall be conclusive proof of the facts stated therein.

In addition to notice by mail or by publication, the petitioners shall cause a citation from the court to be served upon each respondent named in the petition by an officer qualified by law to serve legal process three days at least before the day set for the hearing.

When the petition is brought by the governor or other public officer named above the citation need not be served upon more than 10 of the employees, and shall be served upon the president, secretary, or other officer of each corporate employer named in the petition.

No petition, however, shall be dismissed on account of insufficient or defective notice or service, but may be continued, and further notice or service made as directed by the industrial court.

If the respondents accept service or notice, or appear at the hearing, or enter an appearance in the proceedings, this shall be sufficient, if the clerk has given notice by mail or by publication as above directed, and no citation need be served upon said respondents.

New parties, either as petitioners or as respondents, may be joined or added to the petition at any time before the final hearing.

The industrial court is hereby authorized in its discretion to decline to hear or to decide and to continue or dismiss a petition brought by employees, if satisfied that the petitioners, or any of them, within three months before the filing of the petition, or during the pendency of the petition, have, first, taken part in a strike; or, second, committed acts of violence; or, third, broken an industrial agreement then in force between the parties.

METHODS OF ENFORCING THE ACT.

SEC. 8. The superior court is hereby given jurisdiction and power to try corporations charged with violating the decisions or the injunctions of the industrial court by paying less than the minimum wage, or by requiring work for a longer time than the maximum workday, established by the industrial court.

The charge shall be made by indictment found, or by information in the name of the attorney general, or by complaint filed in the superior court within and for the county in which the offense is committed, or in which the corporation does business, within three months after the alleged offense is committed.

The accused corporation shall be entitled to a trial by jury in the superior court, and to take an appeal or exceptions on questions of law to the supreme judicial court for the Commonwealth in accordance with the law and practice in criminal cases.

If the corporation be found guilty, the superior court shall impose a fine of not more than $100, if it be the first conviction under this act; of not less than $50 nor more than $500, if it be the second conviction under this act; of not less than $100 nor more than $1,000, if it be the third or subsequent conviction under this act; and if there be repeated or serious or willful violations of the decisions of the industrial court, the superior court may appoint a receiver to take charge of the business, or may prohibit the corporation from doing business in the Commonwealth for a reasonable time not exceeding one year, and for disregarding the orders, judgments, or decrees of the superior court, the superior court may commit the guilty person for contempt, and may impose appropriate fines upon the corporation.

If an industrial agreement be violated by the corporate employer and by a majority of the employees, parties thereto, the industrial court, after a hearing thereon, is hereby authorized to cancel the industrial agreement and to declare that it shall not be binding any longer upon any party; but such action and cancellation by order of the industrial court shall not affect the rights, remedies, or liabilities of any person for breaches of the industrial agreement which occurred before such action or cancellation.

If an industrial agreement be violated by any party or parties thereto, the opposite party or parties, if damaged thereby, may apply to the industrial court to be discharged from further liability to the party or parties alleged to have committed the breach of the industrial agreement, and after a hearing on this matter the industrial court is hereby authorized to discharge or relieve the innocent parties from further liability to the guilty parties; but such action of the industrial court shall not affect the rights, remedies, or liabilities of the parties for breaches of the industrial agreement which occurred before the parties are discharged or relieved of further liability by order of the industrial court.

In all other matters over which the industrial court is given jurisdiction by this act the industrial court may enforce its orders or decisions in the same manner as decrees are enforced in equity in the superior court; but no court shall have power to enforce the recommendations of the industrial court, nor to punish any person or corporation for refusing or neglecting to adopt said recommendations.

APPEALS.

SEC. 9. No appeal from or review of the decisions of the industrial court relating to questions of the reasonableness of the wages or hours fixed by the court shall be allowed, and the decisions of the industrial court upon these questions of fact shall be final and conclusive in all other courts.

Questions of law arising in the industrial court may be taken to the supreme judicial court for the Commonwealth in the manner provided by law for suits in equity in the superior court.

CONTRACTS.

SEC. 10. No contract made in good faith and binding on both sides before the passage of this act shall be subject to the terms or provisions of this act, but all contracts made after the passage of this act shall be subject to its terms and provisions.

All contracts made for the purpose of evading, defeating, or impairing the jurisdiction, powers, or duties of the industrial court, or for waiving or relinquishing the benefit of this act, shall be null and void, and shall be disregarded by the industrial court.

COSTS.

SEC. 11. Costs in the industrial court shall be allowed in the discretion of the industrial court and shall be taxed as in the superior court sitting in equity; but the taxable costs shall not exceed $100 for either side, and no employee shall be liable to pay, nor entitled to receive, more than $10 as costs.

If the petition be brought by the governor of the Commonwealth, or by the mayor of a city, or by the selectmen of a town, no costs shall be allowed.

WITNESSES AND EXPERTS.

SEC. 12. Witnesses before the industrial court shall be summoned in the same way and shall be entitled to the same fees, and shall be subject to the same liabilities and penalties, and in all other respects shall stand upon the same footing as witnesses before the superior court in civil cases.

No witness shall be excused from testifying or from producing books, papers, or documents in his custody, possession, or control upon the ground that his testimony or the contents of said books, papers, or documents would tend to criminate himself; but any witness who, after he has stated said objection to the industrial court, is ordered by the industrial court to answer the questions, and does answer said questions, or to produce such books, papers, or documents, and does produce them, shall be free from subsequent prosecution for the crime or offense committed by said witness and evidenced by his testimony or by said books, papers, or documents, and this act shall constitute a complete and absolute bar and defense to any such prosecution.

When the industrial court considers it advisable it may appoint one or more persons skilled in the business or trade involved in the dispute before the court as experts to assist the court with their technical knowledge.

The fees of said experts shall be fixed by the industrial court, subject to the approval of the governor and council, and shall be paid by the county in which the industrial dispute arises.

Whoever knowingly swears falsely to any statement required to be made under oath by this act shall be guilty of perjury, and liable to the statutory penalties for perjury.

LIMITATIONS OF THE ACT.

SEC. 13. This act shall not apply to charitable or benevolent corporations and their employees, nor to the Commonwealth and its employees, nor to the United States and their employees.

When a receiver, trustee, or other public officer is in charge of the business or affairs of a corporation, the terms of this act shall apply to such officer and his employees.

Any person who or corporation which purchases or leases or takes possession of the property or business or franchise of a corporation with notice of, or with reasonable cause to believe that, an industrial dispute exists between said corporation and its employees, shall be subject to the terms and penalties of this act.

SHORT TITLE.

SEC. 14. This act may be cited for all purposes as the industrial court act of 1902.

THE NEW ZEALAND INDUSTRIAL CONCILIATION AND ARBITRATION ACT OF AUGUST 31, 1894, WITH THE PROVISIONS OF THE AMENDING ACTS OF OCTOBER 18, 1895, OCTOBER 17, 1896, AND NOVEMBER 5, 1898, INCORPORATED.

An act to facilitate the settlement of industrial disputes by conciliation and arbitration. August 31, 1894. (The words "to encourage the formation of industrial unions and associations and" appearing immediately after the word "act" in the principal act were suppressed by the amendment act, 1898.)

Be it enacted by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. The short title of this act is "The industrial conciliation and arbitration act, 1894." It shall come into force on the 1st day of January, 1895.

2. In this act, unless the context otherwise requires—

"Association" means an industrial association registered pursuant to this act.

"Board" means a board of conciliation for an industrial district constituted under this act, and includes a special board of conciliation.

"Court" means the court of arbitration constituted under this act.

"Employer" includes persons, firms, companies, and corporations employing workers. (The principal act uses the word "workmen." The amendment act, 1895, provides that the word "workers" shall be substituted for "workmen" throughout the act.)

"Industrial dispute" means any dispute arising between one or more employers or industrial unions, trade-unions, or associations of employers and one or more industrial unions, trade-unions, or associations of workers in relation to industrial matters as herein defined.

"Industrial matters" means all matters or things affecting or relating to work done or to be done, or the privileges, rights, or duties of employers or workers in any industry, and not involving questions which are or may be the subject of proceedings for an indictable offense, and, without limiting the general nature of the above definition, includes all or any matters relating to—

(a) The wages allowances, or remuneration of any persons employed in any industry, or the prices paid or to be paid therein in respect of such employment.

(b) The hours of employment, sex, age, qualification, or status of workers, and the mode, terms, and conditions of employment.

(c) The employment of children or young persons, or of any person or persons or class of persons in any industry, or the dismissal of or refusal to employ any particular person or persons or class of persons therein.

(d) Any established custom or usage of any industry, either generally or in the particular district affected.

(e) Any claim arising under an industrial agreement.

"Industrial union" means an industrial union registered and incorporated under this act.

"Industry" means any business, trade, manufacture, undertaking, calling, or employment of an industrial character.

"Officer" of a trade-union, industrial union, or association of workers means only the president, vice president, secretary, or treasurer of such body.

"Prescribed manner" means the manner prescribed by regulations made pursuant to this act.

"Registrar" means the registrar of friendly societies.

"Supreme court office" means the office of the supreme court in the district constituted under "The supreme court act, 1882," wherein any matter arises to which such expression relates; and where there are two such offices in any such district, it means that one of such offices which is nearest to the place or locality wherein any such matter arises.

"Trade-union" means any trade-union registered under "The trade-union act, 1878."

Words in this act referring to any clerk, person, officer, office, place, locality, union, association, or other matter or thing shall be construed distributively as referring to each clerk, person, officer, office, place, locality, union, association, or matter or thing to whom or to which the provision is applicable.

PART I.

REGISTRATION OF INDUSTRIAL UNIONS AND ASSOCIATIONS.

(1) Industrial unions.

3. A society consisting of any number of persons, not being less than five (changed from seven in the principal act to five by the amendment act, 1895), residing within the colony, lawfully associated for the purpose of protecting or furthering the interests of employees or workers in or in connection with any industry in the colony, and whether formed before or after the passing of this act, may be registered as an industrial union pursuant to this act on compliance with the following provisions:

(1) An application for registration, stating the name of the proposed industrial union, shall be made to the registrar, signed by two or more officers of the society.

(2) Such application shall be accompanied by (a) a list of the members and officers of the society; (b) two copies of the rules of the society; (c) a copy of a resolution passed by a majority of the members present at a general meeting of the society specially called in accordance with the rules for that purpose only, and desiring registration as an industrial union.

(3) Such rules shall specify the purposes for which the society is formed, and shall provide for—

(a) The appointment of a committee of management, a chairman, secretary, and any other necessary officers, or, if thought fit, of a trustee or trustees; and for supplying any vacancy occurring through any cause prescribed by the rules, or by death or resignation.

(b) The powers, duties, and removal of the committee, and of any chairman, secretary, or other officer or trustee of the society, and the control of the committee by general or special meetings.

(c) The manner of calling general or special meetings, the quorum thereat, and the manner of voting thereat.

(d) The mode in which industrial agreements and any other instruments shall be made, and by whom executed on behalf of the society, and in what manner the society shall be represented in any proceedings before a board or the court.

(e) The custody and use of the seal, including power to alter or renew the same.

(f) The control of the property of the society, and the investment of the funds thereof, and for an annual or other periodical audit of the accounts.

(g) The inspection of the books and the names of members of the society by every person having an interest in the funds thereof.

(h) A register of members, and the mode in which and the terms on which persons shall become or cease to be members, and so that no member shall discontinue his membership without giving at least three months' previous written notice to the secretary of intention so to do, nor until such member has paid all fees or other dues payable by him to the union under its rules, and which fees or dues, in so far as they are owing for any period of membership subsequent to the registration of the society under this act, may be sued for and recovered in any court of competent jurisdiction by any person or authority empowered to do so by law or by such rules.

(i) The conduct of the business of the society at some convenient address, to be specified, and to be called the registered office of the society.

4. (1) The rules may also provide for any other matters not contrary to law, and for their amendment, repeal, or alteration, but so that the requisites of subsection 3 of the last preceding section shall always be provided for.

(2) Copies of all amendments or alterations of any rules shall, after being verified by the secretary or some other officer of the society, be sent to the registrar, who shall record the same.

(3) A printed copy of the rules of the society shall be delivered by the society to any person requiring the same on payment of a sum not exceeding 1s [24 cents].

Notwithstanding anything to the contrary contained in section 3 of the principal act, it is hereby enacted as follows: Where a copartnership firm is a member of any such society, each individual partner residing in New Zealand shall be deemed an individual member of the society, and also of the industrial union when such society is registered as a union; any incorporated or registered company may be registered as an industrial union of employers. (This paragraph was inserted by the amendment act, 1895. The clause making five the minimum membership of an industrial union is not reproduced, as the change has already been noted.)

Each industrial union shall be deemed to be in the industrial district wherein its registered office is situate, and shall exercise its right of voting at the election of the board of that district accordingly, or in any industrial district in which such industrial union shall carry on its business, or any branch or part of its business; and for such purpose any such union may also be registered in any or every of such industrial district or districts. (This paragraph was inserted by the amendment acts of 1895 and 1896, the latter amending the former by adding the part beginning with "or in any industrial district," etc.)

In the case of any incorporated or registered company, the directors shall sufficiently represent the members for the purpose of the application to register as an industrial union of employers, and the resolution prescribed by subsection 1 of section 3 of the principal act may accordingly be a resolution of the directors. (This paragraph was inserted by the amendment act, 1896.)

5. On being satisfied that the provisions of section 3 in relation to an application for registration have been complied with, the registrar shall register the society, without fee, as an industrial union pursuant to the application, and shall issue a certificate of registry and incorporation, which, unless proved to have been canceled, shall be conclusive evidence of the fact of such registration and incorporation and of the validity thereof.

6. Upon receiving such certificate every such industrial union shall become a body corporate, by the registered name, having perpetual succession until dissolved or the registration thereof is canceled as hereinafter provided and shall have a common seal. There shall be inserted in the registered name of every industrial union the word "employers" or "workers" according to whether such union shall be a union of employers or workers, as thus: The Bootmakers' Industrial Union of Workers.

7. Any industrial union may purchase or take on lease, in the name of the union or of trustees for such union, any house or building, and any land, and may sell, mortgage, exchange, or let the same, or any part thereof; and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire whether the union or the trustees have authority for such sale, mortgage, exchange, or letting; and the receipt of such trustees shall be a discharge for the money arising therefrom.

8. Any trade-union registered under "The trade-union act, 1878," may be registered by the same name (with the insertion of such additional words as aforesaid) under this act by making application to the registrar for the purpose; and the registrar shall register such trade-union as an industrial union accordingly, and issue a certificate of registration and incorporation as hereinbefore provided.

For the purposes of this act every branch of a trade-union shall be considered as a distinct union, and may be separately registered as an industrial union under this act; and the rules for the time being of any trade-union, with such addition or modification as may be necessary to give effect to this act, shall be deemed to be the rules of the industrial union when registered under this enactment: *Provided*, That the registrar shall not refuse to register a trade-union the rules of which contain such addition or modification as aforesaid unless such rules are distinctly contrary to some express provision of this act.

9. No industrial union shall be registered under a name identical with that by which any other industrial union has been registered under this act, or by which any other trade-union has been registered under "the trade-union act, 1878," or so near resembling any such name as to be likely to deceive the members or the public.

10. The effect of registration shall be to render the industrial union, and all persons who may be members of any society or trade-union registered as an industrial union at the time of registration, or who after such registration may become members of any society or trade-union so registered, subject to the jurisdiction by this act given to a board and the court, respectively, and liable to all the provisions of this act, and all such persons shall be bound by the rules of the industrial union during the continuance of the membership.

11. Any industrial union may at any time apply to the registrar in the prescribed manner for a cancellation of the registration thereof, and the registrar, after giving six weeks' public notice of his intention so to do, may cancel such registration: but no registration shall be canceled during the progress of any conciliation or arbitration affecting such union until the board or court has given its decision or made its award, nor in any case unless the registrar shall be satisfied that the cancellation is desired by a majority of the members of the union; and no cancelation of any registration shall relieve any industrial union, or any member thereof, from the obligation of any industrial agreement or award of the court.

(2) *Industrial associations.*

12. Any council or other body, however designated, representing any number of industrial unions established within the colony may be registered as an industrial association pursuant to this act.

All the provisions of this act hereinbefore contained in sections 3 to 11, inclusive, shall, mutatis mutandis, extend and apply to an industrial association, and shall be read and construed accordingly, so far as applicable.

(3) *General.*

13. In the months of January and July in every year there shall be forwarded to the registrar by every association a list of the unions constituting such association; and in the same months in every year there shall be forwarded to the registrar by every industrial union a list of the members of such union. Each such list shall be verified by the statutory declaration of the president or chairman of each such association and union, and such statutory declaration shall be prima facie evidence of the truth of the matters therein set forth.

Each such list shall specify the names of all the officers (including trustees) of each such association or union. (This paragraph was inserted by the amendment act, 1895.)

14. Every association or industrial union making default in forwarding to the registrar any list required to be forwarded by the last preceding section shall be guilty of an offense against this act, punishable by a penalty not exceeding £2 [$9.73] for every week during which such default continues; and every member of the council of any such association or committee of any such union who willfully permits such default shall be guilty of a similar offense, punishable by a penalty not exceeding 5s. [$1.22] for every week during which he willfully permits such default.

15. Every association or industrial union may sue or be sued for the purposes of this act by the name by which it is registered, and service of any process, notice, or document of any kind may be effected by delivering the same to the chairman or secretary of such union or association, or by leaving the same at the registered office of such union or association.

16. All deeds and instruments of any kind which the union or association is required to execute for the purposes of this act, or any regulations in force thereunder, may be made and executed under the seal of such union or association and signed by the chairman and secretary thereof, or in such other manner as may be provided in the rules of the union or association.

PART II.

INDUSTRIAL AGREEMENTS.

17. The parties to industrial agreements may be (1) trade-unions, (2) industrial unions, (3) industrial associations, (4) employers; and any such agreement may provide for any matter or thing affecting any industrial matter, or in relation thereto, or for the prevention or settlement of an industrial dispute.

18. Every industrial agreement may be varied, renewed, or canceled by any subsequent industrial agreement made by and between the parties thereto, or any additional parties, but so that no person shall be deprived of the benefit of any industrial agreement to which he is a party by any subsequent industrial agreement to which he is not a party.

19. Every industrial agreement shall be for a term to be specified therein not exceeding three years from the date of the making thereof, and shall commence as follows: "This agreement, made in pursuance of 'the industrial conciliation and arbitration act, 1894,' this — day of ———, between ———," and then set out the matters agreed upon; and the date of the making of such agreement shall be the date when such agreement shall be first signed or executed by any party thereto; and such date, and the names of all industrial unions, trade-unions, associations, or employers parties to such agreement shall be truly stated therein.

20. A duplicate of every industrial agreement shall be filed in the supreme court office within 30 days of the making thereof, and a fee of 5s. [$1.22] shall be paid in respect of every agreement so filed.

21. Every industrial agreement duly made and executed shall be binding on the parties thereto and on every person who at any time during the term of such agreement is a member of any industrial union, trade-union, or association party thereto, and on every employer who shall in the prescribed manner signify to the registrar of the supreme court where such agreement is filed concurrence therein, and every such employer shall be entitled to the benefit thereof and be deemed to be a party thereto.

22. (1) For the purpose of enforcing industrial agreements, whether made before or after the coming into operation of this act, the provisions of the last preceding section hereof [see secs. 75–81] shall, mutatis mutandis, apply in like manner in all respects as if an industrial agreement were an award of the court, and the court shall accordingly have full and exclusive jurisdiction to deal therewith. (The provisions of this paragraph are in substitution of the provisions of subsection (1) of sec. 22 and sec. 23 of the principal act, according to the amendment act, 1898.)

(2) Any industrial agreement may fix and determine what shall constitute a breach of an agreement within the meaning of this act.

(3) Nothing herein contained shall deprive any person who may be damnified of his right of action for redress or compensation in respect of any breach of an agreement.

23. [Repealed by the amendment act, 1898. See footnote to sec. 22.]

PART III.

CONCILIATION AND ARBITRATION.

(1) *Preliminary.*

24. (1) The governor may from time to time divide New Zealand, or any portion thereof, into such districts as he shall think fit, to be called "industrial districts," and notice of the constitution of every such district shall be given in the Gazette as occasion requires.

(2) If any such district is constituted by reference to or be included within the limits or boundaries of any other portion of the colony defined or created under any act, then, in case of the alteration of the boundaries of such portion of the colony, such alteration shall take effect in respect of the district constituted under this section without any further proceeding, unless the governor shall otherwise determine.

25. In and for every industrial district the governor shall appoint a clerk of awards (hereinafter referred to as "the clerk"), who shall be attached to the office of the registrar, and shall be subject to the control and direction of that officer, and shall in the prescribed manner report to the registrar all proceedings taken or done by or before him.

The office of clerk may be held either separately or in conjunction with any other office in the public service, as the governor may determine, and he shall be paid such salary or other remuneration as the governor thinks fit.

26. It shall be the duty of the clerk—

(1) To receive, register, and deal with all applications within his district lodged for reference of any industrial dispute to the board for the district or to the court.

(2) To convene the board or court for the purpose of dealing with any such dispute.

(3) To keep a register, in which shall be entered the particulars of all references and settlements of industrial disputes made to and by the board, and of all references and awards made to and by the court.

(4) To issue all summonses to witnesses to give evidence before the board or court, and to issue all notices and perform all other acts in connection with the sittings of the board or court in the prescribed manner.

(5) Generally to do all such things and to take all such proceedings as may be required in the performance of his duties by this act or in the prescribed manner, or, in the absence of regulations, with the directions of the registrar.

27. Any board and the court, and, being authorized in writing by the board or court, any member of such board or court, respectively, or any officer of such board or court, without any other warrant than this act, at any time between sunrise and sunset—

(1) May enter upon any manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises of any kind whatsoever, wherein or in respect of which any industry is carried on or any work is being or has been done or commenced, or any matter or thing is taking or has taken place, which has been made the subject of a reference to such board or court.

(2) May inspect and view any work, material, machinery, appliances, article, matter, or thing whatsoever being in such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises as aforesaid.

(3) May interrogate any person or persons who may be in or upon any such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises, as aforesaid, in respect of or in relation to any matter or thing hereinbefore mentioned.

And any person who shall hinder or obstruct the board or court, or any member or officer thereof, respectively, in the exercise of any power conferred by this section, or who shall refuse to the board or court, or any member or officer thereof, respectively, duly authorized as aforesaid, entrance during any such time as aforesaid to any such manufactory, building, workshop, factory, mine, mine workings, ship or vessel, shed, place, or premises, or shall refuse to answer any question put to him as aforesaid, shall for every such offense be liable to a penalty not exceeding £50 [$243.33].

28. The following persons shall be disqualified from being appointed or elected or from holding office as chairman or as a member of any board, or as president or a member of the court, and if so elected or appointed shall be incapable of continuing to be such member, president, or chairman:

(1) A bankrupt who has not obtained his final order of discharge;

(2) Any person convicted of any crime for which the punishment is death or imprisonment with hard labor for a term of three years or upwards; or

(3) Any person of unsound mind.

No person whilst holding a seat on one board shall hereafter be eligible for nomination or election to a seat on any other board, and if he is so elected his election shall be void. (This paragraph was inserted by the amendment act, 1898.)

If any person allows himself to be nominated for election as member of more boards than one, both nominations shall be void. (This paragraph was inserted by the amendment act, 1896.)

In the event of any person's election becoming void under this section, the governor shall fill the vacancy by appointment, in the same manner as if the prescribed number of members had not been elected, anything in section 36 of the principal act to the contrary notwithstanding. (This paragraph was inserted by the amendment act, 1896.)

This section shall apply both to boards of conciliation and to special boards of conciliators inter se, but shall not otherwise affect the operation of section 41 of the principal act, nor shall it in any way affect any election held before the coming into operation of this act. (This paragraph was inserted by the amendment act, 1896.)

29. Whenever an industrial dispute shall be referred to a board or the court as hereinafter provided, no industrial union or association, trade-union, or society, whether of employers or workers, and no employer who may be a party to the proceedings before the board or court, shall, on account of such industrial dispute, do any act or thing in the nature of a strike or lockout, or suspend or discontinue employment or work in any industry affected by such proceedings, but each party shall continue to employ or be employed, as the case may be, until the board or court shall have come to a final decision in accordance with this act. But nothing herein shall be deemed to prevent any suspension or discontinuance of any industry, or from working therein, for any other good cause.

No industrial dispute shall be referred for settlement to a board by an industrial association, industrial union, or trade-union, and no application shall be made to the court for the enforcement of any award, except in pursuance of a resolution passed by a majority of the members present at a meeting specially summoned by notice being posted to each member, stating the nature of the proposal to be submitted to the meeting. (This paragraph was inserted by the amendment act, 1898.)

(2) *Boards of conciliation.*

30. In and for every industrial district there shall be established a board of conciliation, to have jurisdiction for the settlement of industrial disputes occurring in such district which may be referred to it by one or more of the parties to an industrial dispute or by industrial agreement.

31. The governor may determine the number of persons who (together with the chairman) shall compose the board of such district, subject, however, to the express provisions of this act, and such number shall be stated in the notice of the constitution of the district.

32. With respect to the first and subsequent elections of boards, the following provisions shall have effect:

(1) Every board shall consist of such equal number of persons as the governor may determine, being not more than six nor less than four persons, who shall be chosen by the industrial unions of employers

and of workers in the industrial district, respectively, such unions voting separately and electing an equal number of such members.

(2) The chairman of such board shall be in addition to the number of members before mentioned, and be elected as hereinafter provided.

(3) Every board shall be elected in the following manner:

(a) The clerk shall act as returning officer and do the acts and things hereinafter mentioned.

(b) First elections of a board shall be held within 30 days after the constitution of the district, and the returning officer shall give 14 days' notice in one or more newspapers circulating in the district of the day and place of election, which shall be so arranged that the industrial unions of employers shall vote at one time and the industrial unions of workers at another time on the day fixed: *Provided*, That the governor may from time to time extend the period within which any elections shall be held for such time as he thinks fit.

(c) Persons shall be nominated for election in such manner as the rules of the industrial union may prescribe, or, if there be no such rule, nominations shall be made in writing by the chairman of the union, and lodged with the returning officer at least three days before the date of election. Each nomination shall be accompanied by the written consent of the person nominated and forms of nomination shall be provided by the returning officer on application to him for that purpose.

(d) When all the nominations have been received the returning officer shall give notice of the names of persons nominated by affixing a list thereof on the door of his office at least one clear day before the day of election.

(e) If it shall appear that no greater number of persons are nominated than required to be elected, the returning officer shall at once declare such persons elected.

If the number of persons so nominated exceeds the number required to be elected, then votes shall be taken as hereinafter provided.

(f) The returning officer shall preside at the election by each division of industrial unions entitled to vote, and the vote of each such union shall be signified in writing in the prescribed manner, and on being tendered by the chairman of the union, or by some person appointed by the union for that purpose in accordance with its rules, the returning officer shall record the vote in such manner as he thinks fit.

(g) Each industrial union shall have as many votes as there are persons to be elected by its division, and the persons having the highest aggregate number of votes in such division, not exceeding the number to be elected, shall be deemed elected.

(h) If it shall happen that two or more candidates have an equal number of votes, the returning officer, in order to complete the election, shall give such votes to one or more of such candidates as he thinks fit: *Provided*, That any candidate may in any such case agree to withdraw from the election.

(i) As soon as possible after the votes of each division of industrial unions have been recorded the returning officer shall ascertain what persons have been elected as before provided, and shall state the result in writing, and forthwith post the same in some public place at the place of election.

(j) In case of any dispute touching the sufficiency of the nomination, the mode of election, or the result thereof, or any matter incidentally arising in or in respect of such election, the same shall be decided by the returning officer, whose decision shall be final.

(k) In case any election is not completed for any cause on the day appointed, the returning officer may adjourn the election, or the completion thereof, to the next or any subsequent day, and may then proceed with the election.

(l) The whole of the voting papers shall be securely kept by the returning officer during the election, and thereafter shall be put in a packet and kept for one month, when he shall cause the whole of them to be effectually destroyed.

(m) Neither the returning officer nor any person employed by him shall (except in discharge of his duty) disclose for whom any vote has been given or tendered, either before or after the election is completed, or retain possession of or exhibit any voting paper used at the election, or give any information to any person as to all or any of the matters herein mentioned; and if any person shall commit a breach of this provision, he shall be liable to a penalty not exceeding £20 [$97.33].

But nothing herein contained shall be deemed to forbid the disclosure of any fact or the doing of any act hereby prohibited if the same be required in obedience to the process of any court of law.

(4) The clerk shall, after the completion of the election, appoint a day for the first meeting of the members elected, and shall give at least three days' notice in writing to each member. At such meeting the members shall elect some impartial person, not being one of their number and willing to act, to be chairman of the board.

33. As soon as may be after the election of the chairman the clerk shall transmit to the governor a list of the names of the respective persons elected as members and as chairman of the board, and the governor shall cause notice thereof to be published in the Gazette, and the date on which such notice is so published shall be deemed to be the date of election, and such notice shall be final and conclusive for all purposes.

34. The members of the board and the chairman shall hold office for the period of three years from the date of the publication of such notice in the Gazette, and until their successors are elected.

35. On the expiration of every third year after the first election of members of a board or a chairman thereof a new election shall be held, on such day as the governor may appoint, and new members and a chairman shall be elected in the manner hereinbefore provided in respect of first elections. Any retiring member or chairman shall be eligible for reelection, and all proceedings in and about such new election may be had and taken accordingly.

36. If the chairman or any member of a board shall die, resign, or be disqualified or incapable to act, his office shall be vacant, and the vacancy shall be supplied in the same manner as the original election was made, and the person so elected shall hold office in the board only for the residue of the term of his predecessor therein. Members shall resign office by letter addressed to the chairman, and the chairman by letter to the board.

37. Upon any casual vacancy being reported to the clerk in the office of a member of a board, he shall take all such proceedings as may be necessary to have an election by the class of industrial union entitled to vote in the election of such member, and the provisions as to general elections shall apply accordingly, as far as applicable. In the case of a casual vacancy in the office of chairman, the board shall meet on such day and time as they may appoint and elect a chairman to supply such vacancy.

38. (1) The presence of the chairman and of not less than one-half in number of the other members of a board shall be necessary to constitute a quorum.

(2) But in case of the illness or absence of a chairman the members may elect one of their own number to be chairman during such illness or absence.

(3) In all matters coming before any board the decision of the board shall be determined by a majority of the votes of the members present, exclusive of the chairman, except in the case of an equality of such votes, in which case only the chairman shall vote, and his vote shall decide the question.

39. If at any time the industrial unions entitled to vote shall neglect or refuse to vote at the election of a member of the board, whether in respect of a general election or a casual vacancy, or if the members of a board shall neglect or refuse to elect a chairman, the governor may in any such case appoint such fitting persons as members of the board or as chairman as may be necessary in any case to give effect to this act.

If and as often as for any reason the prescribed number of members of the board is not duly elected or the prescribed number of members of the court is not duly recommended, as provided by the principal act, the governor shall, by notice in the Gazette, appoint as many fit persons to be members of the board or court as may be necessary in order to make the prescribed number. The Gazette notice of such appointment shall be conclusive evidence of the happening of the events entitling the governor to make such appointment. (This paragraph was inserted by the amendment act 1895.)

Every person appointed by the governor to be member or chairman of a board shall be deemed to be elected within the meaning and for the purposes of section 33 of the principal act. (This paragraph was inserted by the amendment act, 1896.)

This section shall take effect as from the date of the coming into force of the principal act. (This paragraph was inserted by the amendment act, 1896.)

40. (1) No act of a board shall be questioned on the ground of any informality in the election of a member, nor on the ground that the seat of any member is vacant, or that any supposed member thereof is incapable of being a member.

(2) In the event of the period of office of any board expiring whilst such board is engaged in the investigation of any industrial dispute, the governor may, by notice in the Gazette, continue such board in office for any time not exceeding one month, in order to enable its members to take part in the settlement of such dispute, and on the expiration of such month an election of a new board shall be held in the manner hereinbefore provided.

41. (1) Notwithstanding the election of a board under the provisions hereinbefore contained, or where no district shall have been constituted, a special board of conciliators may be appointed from time to time to meet any case of emergency or any special case of industrial dispute. Such board shall consist of an equal number of persons, not exceeding six, all or any of whom may be members of the board of the district, and shall be chosen separately in equal numbers by employers and industrial unions of employers directly interested in such dispute and by industrial unions of workers so interested.

(2) The members of any such special board, together with a chairman, to be elected as provided in section 32, shall, except in respect of the duration of their office, be deemed to possess all the jurisdiction and powers of a board elected for an industrial district.

42. Any industrial dispute may be referred for settlement to a board, either by or pursuant to an industrial agreement or in the manner hereinafter provided:

(1) Any party to such a dispute may, in the prescribed manner, lodge an application with the clerk requesting that such dispute be referred for settlement to a board.

(2) The parties to such dispute may comprise—

(a) An individual employer, or several employers, and an industrial union, trade-union, or association of workers.

(b) An industrial union, trade-union, or association of employers, or an individual employer, or several employers, and an industrial union, trade-union, or association of workers or several such unions or associations.

But the mention of the various kinds of parties shall not be deemed to interfere with any arrangement thereof that may be necessary to insure an industrial dispute being brought in a complete shape before the board; and a party or parties may be withdrawn or removed from the proceedings and another or others substituted after the reference to the board, and before any report is made, as the board shall allow or think best adapted for the purpose of giving effect to this act, and the board may make any recommendation or give any direction for any such purpose accordingly.

(3) An employer, being a party to a reference, may appear in person, or by his agent duly appointed in writing for that purpose, or by counsel or solicitor where allowed as hereinafter provided.

(4) An association, trade-union, or industrial union, being party to a reference, may appear by its chairman or secretary, or by any number of persons (not exceeding three) appointed in writing by the chairman of the association or union for that purpose, or by counsel or solicitor where allowed as hereinafter provided.

(5) Every party appearing by a representative or representatives shall be bound by his or their acts.

(6) The clerk, on receipt of any application for a reference to a board, shall forthwith lay the same before the board mentioned in such application at a meeting of such board, to be convened by him in the prescribed manner, and, subject to the provisions of this act, shall carry out all directions of the board in order to effect a settlement of the industrial dispute referred to it.

(7) No counsel or solicitor shall be allowed to appear or be heard before a board, or any committee thereof, unless all the parties to the reference or interested in the matter referred to a committee shall expressly consent thereto.

When any industrial dispute has been referred for settlement to a board or the court, any employer, association, trade-union, or industrial union may, on application, if the board or the court deem it equitable, be joined as party thereto at any stage of the proceedings, and on such terms as the board or the court deems equitable. (This paragraph was inserted by the amendment act, 1896.)

43. Every board shall, in such manner as it shall think fit, carefully and expeditiously inquire into and investigate any industrial dispute of which it shall have cognizance, and all matters affecting the merits of such dispute or the right settlement thereof, and, for the purposes of any such inquiry, shall have all the powers of summoning wit-

nesses, and hearing and receiving evidence, and preserving order at any inquiry, which are by this act conferred on the court of arbitration.

Whenever an industrial dispute involving technical questions is referred to a board or the court for settlement, two experts may be nominated, one by each party to the dispute; and such experts shall sit as assessors with and be deemed to be members of the board or court for the purposes of such dispute. (This paragraph was inserted by the amendment act, 1895.)

If there are more than two parties to any such dispute, one assessor shall be nominated by the parties whose interests are with the employers, and the other by the parties whose interests are with the workers. (This paragraph was inserted by the amendment act, 1895.)

The assessors shall be nominated in the prescribed manner and subject to the prescribed conditions. (This paragraph was inserted by the amendment act, 1895.)

Where an industrial dispute relates to employment or wages, the jurisdiction of the board or court to deal therewith shall not be voided or affected by the fact that the relationship of employer and employed has ceased to exist, unless it so ceased at least six weeks before the industrial dispute was first referred to the board or to the court, if there has been no prior reference to the board. (This paragraph was inserted by the amendment act, 1895.)

44. In the course of any such inquiry and investigation the board shall make all such suggestions and do all such things as shall appear to them as right and proper to be made or done for securing a fair and amicable settlement of the industrial dispute between the parties, and may adjourn the proceedings for any period the board thinks reasonable, to allow the parties to agree upon some terms of settlement, and, if no such settlement shall be arrived at, shall decide the question according to the merits and substantial justice of the case, and make their report or recommendation in writing, under the hand of the chairman of the board, which shall be delivered to and filed by the clerk in his own office with all papers and proceedings relating to the reference. Such report shall be delivered as aforesaid within two months of the day on which the application was lodged with the clerk.

45. In particular, but without limiting the general power given to a board by the last preceding section, any board may—

(1) Refer the matters in dispute, upon such terms as the board thinks fit, to a committee of their number, consisting of an equal number of representatives of employers and workers, who shall endeavor to reconcile the parties; or

(2) Refer any matter before them to be settled by the court.

46. If the board shall report that they have been unable to bring about any settlement of any dispute referred to them satisfactory to the parties thereto, the clerk, on the receipt of such report, shall transmit a copy (certified by him) of such report to each party to the industrial dispute, whereupon any such party may, in the manner prescribed, require the clerk to refer the said dispute to the court. The clerk shall thereupon transmit all the papers and proceedings in the reference to the court.

(3) The court of arbitration.

47. There shall be one court of arbitration for the whole colony for the settlement of industrial disputes pursuant to this act. The court shall have a seal, which shall be judicially noticed, and impressions thereof admitted in evidence in all courts of judicature, and for all purposes.

48. (1) The court shall consist of three members, to be appointed by the governor, one to be so appointed on the recommendation of the councils, or a majority of the councils of the industrial associations of workers in the colony, and one to be so appointed on the recommendation of the councils, or a majority of the councils, of the industrial associations of employers of the colony: *Provided*, That if there shall be no industrial associations of employers, then, in their stead, such recommendation as aforesaid shall be made by the industrial unions of employers.

No recommendation shall be made as to the third member, who shall be a judge of the supreme court, and shall be appointed from time to time by the governor, and shall be president of the court, and, in case of the illness or unavoidable absence of such judge at any time, the governor may appoint some fit person, being a supreme court judge, to be and act as president, who shall hold office only during the illness or unavoidable absence of such judge.

(2) The procedure for the purpose of giving effect to this section shall be as follows:

(a) Each such council, respectively, shall, within one month after being requested so to do by the governor, submit the name of one person to the governor, and from the names of the persons so recommended the governor shall select two members, one from each set recommended, and appoint them to be members of the court.

In the event of a majority of the councils not having made recommendations as aforesaid, or in case such majority of recommendations shall not be received by the governor within the period of one month after each council has been requested to submit a name as aforesaid, or in case any person so recommended shall decline to act as a member of the court, the governor shall forthwith appoint such person as he shall think fit to be a member of the court; and such member shall be deemed to be appointed on the recommendation of the said councils, as the case may be.

(b) For the purposes of this section the expression "council" means the governing authority or the association or industrial union entitled to vote, by whatever name such authority shall be designated.

(c) As soon as practicable after a full court shall have been appointed by the governor the names of the members of the court shall be notified in the Gazette.

49. (1) Every member of the court shall hold office for three years from the date of his appointment, and shall be eligible for reappointment, and any casual vacancy occurring in the membership by death, disqualification, resignation or removal shall be supplied in the same manner as the original appointment was made; but every person so appointed to fill a casual vacancy shall hold office only for the period that his predecessor would have held office.

(2) The governor may remove any member of the court from office who shall become bankrupt, who may be convicted of any crime the punishment of which is death or imprisonment with hard labor for a term of three years or upwards, who may become of unsound mind, or who shall be absent from three consecutive sittings of the court.

50. Before proceeding to consider any case the members, other than the presiding judge, of the court and the officers thereof shall, respectively, make a statutory declaration that any evidence produced before them shall not be disclosed to anyone except as provided by this act.

The statutory declaration prescribed by section 50 of the principal act need be taken only once, and, in the case of each member by whom it is or has been taken, it shall be deemed to apply to all evidence produced before him during his term of office. (This paragraph was inserted by the amendment act, 1898.)

51. The governor may also from time to time appoint and remove such clerks and other officers of the court as shall be necessary, who shall hold office during pleasure and receive such salary or other remuneration as the governor thinks fit.

52. The court shall have jurisdiction for the settlement and determination of any industrial dispute referred to it by any board pursuant to sections 45 or 46, or by reference under section 82, or by petition under section 83, or by industrial agreement, or by either party to an industrial dispute which has arisen in a district where no board has been constituted and for such purpose may summon any party to an industrial dispute to appear before it.

53. Either party to the dispute may appear, personally or by agent, or, with the consent of all the parties, by counsel or solicitor, and may produce before the court such witnesses, books, and documents as such party may think proper, and the court shall have power to permit any other party who has or may appear to have a common interest in the matter, and be willing to be joined in the proceedings, to be so joined on such terms as it thinks fit.

The court shall have full and exclusive jurisdiction to hear and receive evidence, on oath or otherwise, as may be allowed by law, and to hear and determine the matters in dispute in such manner as it thinks fit, and shall be at liberty to receive any such evidence as it may think fit, whether it shall be strictly legal evidence or not, with full power to adjourn the consideration of any matter, wholly or in part, for any period, or without stating any period.

Formal matters which have been proved or admitted before a board need not be again proved or admitted before the court.

54. The sittings of the court shall be held at such time and place as are from time to time fixed by the president. The sittings may be fixed either for a particular case or generally for all cases then before the court and ripe for hearing, and it shall be the duty of the clerk to give to each member of the court at least 48 hours' previous notice of the time and place of each sitting. (This paragraph was inserted by the amendment act, 1898, in substitution for sec. 54 of the principal act, repealed.)

55. The parties to the proceedings before the court shall be those before the board, and the provisions hereinbefore contained as to the appearance of parties before a board shall apply to proceedings before the court.

At least three days' notice shall be given to each party to the proceedings of the time and place appointed for the meeting of the court, except where a party is added to the proceedings on his own application or with his own consent.

56. The clerk may, at the request of either party, issue a summons in the prescribed manner to any person to appear and give evidence in any matter before the court, and to produce any books, deeds, papers, or writings relating to such matter, and in his possession or under his control. Such books, deeds, papers, and writings may be inspected by the members of the court for the purposes of this act, but the information obtained therefrom shall not in any form be made public. And any person upon whom any such summons shall have been served, and to whom at the same time payment or a tender of his traveling expenses on the scale hereinafter mentioned shall have been made, and who shall neglect or refuse, without sufficient cause, to appear or to produce any books, deeds, papers, or writings required by such summons to be produced, shall be liable to a penalty not exceeding £20 [$97.33], or in default of payment to be imprisoned for a term not exceeding one month; but the payment of such fine or the undergoing of such imprisonment shall not exempt any person from liability to an action for disobeying such summons.

57. Where it is shown to the satisfaction of the court that certain parts of books or documents to be produced in evidence do not relate to the matter before the court, the party producing the same shall be allowed to seal up such parts.

58. Every person who shall be summoned and shall appear as a witness shall be entitled to an allowance or compensation for expenses and loss of time according to the scale for the time being in force and allowed to witnesses in civil suits under "the magistrates' courts act, 1893."

59. Any member of the court or the clerk shall have power to administer oaths or affirmations to all witnesses who shall appear before the court, and all willful false swearing or false affirmation in any proceedings in the court under this act shall be deemed and held to be willful perjury, and shall be indictable and punishable as such; and on any indictment it shall be sufficient to prove that the oath or affirmation was administered by such member or clerk aforesaid.

60. For the purpose of obtaining the evidence of witnesses at a distance the court shall be deemed to have and may exercise all the powers and duties of a stipendiary magistrate under "the magistrates' courts act, 1893"; and the provisions of the said act, mutatis mutandis, shall be applicable to all proceedings in the court under this act to the same extent as if the court were a magistrate's court; and every stipendiary magistrate and every magistrate's court and every clerk of such court shall for the purposes aforesaid have and may exercise all such duties and powers in respect of any matter or thing arising under this act as such stipendiary magistrate or magistrate's court or clerk, respectively, could do or be required to do under "the magistrates' courts act, 1893."

61. The court may sit and conduct its proceedings in open court, and a majority of the members present may decide and finally determine any matters referred to them in such manner as they shall find to stand with equity and good conscience.

62. If either of the members other than the president shall neglect or fail to attend a sitting of the court without good cause shown to the satisfaction of the president, the other member present and the president may, nevertheless, act as fully as if all the members were present.

63. The court may be adjourned from time to time and from place to place in manner following, that is to say: (1) By the court or the president at any sitting thereof, or, if the president is absent from such sitting, then by any other member present, or, if no member is present, then by the clerk; and (2) by the president at any time before the time fixed for the sitting and in such case the clerk shall notify the members of the court and all parties concerned. (This paragraph was inserted by the amendment act, 1898, in substitution for sec. 63 of the principal act, repealed.)

64. If any person shall willfully insult any member of the court or the clerk during the sitting of the court, or shall willfully interrupt the proceedings of the court, or be guilty in any other manner of any willful contempt in the face of the court, it shall be lawful for any officer of the court, with or without the assistance of any other person, to take such offender into custody and remove him from the court, to be detained in custody until the rising of the court, and the person so offending shall be liable to a penalty not exceeding £10 [$48.67] for such offense, to be recovered in a summary way as hereinafter provided.

65. If any party to proceedings before the court shall, after notice given to such party, fail to attend or be represented before the court, without good cause shown to such court, the court may proceed and act as fully in the matter before it as if such party had duly attended or been represented. Any person who is a party to any such proceedings may be required to give evidence before the court in the manner hereinbefore provided with respect to a witness.

66. The court may refer any matters referred to it from time to time to a board for investigation and report, where it shall think such board may arrive more easily at a settlement thereof, and the award of the court shall be based on the report of such board.

67. The court may at any time dismiss any matter referred to it which it shall think frivolous or trivial, and any award in such case may be limited to an order upon the party bringing the matter before the court for payment of all costs of bringing the same.

In order to enable the court the more effectually to dispose of any matter before it according to the substantial merits and equities of the case, it may, at any stage of the proceedings, of its own motion, or on the application of any of the parties, and upon such terms as it thinks fit, by order, (1) direct parties to be joined or struck out; (2) amend or waive any error or defect in the proceedings; (3) extend the time within which anything is to be done by any party; and (4) generally give such directions as are deemed necessary or expedient in the premises. (This paragraph was inserted by the amendment act, 1898.)

The powers by the last preceding section [paragraph] hereof conferred upon the court may, when the court is not sitting, be exercised by the president. (This paragraph was inserted by the amendment act, 1898.)

68. The award of the court shall be made within one month after the court shall have begun to sit for the hearing of any reference, and shall be signed by the president of the court, and have the seal of the court attached thereto, and shall be deposited in the office of the clerk of the district wherein the reference arose, and be open to inspection without charge by all persons interested therein during office hours.

69. (1) The court in its award may order any party to pay to the other party costs and expenses (including expenses of witnesses) as it may deem reasonable, and may apportion such costs between the parties or any of them as it thinks fit, and may at any time vary or alter any such order in such manner as it thinks reasonable; and such costs or any other costs ordered by the court to be paid may be recovered in any court of competent jurisdiction by the party entitled thereto under the award or order of the court as a debt due from the party liable therefor; but no costs shall in any case whatever be allowed on account of any agents, counsel, or solicitor appearing for any party.

(2) The court may also order that the whole or any portion of any such costs as aforesaid shall be taxed by the proper officer of the supreme court, and such officer shall have in, about, and in relation to such taxation all such power, duty, and authority as he would have in any case within the ordinary jurisdiction of the supreme court in respect of taxation of costs.

In every case where the court in its award or other order directs the payment of costs or expenses it shall fix the amount thereof and specify the same in the award or order. Section 69 of the principal act is hereby modified in so far as it is in conflict with this section, but not further or otherwise. (This paragraph was inserted by the amendment act, 1898.)

70. The award shall be framed in such manner as shall best express the decision of the court, avoiding all technicality where possible, but shall state in clear terms what is or is not to be done or performed by each party or person affected by the decision, and may provide for an alternative course to be taken by any party to the proceedings, or by any person affected thereby; but no award shall be void or vitiated in any way because of any informality or want of form, or any noncompliance with the provisions of this act.

71. In all legal and other proceedings it shall be sufficient to produce the award with the seal of the court thereto, and it shall not be necessary to prove any conditions precedent entitling the court to make such award.

72. Proceedings in the court shall not be impeached or held bad for want of form, nor shall the same be removable to any court by certiorari or otherwise; and no award or proceeding of the court shall be liable to be challenged, appealed against, reviewed, quashed, or called in question by any court of judicature on any account whatsoever.

73. No proceedings in the court shall abate by reason of the death of any member of the court or of any party to such proceedings, but the same may be continued and disposed of by the successor in office of such member or legal personal representative of the party so dying.

(4) *Enforcement of awards.*

74. Every award of the court shall specify each industrial union, trade-union, association, person, or persons on which or on whom it is intended that it shall be binding, and the period, not exceeding two years from the making thereof, during which its provisions may be enforced; and during the period within which the provisions of such award may be enforced such award shall be binding upon every industrial union, trade-union, association, or person upon which it shall be thereby declared such award shall be binding: *Provided*, That if the members of any industrial union or trade-union are mentioned generally in any such award, all persons who are members at the date thereof of such award, or may thereafter become so during its subsistence, shall be included in the direction given or made by the award.

75–81. (The following provisions were substituted by the amendment act, 1898, in the place of secs. 75 to 81 of the principal act, repealed.) For the purpose of enforcing any award or order of the court, whether made before or after the coming into operation of this act, the following provisions shall apply, anything in the principal act to the contrary notwithstanding:

(1) In so far as the award itself directs the payment of money, it shall be deemed to be an order of the court, and payment shall be enforceable accordingly under the subsequent provisions of this section relating to orders of the court.

(2) If any party or person on whom the award is binding commits any breach thereof by act or default, then, subject to the provisions of the last preceding subsection hereof, any party to the awards may by application in the prescribed form apply to the court for the enforcement of the award.

(3) On the hearing of such application the court may by order either dismiss the application or impose such penalty for the breach of the award as it deems just, and in either case with or without costs.

(4) If the order imposes a penalty or costs, it shall specify the parties or persons liable to pay the same, and the parties or persons to whom the same are payable:

Provided, That the amount payable by any party or person shall not exceed £500 [$2,433]:

Provided also, That the aggregate amount of penalties and costs payable under any award shall not exceed £500 [$2,433].

(5) For the purpose of enforcing payment of the amount payable under any order of the court (not being an order under sec. 10 hereof), a certificate in the prescribed form, under the hand of the clerk and the seal of the court, specifying the amount payable and the respective persons by and to whom the same is payable, may be filed in any court having jurisdiction to the extent of such amount, and shall thereupon, according to its tenor, operate and be enforceable in all respects as a final judgment of such court in its civil jurisdiction:

Provided, That for the purpose of enforcing satisfaction of such judgment where there are two or more judgment creditors thereunder, process may be issued separately by each judgment creditor against the property of his judgment debtor in like manner as in the case of a separate and distinct judgment.

(6) All property belonging to the judgment debtor (including therein, in the case of an industrial union or trade-union, all property held by trustees for the judgment debtor) shall be available in or towards satisfaction of the judgment debt; and if the judgment debtor is an industrial union, an industrial association, or a trade-union, and its property is insufficient to fully satisfy the judgment debt, its members shall be liable for the deficiency:

Provided, That no member shall be liable for more than £10 [$48.67] under this subsection.

(7) For the purpose of giving full effect to the last preceding subsection hereof the court or the president thereof may, on the application of the judgment creditor, make such order or give such directions as are deemed necessary, and the trustees, the judgment debtor, and all other persons concerned shall obey the same.

(8) The foregoing provisions of this section are in substitution of those contained in sections 75 to 81 of the principal act, and those sections are hereby accordingly repealed.

(9) Nothing in this section contained shall affect the validity of any proceedings which at the coming into operation of this act are pending for the enforcement of any award or order of the court in so far as the same relates to the payment of money, and all such proceedings may either be continued under the principal act or be abandoned and be instituted afresh under this act; but all proceedings pending for enforcement of any award by attachment are hereby stayed, and in lieu thereof proceedings may be instituted afresh for enforcement by penalty under this section:

Provided, That the court when disposing of such fresh proceedings shall make such order as to costs as it deems just, having regard to the costs of the proceedings abandoned or stayed as aforesaid.

PART IV.

GOVERNMENT RAILWAYS.

82. The management of Government railways under "the Government railways act, 1887," shall be deemed to be an industry within the meaning of this act; and notwithstanding anything contained in the first-mentioned act, the railway commissioners appointed thereunder may make an industrial agreement with the society now registered under "the trade-union act, 1878," and called "The Amalgamated Society of Railway Servants," and either the said commissioners or the society may refer any industrial dispute between them to the court established under this act, and the commissioners may give effect to any terms of an award made by such court.

The society may be registered as an industrial union under this act, and the commissioners shall be deemed to be employers within the meaning and for the purposes of this act.

The foregoing provisions shall apply to any reconstruction of such society in case of its dissolution, and shall extend to any similar society taking the place of such first-mentioned society and registered under this act.

83. In case the commissioners shall neglect or refuse to agree with the said society to refer any industrial dispute to the court, the society may, by petition lodged with the clerk, refer such dispute to the court to hear and determine the same; and the court, upon such petition, and if it shall consider the dispute sufficiently grave to require it, may require the commissioners to appear before the court and to submit the matters in dispute to its decision; and for that purpose the court shall have all such jurisdiction and authority and may do all such acts and things as may be necessary for such purpose, in accordance with the preceding provisions of this act.

84. Notwithstanding anything in this act contained, no board constituted under this act shall have any jurisdiction in any matter of dispute between the commissioners and the said society.

PART V.

MISCELLANEOUS.

85. Any notification made or purporting to be made in the Gazette by or under the authority of this act may be given in evidence in all courts of justice, in all legal proceedings, and for any of the purposes of this act, by the production of a copy of the Gazette, printed by the Government printer for the time being.

86. Every instrument or document, copy or extract of an instrument or document, bearing the seal of the court shall be received in evidence without further proof, and the signature of the president of the court, or the chairman of any board, or of the registrar, or of the clerk of awards, shall be judicially noticed in or before any court or person or officer acting judicially or under any power or authority contained in this act: *Provided*, Such signature be attached to some award, order, certificate, or other official document made or purporting to be made under this act.

No proof shall be required of the handwriting or official position of any person acting in pursuance of this section.

87. The governor from time to time may make, alter, or revoke such regulations not inconsistent with this act as may be necessary or desirable to carry out all or any of the following purposes:

(1) Prescribing the forms of certificates or other instruments to be issued by the registrar, and of any certificate or other proceeding of any board, or any officer thereof.

(2) Prescribing the duties of clerks of awards and of all other officers and persons acting in the execution of this act.

(3) Providing for anything necessary to carry out the first or any subsequent election of members of boards, or on any vacancy therein, or in the office of chairman of any board, including the forms of any notice, proceeding, or instrument of any kind to be used in or in respect of any such election.

(4) Providing for the mode in which recommendations of members of the court shall be made and authenticated.

(5) Prescribing any act or thing necessary to supplement or render more effectual the provisions of this act as to the conduct of proceedings before a board or the court, or the transfer of such proceedings from one of such bodies to the other.

(6) Providing generally for any other matter or thing necessary to give effect to this act or to meet any particular case.

(7) Prescribing what fees shall be paid in respect of any proceedings before a board or in the court, and the party by whom such fees shall be paid, and what fees shall be paid to the president or members of the court or the chairman or members of the board. (The clause "or the chairman or members of the board" was added by the amendment act, 1896.)

(8) For any other purpose for which it is by this act provided regulations may be prescribed.

Nothing in any such regulations shall supersede any fees for the time being in force in the supreme court or any other court in relation to any proceedings therein otherwise than as is herein expressly provided.

All such regulations shall be published in the Gazette, and within 14 days after the making thereof shall be laid before both houses of the general assembly if it shall be then sitting; and if not then sitting, then within 14 days after the beginning of the next session of such assembly, and shall have the force of law from the date of such publication

88. All charges and expenses connected with the administration of this act, exclusive of expenses incurred by industrial unions, trade-unions, or associations under Parts I or II of this act, or of the parties and witnesses concerned in any industrial dispute referred to a board or the court, shall be defrayed out of such annual appropriations as shall from time to time be made for that purpose by the general assembly.

89. The court shall have full and exclusive jurisdiction to deal with all offenses against the principal act, and for the purpose of this section the following provisions shall apply:

(1) Proceedings to recover the penalty by the principal act imposed in respect of any such offense shall be taken in the court in a summary way under the summary provisions of "the justices of the peace act, 1882," and these provisions shall, mutatis mutandis, apply in like manner as if the court were a court of justices exercising summary jurisdiction under that act:

Provided, That in the case of an offense under section 64 of the principal act (relating to contempt of court) the court, if it thinks fit so to do, may deal with it forthwith without the necessity of an information being taken or a summons being issued.

(2) For the purpose of enforcing any order of the court made under this section a duplicate thereof shall, by the clerk of awards, be filed in the nearest office of the magistrate's court, and shall thereupon, according to its tenor, operate and be enforced in all respects as a final judgment, conviction, or order duly made by a stipendiary magistrate under the summary provisions of "the justices of the peace act, 1882."

(3) The provisions of section 73 of the principal act shall apply to all proceedings under this section.

(4) All penalties recovered under this section shall be paid into the public account and form part of the consolidated fund.

(5) The foregoing provisions of this section are in substitution of those contained in section 89 of the principal act, and that section is hereby accordingly repealed

(6) Nothing in this section contained shall apply to the breach of any award or order of the court or to the penalty in respect of such breach. (This section was inserted by the amendment act, 1898.)

90. No stamp duty shall be payable upon or in respect of any registration, certificate, agreement, award, or instrument effected, issued, or made under this act. But nothing herein shall apply to the fees of any court payable by means of stamps.

91. Nothing in this act shall apply to Her Majesty the Queen or any department of her Government in New Zealand, except as herein is otherwise expressly provided.

—

CHAPTER 96.

An act respecting conciliation and labor.

SHORT TITLE.

1. This act may be cited as the conciliation and labor act.

INTERPRETATION.

2. In this act, unless the context otherwise requires—

(a) "Minister" means the member of His Majesty's Council for Canada to whom, for the time being, the governor in council may assign the carrying out of the provisions of this act.

(b) "Railway" means any railway whether operated by steam, electricity or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(c) "Railway employer" means any company or Government owning or operating wholly or to a lesser extent any railway operated by steam, electricity, or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(d) "Railway employees" means persons engaged to perform any work or service in respect of any railway, whether operated by steam, electricity, or other motive power, and whether under the jurisdiction of the Parliament of Canada or of the legislature of any Province.

(e) "Difference" means any dispute, disagreement, or dissension which in the opinion of the minister may have caused or may cause a lockout or strike on a railway or which has interfered or may interfere with the proper and efficient transportation of mails, passengers, or freight, or the safety of persons employed upon any car or train.

(f) "Committee" means the committee of conciliation, mediation, and investigation established under the provisions of this act.

(g) "Board" means any board of arbitrators established under the provisions of this act.

(h) "Conciliation board" means anybody constituted for the purpose of settling disputes between employers other than any railway employer and workmen by conciliation or arbitration, or any association or body authorized by an agreement in writing made between employers other than railway employers and workmen to deal with such disputes.

(i) "Conciliator" means any person or persons appointed by the minister to mediate between an employer of labor and his workmen.

(j) "Lieutenant governor in council" means the lieutenant governor in council of the Province of Quebec, of Nova Scotia, of New Brunswick, or of Prince Edward Island. (63–64 V., c. 24, ss. 2, 3, and 4; 3 E. VII., c. 55, ss. 2 and 7.)

TRADE DISPUTES.

3. Any conciliation board may apply to the minister for registration.

(2) The application must be accompanied by copies of the constitution, by-laws, and regulations of the conciliation board, with such other information as the minister may reasonably require. (63–64 V., c. 24, s. 3.)

4. The minister shall keep a register of conciliation boards and enter therein with respect to each registered conciliation board its name and principal office, and such other particulars as he thinks expedient; and any registered conciliation board shall be entitled to have its name removed from the register on sending to the minister a written application to that effect.

(2) Every registered conciliation board shall furnish such returns, reports of its proceedings, and other documents as the minister may reasonably require. (63–64 V., c. 24, s. 3.)

5. The minister may, on being satisfied that a registered conciliation board has ceased to exist or to act, remove its name from the register. (63–64 V., c. 24, s. 3.)

6. Where a dispute exists or is apprehended between an employer or any class of employers and workmen, or between different classes of workmen, the minister may, if he thinks fit, exercise all or any of the following powers, namely:

(a) Inquire into the causes and circumstances of the dispute.

(b) Take such steps as to him seem expedient for the purpose of enabling the parties to the dispute to meet together, by themselves, or their representatives, under the presidency of a chairman mutually agreed upon or nominated by him, or by some other person or body, with a view to the amicable settlement of the dispute.

(c) On the application of employers or workmen interested, and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case, appoint a conciliator.

(d) On the application of both parties to the dispute, appoint an arbitrator or arbitrators.

(2) The conciliator shall inquire into the causes and circumstances of the dispute by communication with the parties, and otherwise shall endeavor to bring about a settlement of the dispute, and shall report the proceedings to the minister.

(3) If a settlement of the dispute is effected either by conciliation or by arbitration a memorandum of the terms thereof shall be drawn up and signed by the parties or their representatives and a copy thereof shall be delivered to and kept by the minister. (63–64 V., c. 24, s. 4.)

7. It shall be the duty of the conciliator to promote conditions favorable to a settlement by endeavoring to allay distrust, to remove causes of friction, to promote good feeling, to restore confidence, and to encourage the parties to come together and themselves effect a settlement, and also to promote agreements between employers and employees with a view to the submission of disputes to conciliation or arbitration before resorting to strikes or lockouts. (63–64 V., c. 24, s. 5.)

8. The conciliator or conciliation board may, when deemed advisable, invite others to assist them in the work of conciliation. (63–64 V., c. 24, s. 6.)

9. If, before a settlement is effected and while the dispute is under the consideration of a conciliator or conciliation board, such conciliator or conciliation board is of opinion that some misunderstanding or disagreement appears to exist between the parties as to the causes or circumstances of the dispute, and, with a view to the removal of such misundestanding or disagreement, desires an inquiry under oath into such causes and circumstances, and, in writing signed by such conciliator or the members of the conciliation board, as the case may be, communicates to the minister such desire for inquiry, and if the parties to the dispute or their representatives in writing consent thereto, then, on his recommendation, the governor in council may appoint such conciliator or members of the conciliation board, or some other person or persons, a commissioner or commissioners, as the case may be, under the provisions of the inquiries act, to conduct such inquiry, and for that purpose may confer upon him or them the powers which under the said act may be conferred upon commissioners (63–64 V., c. 24, s. 7.)

10. Proceedings before any conciliation board or arbitrators shall be conducted in accordance with the regulations of such conciliation board or arbitrators, as the case may be, or as is agreed upon by the parties to the dispute. (63–64 V., c. 24, s. 8.)

11. If it appears to the minister that in any district or trade adequate means do not exist for having disputes submitted to a conciliation board for the district or trade, he may appoint any person or persons to inquire into the conditions of the district or trade and to confer with the employers and employed, and, if he thinks fit, with any local authority or body as to the expediency of establishing a conciliation board for such district or trade. (63–64 V., c. 24, s. 9.)

STATISTICS.

12. With a view to the dissemination of accurate statistical and other information relating to the conditions of labor, the minister shall establish and have charge of a department of labor, which shall collect, digest, and publish in suitable form statistical and other information relating to the conditions of labor, shall institute and conduct inquiries into important industrial questions upon which adequate information may not at present be available, and issue at least once in every month a publication to be known as the Labor Gazette, which shall contain information regarding conditions of the labor market and kindred subjects, and shall be distributed or procurable in accordance with terms and conditions in that behalf prescribed by the minister. (63–64 V., c. 24, s. 10.)

RAILWAY DISPUTES.

13. Whenever a difference exists between any railway employer and railway employees, and it appears to the minister that the parties thereto are unable satisfactorily to adjust the same, and that by reason of such difference remaining unadjusted a railway lockout or strike has been or is likely to be caused, or the regular and safe transportation of mails, passengers or freight has been or may be interrupted, or the safety of any person employed on a railway train or car has been or is likely to be endangered, the minister may, either on the application of any party to the difference or on the application of the corporation of any municipality directly affected by the difference, or of his own motion, cause inquiry to be made into the same and the cause thereof, and for that purpose may, under his hand and seal of office, establish a committee of conciliation, mediation, and investigation, to be composed of three persons, to be named one by the railway employer and one by the railway employees, parties to the difference, and the third by the two so named, or by the parties to the difference in case they can agree.

(2) The minister shall, in writing, notify each party to name a member of the committee, stating in such notice a time, not being later than five days after the receipt of such notice, within which this is to be done.

(3) If either party within such time, or any extension thereof that the minister, on cause shown, may grant, refuses or fails to name a member of the committee the minister or the lieutenant governor in council, as the case may be, as hereinafter provided, may appoint one in the place of the party so refusing or in default, and if the members of the committee so chosen fail to elect a third member, the minister or the lieutenant governor in council, as the case may be, may make such selection. (3 E. VII., c. 55, s. 3.)

14. It shall be the duty of the committee to endeavor, by conciliation *and mediation*, to assist in bringing about an amicable settlement of the difference to the satisfaction of both parties, and to report its proceedings to the minister. (3 E. VII., c. 55, s. 4.)

15. In case the conciliation committee is unable to effect an amicable settlement by conciliation or mediation the minister may refer the difference to arbitration

(2) In such case a board of arbitrators shall be established by the minister, under his hand and seal of office, and shall consist of—

(a) If acceptable to both parties, the committee; or

(b) In case of objection by either party to its representative on the committee, or to the chairman of the committee, new representatives in place of the member or members of the committee objected to, appointed in like manner as the original members of the committee, and of such of the committee as against whom no objection has been so made. (3 E. VII., c. 55, s. 5.)

16. If any member of such committee or board shall die, refuse, neglect, or become incapable to act, a successor shall be appointed in like manner as is hereinbefore provided in respect of the original member of the committee or board, and the appointing authority shall endeavor to appoint only such person as shall not be reasonably objected to by either party.

(2) Before such appointment the name of the person proposed to be appointed shall be submitted to both parties to the difference, and there shall be afforded to each of them an opportunity, within such time as the minister may fix, of making known to the appointing authority whether such proposed appointee is objected to. (3 E. VII., c. 55, s. 6.)

17. In the event of the establishment of a committee of conciliation, mediation, and investigation, or of a board of arbitrators to deal with any difference between the Government of Canada, in respect of the Intercolonial Railway and the Prince Edward Island Railway and any of its employees, the power to appoint conciliators or arbitrators which otherwise, in accordance with the foregoing provisions, might be exercisable by the minister, shall be exercisable by the lieutenant governor in council whom the minister shall for that purpose in each case of conciliation or arbitration in writing name. (3 E. VII., c. 55, s. 7.)

18. The third member of the said committee or board shall be the chairman. (3 E. VII., c. 55, s. 8.)

19. In case of arbitration pursuant to the provision hereinbefore contained, the findings and recommendations of the majority of the arbitrators shall be those of the board.

(2) In case of the absence of any one arbitrator from a meeting of the board the other two arbitrators shall not proceed unless it is shown that the third arbitrator has been notified of the meeting in ample time to admit of his attendance. (3 E. VII., c. 55, s. 9.)

20. Forthwith after the appointment of the board the chairman shall promptly convene the same, and the board shall, in such manner as it thinks advisable, make thorough, careful, and expeditious inquiry into all the facts and circumstances connected with the difference and the cause thereof, and shall consider what would be reasonable and proper to be done by both or either of the parties with a view to put an end to the difference and to prevent its recurrence, and shall, with all reasonable speed make to the minister a written report setting forth the various proceedings and steps taken by the board for the purpose of fully and correctly ascertaining all the facts and circumstances, and also setting forth said facts and circumstances and its findings thereon, including the cause of the difference and the board's recommendations, with a view to its removal and the prevention of its recurrence. (3 E. VII., c. 55, s. 10.)

21. The minister shall forthwith cause the report to be filed in the office of the department of Labor and a copy thereof to be sent, free of charge, to each party to the difference, and to any municipal corporation as aforesaid, and to the representative of any newspaper published in Canada who may apply therefor.

(2) Any other person shall be entitled to a copy on payment of the actual cost thereof. (3 E. VII., c. 55, s. 11.)

22. For the information of Parliament and the public the report shall, without delay, be published in the Labor Gazette and be included in the annual report of the said department to the Governor General. (3 E. VII., c. 55, s. 12.)

23. For the purpose of such inquiry the board shall have all the power of summoning before it any witnesses, and of requiring them to give evidence, on oath or on solemn affirmation, if they are persons entitled to affirm in civil matters, and produce such documents and things as the board deems requisite to the full investigation of the matters into which it is inquiring, and shall have the same powers to enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of record in civil cases; but no such witness shall be compelled to answer any question by his answer to which he might render himself liable to a criminal prosecution. (3 E. VII., c. 55, s. 13.)

24. On the application of any of the parties, or on its own motion, the board may issue summonses to such persons as the board may think necessary to give evidence in the case.

(2) Any witness summoned by the board shall be entitled to free transportation over any railway en route when proceeding to the place of meeting of the board and thereafter returning to his home, and the board shall furnish to such witness a proper certificate evidencing his right to such free transportation. (3 E. VII., c. 55, s. 14.)

25. The summons shall be in such form as the minister shall prescribe, and may require such person to produce before the board any books, papers, or other documents in his possession or under his control in any way relating to the proceedings. (3 E. VII., c. 55, s. 15.)

26. All books, papers, and other documents produced before the board, whether voluntarily or in pursuance to summons, may be inspected by the board and also by such of the parties as the board allows, but the information obtained therefrom shall not be made public, and such parts of the books, papers, and documents as, in the opinion of the board, do not relate to the matter at issue, may be sealed up. (3 E. VII., c. 55, s. 16.)

27. The department of labor shall—

(a) Pay to each member of a committee or board his actual traveling expenses, and also to each of them, other than the chairman, $10 per day for each day on which he shall attend a meeting of the committee or board, or be engaged in traveling from or to his home, being in Canada, for the purpose of attending or after having attended a meeting of the committee or board.

(b) Pay to the chairman such sum as the governor in council deems reasonable.

(c) At its expense provide the committee or board with a stenographer, secretary, and any other clerical assistance that to the minister may appear necessary for the efficient carrying out of the provisions of this act. (3 E. VII., c. 55, s. 17.)

28. The report of the committee and the report of the board shall be signed by such of the members as concur therein, and may also be assigned by a dissenting member. (3 E. VII., c. 55, s. 18.)

29. No counsel or solicitor shall be entitled to appear before the board except with the consent of all parties to the difference, and, notwithstanding such consent, the board may, if it deems it advisable, decline to allow counsel or solicitors to appear before it.

(2) The parties to the difference may appear in person or by agents. (3 E. VII., c. 55, s. 19.)

30. No court of the Dominion of Canada or of any Province or Territory shall have or possess any power or jurisdiction to recognize or enforce or to receive in evidence any report of any board of arbitrators or of any committee of conciliation, or any testimony or proceedings before either such board or committee as against any party or person, or for any purpose whatsoever except in case of prosecution for perjury. (3 E. VII., c. 55, s. 20.)

31. Where the difference which is being inquired into affects a class of employees it shall not be necessary for them all to take part in the inquiry, but the class may be represented by a limited number chosen by a majority or by agents other than counsel or solicitors. (3 E. VII., c. 55, s. 21.)

32. If, in any proceedings before the board, any person willfully insults any member of the board, or willfully interrupts the proceedings, or, without good cause, refuses to give evidence, or is guilty in any other manner of any unlawful contempt in the face of the board, it shall be lawful for any member of the board or constable to take the person offending into custody and remove him from the precincts of the board, and retain him in custody until the rising of the board. (3 E. VII., c. 55, s. 22.)

33. It shall be in the discretion of the board to conduct its proceedings in public or in private. (3 E. VII., c. 55, s. 23.)

REGULATIONS.

34. The minister may from time to time make, alter, and amend regulations as to the time within which anything hereby authorized shall be done, and also as to any other matter or thing which appears to him necessary or advisable for the effectual working of the several provisions of this act. (3 E. VII., c. 55, s. 24.)

REPORT.

35. An annual report with respect to the matters transacted by the minister under this act shall be made by him to the Governor General, and shall be laid before Parliament within the first 15 days of each session thereof. (63–64 V., c. 24, s. 12.)

EXPENSES.

36. The expenses incurred in the carrying out of this act shall be defrayed out of the money provided for the purpose by Parliament. (63–64 V., c. 24, s. 11.)

—

CHAPTER 29.

An act to amend the industrial disputes investigation act, 1907.

[Assented to 4th May, 1910.]

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 13 of the industrial disputes investigation act, 1907, is amended by adding after the word "peace," in the third line thereof, the words "or other person authorized to administer an oath or affirmation."

2. Subparagraph (b) of paragraph 2 of section 15 of the said act is repealed and the following is substituted therefor:

"(b) A statutory declaration setting forth that, failing an adjustment of the dispute or a reference thereof by the minister to a board, to the best of the knowledge and belief of the declarant a lockout or strike will be declared, and (except where the application is made by an employer in consequence of an intended change in wages or hours proposed by the said employer) that the necessary authority to declare such lockout or strike has been obtained; or, where a dispute directly affects employees in more than one Province and such employees are members of a trade-union having a general committee authorized to carry on negotiations in disputes between employers and employees and so recognized by the employer, a statutory declaration by the chairman or president and by the secretary of such committee setting forth that, failing an adjustment of the dispute or a reference thereof by the minister to a board, to the best of the knowledge and belief of the declarants a strike will be declared, that the dispute has been the subject of negotiations between the committee and the employer, that all efforts to obtain a satisfactory settlement have failed, and that there is no reasonable hope of securing a settlement by further negotiations."

3. Paragraph (3) of section 16 of the said act is amended by adding at the end thereof the following: "or, where a dispute directly affects employees in more than one Province and such employees are members of a trade-union having a general committee authorized to carry on negotiations in disputes between employers and employees, and so recognized by the employer, may be signed by the chairman or president and by the secretary of the said committee."

4. Section 51 of the said act is repealed and the following is substituted therefor:

"51. The members of a board shall be remunerated for their services as follows:

"(a) To members other than the chairman, an allowance of $5 a day for a time not exceeding three days, during which the members may be actually engaged in selecting a third member of the board.

"(b) To each member of the board, including the chairman, an allowance at the rate of $20 for each day's sitting of the board and for each day necessarily engaged in traveling from or to his place of residence to attend or after attending a meeting of the board."

5. Section 57 of the said act is amended as follows: By striking out of the third and fourth lines thereof the words "and in every case where a dispute has been referred to a board," and substituting therefor the words "and in the event of such intended change resulting in a dispute"; by substituting the word "a" for the word "the" before the word "board," in the fifth line thereof; and by striking out the words "nor the employees," in the sixth line thereof.

Mr. HARDWICK. Mr. President, I have listened with considerable interest to the observations of the Senator from Iowa [Mr. CUMMINS], and I find myself in absolute accord with all he has said about the law in respect to this matter and the constitutional limitations under which we labor. At the same time I have an idea about the situation that is confronting us which I wish to give to the Senate and to the country.

It has always seemed to me that, unless we were going eventually to the Government ownership and operation of the railroads of this country, we must have thorough and complete governmental control and regulation of those railroads. That theory, I think, has been accepted by the country and it has been accepted by Congress. Under that theory the rate-making power has been conferred by Congress upon the Interstate Commerce Commission.

Mr. President, it seems to me that we have not yet gone far enough in our regulation and control of the railroads and that the present situation proves it. The present emergency that confronts this country seems to demonstrate that there are other necessary steps that we must take if we are to solve questions like those that now confront us in peace and for the best interest of the country.

I believe that the Interstate Commerce Commission ought to have expressly conferred on it the full, absolute, and exclusive power not only to fix freight and passenger rates but also to determine what are just and reasonable rates of wage on these great interstate agencies of commerce; also the hours of service and the conditions generally under which labor is to be employed on these great interstate railroads. Already, in fixing the rates, the Interstate Commerce Commission, I understand, investigates most carefully every detail of expense to which these companies are put, even down to what the bolts cost and what every piece of equipment costs. It is impossible for the Interstate Commerce Commission to correctly fix rates, impossible for it to prescribe reasonable and just rates, for the transportation of persons and commodities through this country unless it also passes, either directly or indirectly, upon what amount is to be paid to the wage earners engaged in the work of these great companies.

It seems to me that it is absolutely essential that in the end the same commission that determines what the income of these railroads shall be shall also determine what their outgo shall be.

Mr. BORAH. Mr. President——

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

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

Mr. BORAH. If the power to fix wages were conferred upon the Interstate Commerce Commission, would the Senator from Georgia go further and enforce the decree by compelling the men to work?

Mr. HARDWICK. I will answer the Senator in just a moment. I intended to come to that, but I would rather not answer the question until I finish what I intend to say on this particular subject. I do, however, intend to cover just that question a little later.

Mr. President, these subjects—income and cost of operation—are closely related. They are interdependent; they can not be separated. The same governmental authority that determines what the incomes of the railroads shall be must eventually determine, unless we are to abandon our present system, what every expense shall be for wages and for everything else. If I had the power to write the law as I think it ought to be written, I would write into the statute a proposition that the Interstate Commerce Commission shall determine not only the amount of wages but the hours during which labor shall be employed and the terms and conditions under which it is to be employed on railroads engaged in interstate commerce.

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

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. HARDWICK. I yield to the Senator from Iowa.

Mr. CUMMINS. If the Interstate Commerce Commission fixes the wages of the railway men, who is going to fix the prices of the things which the railway men must buy in order to support themselves?

Mr. HARDWICK. Oh, well, Mr. President, I do not think the Senator's question is quite as pertinent as his questions usually are.

Mr. CUMMINS. There has got to be some relation between those things as well as other things.

Mr. HARDWICK. But the Government does not fix what they shall pay.

Mr. CUMMINS. No.

Mr. HARDWICK. And, yet, some one must fix what these men are to get in the way of wages. Is it to be the railroad companies themselves, who have got a selfish interest in it, may be, who may want to divert a larger percentage than ought to be diverted to pay dividends on stocks that may be purely or partly water, or on bonds that may be in the same condition, or, it may be, to pay too much for the executive officers or for overhead charges; or is it better to have these wages determined by an impartial tribunal that represents the public?

My proposition is that the same commission, representing the public and all the people, that determines one of these factors that enter this problem, ought to determine them all.

Mr. CUMMINS. Mr. President, hitherto those questions have been determined, of course, by the conflict of commercial forces; by the law of competition, as it has been modified, or disturbed sometimes by combinations or agreements; but whenever the Government of the United States attempts to fix what a man shall get for his work, it ought also somehow or other to take care of the price of things that he has to buy.

Mr. HARDWICK. If the Senator will pardon me, I apprehend that the Interstate Commerce Commission would take that into consideration. By law we fix the salaries of Members of Congress; we fix by law the salaries of many thousands and hundreds of thousands of Government employees; we fix many salaries by statute; we fix many wages by statute; and it is not a new proposition to say that the wages of men who work on public work shall be regulated or controlled in some way by public law.

So I say that the railroads of this country, which are engaged in the performance of a great function of a quasi public character, are in such position, and the position of the country is such in reference to them, that the wages and the hours and the terms of labor are all matters of public concern, are matters that ought to be regulated, not by the railroads themselves alone and not by the men alone, but by a board representing the public.

The Senator from Iowa said just now that these wages had been fixed as the result of industrial forces. Very often they have been fixed in proportion to the relative strength, or more in accordance with the relative strength, of these conflicting parties. Usually, I think, the rate of wages and the terms and conditions under which labor has been employed on these great railroad systems has been fixed more with reference to the strength of the railroad owners or of the railroad men—one or the other—than they have with reference to any inherent principles of justice or with reference to the possible rights of others that may be affected thereby.

Now, it does seem to me as though we have come to the time, Mr. President—and that the country realizes it and this present situation forces it to realize—that we have come to the time when somebody else, some high governmental authority, representing 100,000,000 people in the United States, representing the innocent bystanders in this Republic, who are liable to be injured if either side in a controversy like this proves stubborn and intractable, has a right to intervene in behalf of 100,000,000 people who will be hurt, who will have their industries suspended, who will have their businesses stop, and who will have production and commerce in this country halted unless some permanent system can be devised of getting at a just result in that matter.

Therefore I have thought that, instead of a temporary commission of the character suggested by the President, the great Interstate Commerce Commission—the most expert body; indeed, the only expert body that we have in our governmental system so far as railroad matters are concerned—with their wide knowledge and wide experience in all sorts of railroad matters, ought to have this question also submitted to them for their consideration and determination. It seems to me, Mr. President, that the

two things of railroad rates and railroad wages are indissolubly connected; they are interwoven; they are interdependent, and indissolubly so.

Mr. NORRIS. Mr. President——

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

Mr. HARDWICK. I yield to the Senator from Nebraska.

Mr. NORRIS. The Senator from Georgia is discussing the very question which I asked the Senator from Iowa some time ago, which is one in which I have taken a deep interest. I want to ask the Senator whether or not he believes it would be possible to go a step further and to include in this regulation by the Interstate Commerce Commission not only the fixing of the salaries of employees but of the officials as well? As I understand, he would include the officials as well as the employees?

Mr. HARDWICK. Yes.

Mr. NORRIS. And he would fix the compensation which the financial or fiscal agents of the various railroads should receive?

Mr. HARDWICK. Undoubtedly; that is a necessary part of it.

Mr. NORRIS. So I wanted to say to the Senator that it seemed to me that it is as necessary to regulate the salaries of those officials as it is to regulate the wages of the men.

Mr. HARDWICK. If the presidents, the general managers, the chairmen, the directors, and the other officials of the road are being overpaid, the public is footing the bill. Maybe the railroad men, the men who work with their hands on railroads, are being paid too much in some cases. I would not only commit to the jurisdiction of this great commission the question of the wages of the men who work by the day, but I would include in that regulation the salary of every officer from the highest official of the railroad to the lowest paid section hand who works on the road.

Mr. NORRIS. My question involved, if the Senator will permit me, going even a step beyond that. Railroads in their financial operations pay commissions, and so forth.

Mr. HARDWICK. I think all those things—every factor of railroad expense and every factor of railroad disbursement—should eventually be committed to the Interstate Commerce Commission, and that this must be done if regulation is to prove efficient.

Mr. BORAH. Mr. President——

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

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

Mr. BORAH. The Senator from Georgia is now discussing regulation, and not public ownership of railroads.

Mr. HARDWICK. Undoubtedly.

Mr. BORAH. What is the difference between your plan of regulation and public ownership, except that under regulation you leave a certain number of individuals who draw private gain from the industry? If you are going to take over and regulate the rates and wages and regulate the commissions that are paid to financial agents and regulate the salaries—and you must take into consideration all those things——

Mr. HARDWICK. Undoubtedly.

Mr. BORAH. Then, the Senator will agree with me that that is the longest step in the direction of public ownership that has yet been taken.

Mr. HARDWICK. On the contrary, I do not hesitate to assert to the Senator and to the Senate that, in my judgment, it is the most effectual means, if not the only means, of preventing public ownership that I can think of.

Mr. BORAH. When the Government regulates rates, regulates salaries, and regulates wages, some one will have to be found who is willing to put money into railroad enterprises.

Mr. HARDWICK. That is easy enough to answer.

Mr. BORAH. There has been less railroad construction during the last two years than during any two years since the railroads began to be built to any extent in this country. The railroad men claim that the fact that people are hesitating to put their money into railroad enterprises is because they make a much larger percentage in a number of other investments which may be made. It seems to me that if the Government takes the railroads entirely out of the hands of the men who put up the money for them investors will refuse to invest, and the Government must inevitably take possession of the railroads.

Mr. HARDWICK. If the Senator pleases, that is only a question of wise regulation. We have not arrived at perfection yet. It may be that the railroads have not had their rates adjusted properly; it may be that they are not permitted to make as much money as we must allow them to make in order to sufficiently encourage railroad development; it may be that mistakes have been made along some of the lines suggested by the Senator; but that does not prove that the system is unsound; that does not prove that the plan is wrong. If we have made mistakes——

Mr. CUMMINS. Mr. President——

Mr. HARDWICK. Just a moment, if the Senator will pardon me; I want to proceed to answer the question of the Senator from Idaho a little more at length.

The Senator from Idaho says this is a great step toward public ownership. I do not think so. The worst vice of public ownership would be the operation of the railroads by the public and the fact that the men who work for them, two million in all, in round numbers, who are also citizens of the United States and voters of the United States, would thus be thrown, in a way, into politics, not only to their own detriment but also to the great danger of the general public.

Mr. BORAH. Mr. President——

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

Mr. HARDWICK. I yield.

Mr. BORAH. If the Interstate Commerce Commission is going to fix rates and fix wages, the workingmen on the railroads must know that upon that commission they depend for their wages; and therefore they will be just as much interested in the man who shall appoint the commissioners and just as partisan with reference to the appointments as if they were working for the Government and were, therefore, interested in the man who would continue to operate the railroads as President indirectly through the commission.

Mr. HARDWICK. Not at all, because there are other forces that will always balance this one. Let me illustrate: Four hundred thousand railroad men want higher wages, but 1,600,000 more of them, who are unorganized, unrepresented in this controversy, will also want higher wages if the present demand be granted. Not only that, but, if the Senator please, there are millions more of men, men who work in factories, in mines, and on the farm, who are also interested in this question, because the tax that is levied for transportation is a tax on the product that each one of them makes, and the larger the percentage of the value of the product each one of them makes that is taken for transportation, the less wages they are likely to get. For instance, it has been estimated—to give the Senator an idea of the thought in my mind on that question—that if this wage increase be granted it would put a tax of something like 50 cents a bale on every bale of cotton raised in the great Commonwealth in which I live, and, indeed, throughout the South. Now, one of the factors that has to be taken into consideration is what effect it will have on the people who produce cotton, on the people who produce grain, on the people who mine, and on the people who work in the factories. Considerations of the character the Senator from Idaho suggests are unavoidable in a republican form of government where all, or practically all men, are invested with the ballot; still the fact remains that railroad employees would not get their jobs from the Government, the railroads would not be operated by the Government, and there would be only regulation.

Mr. BORAH. Exactly.

Mr. HARDWICK. A thorough and complete regulation. Now, let me ask the Senator a question in turn. Is there any more reason for regulating by law, through a commission established by Congress, freight rates and passenger rates than there is to regulate the wages paid to employees?

Mr. BORAH. Mr. President, as a matter of fact, I do not think there is very much difference between the two propositions. I only regard two steps in the direction of public ownership as more than one step. Let me call the Senator's attention to a proposition. A few months ago the railroads made an application for an increase in freight rates, and after a tremendous propaganda, carried on all through the country by the use of political influence and everything else, freight rates were raised on an average of 5 per cent, which gave the railroads $50,000,000 increase of revenue annually. Now come the employees who ask for wages which the railroads claim will add an additional $100,000,000.

Mr. HARDWICK. Sixty million dollars, I think.

Mr. BORAH. The railroads have estimated it all the way from $60,000,000 to $100,000,000 in their written statement, as I read it yesterday. However, I will say $60,000,000.

Mr. CUMMINS. One hundred million dollars, according to the demands of the men, and fifty or sixty million dollars under the suggestion of the President.

Mr. BORAH. We will not quarrel over figures, because any are large enough. We have, then, I will say, an increase of $50,000,000 in freight rates and a proposed increase of $60,000,000 in wages, and the suggestion made that there shall be

a method by which the $60,000,000 to be paid the workingmen shall be met by an increase in freight rates.

Now, if the railroads can raise rates whenever they want to through a propaganda and the workingmen can raise wages whenever they want to through political influence, and all these raises can be charged up, as they must be it seems, to the people, how long does the Senator suppose it is going to be until the man out in the field producing and the shippers and consumers are going to say "We will take this over and run it ourselves. If we have got to pay all the expense, we will take all the benefits." The manner in which the 5 per cent rate decision was brought about, the manner in which it is proposed to take care of this situation, will cause many people to say that the only escape from this perpetual motion in freight raises is to take charge of the roads. Now, Mr. President, reasonable rates must be paid and reasonable wages must be paid, but that reasonableness must be founded upon facts, not upon political influence over the commission.

Mr. HARDWICK. In any event the dangers the Senator suggests are not nearly so great as those involved in Government ownership, and if we are to rely on regulation, then it follows that we must have efficient regulation. That is why I say the Interstate Commerce Commission, the Government, must have jurisdiction and control over every important factor in this problem, or otherwise the day of Government ownership is at hand. So far as I am concerned, Mr. President, I am unable to see any substantial or important or material difference in principle or otherwise between conferring upon this commission the power to fix wages and conferring upon this commission the power to fix freight rates. So much for that phase of the question.

No matter what is done here and now to meet the present crisis and to bridge over the present difficulty, in the end I am just as certain as I can be that the great Interstate Commerce Commission, to be reorganized to consist of nine members, divided into three separate divisions, working independently, according to the terms of proposed legislation, will also have control of the wage question, and I believe that when the bill pending shall pass at least one of the divisions should devote its time for a good while to working out a complete adjustment of railway wages and railway labor conditions throughout the country.

Mr. JONES. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. JONES. Without expressing my opinion with reference to the merits of the suggestion which the Senator has made that this matter should be referred to the Interstate Commerce Commission——

Mr. HARDWICK. No, not exactly that; I did not make that suggestion. My suggestion was to refer such questions permanently to that body; I did not mean the particular matter now in dispute.

Mr. JONES. I understand that; but the Senator contends that the commission should be vested with such power.

Mr. HARDWICK. That is right.

Mr. JONES. Does not the Senator think that it would meet, as well probably as it could be met, the problem of the use of political pressure and influence upon the commission if it were composed of men appointed for life?

Mr. HARDWICK. Well, I am inclined to think it would. I do not intend to commit myself irrevocably to that proposition, but that may be necessary.

Mr. JONES. It does seem so to me. It seems to me that the hardest blow ever directed at the Interstate Commerce Commission was when high political pressure was brought to bear upon it to increase rates and when the suggestion was made in every newspaper in the country, whether true or not, that the President of the United States had assured some of the representatives of the railroads that he would use his personal and official influence to secure an increase of rates; and in order to avoid, in so far as we can, the influence of political pressure, if we are going to leave such questions to the commission, or any other body, it ought to be composed of men who hold their positions for life, so as to free them from political influence as the Supreme Court Justices are freed from such influence.

Mr. HARDWICK. The Senator's suggestion is valuable and interesting, and I am not sure but that it is sound. I am inclined to the same view of the matter myself, although, as I have said, I would not want to commit myself irrevocably to it, because I have not quite made up my mind on that question; but undoubtedly there ought to be a very long term of office. The danger, of course, about a life tenure is that when you get a bad man in you never get him out. There is a good deal of danger in life tenure in any sort of office, but undoubtedly we ought to do what we can to remove the Interstate Commerce Commissioners from participation in active politics and to put them as much as we can in the position the Supreme Court Justices occupy—to detach them from active participation in all political and partisan squabbles in which this country engages.

Mr. JONES. We ought to throw about them the protection that would deter politicians from trying to influence them, just as we have deterred them from attempting to influence the Supreme Court.

Mr. HARDWICK. At the same time the Senator from Washington must realize the danger that is involved in a life tenure of office——

Mr. JONES. Yes.

Mr. HARDWICK. If we get a bad man or a man who looks like he is all right when he starts in, and he goes wrong for some reason or is corrupted in any way, of course it might be said we could dismiss him from office; but it is impossible always to prove acts of that kind, and the danger from life tenure of office along certain lines is so great that I would not want to commit myself irrevocably to the Senator's suggestion, although undoubtedly I am prepared to say now that we ought to lengthen the term of the Interstate Commerce Commissioners.

Mr. McCUMBER. Mr. President——

Mr. HARDWICK. I yield to the Senator from North Dakota.

Mr. McCUMBER. Does not the Senator think we could accomplish the same beneficent results without taking at least these extra steps toward the field of paternalism, if we would give conciliatory power to the Interstate Commerce Commission, and authorize and require them in case of disputes to call before them the shipping interests, representing indirectly the public, the railroad officials, and the representatives of the labor organizations, and then have them pass upon the questions involved, if not in the form of a judgment, at least by way of reporting and recommending rates for labor—its action, I would say, would be confined to that in instances of this kind—that would be just to the shipper, to labor, and to the railroad, leaving it to the conscience of the public as a potent force to secure the result and the acceptance of their report?

Mr. HARDWICK. There is merit in the Senator's suggestion, of course, Mr. President, but in my own mind I am prepared to go much further than that; I am prepared to stand where I stand now, on the sentiments that I have expressed to-day; and I do not regard it as paternalistic, either, because the great railroad companies and their employees of this land are public servants and are engaged in a quasi-public business. While I would be willing to regulate wages by law—for that is what it amounts to when you delegate the determination of that question to the commission—it is simply and solely because they are engaged in a public service. I would not be willing, however, to apply that principle to any form of private industry or to any line of private business.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Georgia yield to the Senator from Iowa?

Mr. HARDWICK. Yes.

Mr. CUMMINS. I do not think the Senator from Georgia quite understands my position. I do not doubt our authority to create a tribunal—whether you call it a court or a commission or what not—to try any dispute or any controversy that has arisen between employer and employee in interstate commerce and determine the dispute, and if the dispute involves a matter of wages, then the commission or tribunal can determine the wages. Of that I have no question at all; but is the Senator from Georgia quite clear that Congress can confer upon the Interstate Commerce Commission, as a regulatory measure binding upon the railroad companies, authority to fix the wages of the employees of a railway?

Mr. HARDWICK. I have not the slightest doubt about it.

Mr. CUMMINS. I have the very gravest doubt about it. In fact, I am absolutely sure it can not be done.

Mr. HARDWICK. The Senator and I are in irreconcilable mental conflict if he takes that view.

Mr. CUMMINS. I just want to suggest to the Senator why I do not think it can be done. I think Congress can do it. Congress can fix the wages of all the railway operatives if it sees fit to do so.

Mr. HARDWICK. Just as Congress could fix the freight rates.

Mr. CUMMINS. Congress can fix the freight rates; but Congress can not delegate to a commission every authority that it can exercise.

Mr. HARDWICK. If the Senator will pardon me, Congress has the same power to delegate its power with reference to

wages that it has with reference to freights. We would have to have a standard fixed on both subjects. We would have to say "reasonable and just wages."

Mr. CUMMINS. I differ from the Senator from Georgia in that respect, although I am sure we do not differ upon the principle of law. Congress can delegate to a commission the authority to establish a freight rate because it can give the commission a rule to apply.

Mr. HARDWICK. Let me ask the Senator——

Mr. CUMMINS. Just a moment.

Mr. HARDWICK. The Senator is speaking in my time, and I want to get in my ideas, too, in connection with his, because I think maybe we can get together if we do. If it sets up a standard like it did on the rate question, why can it not do the same thing in the case of wages?

Mr. CUMMINS. Simply because there is no standard.

Mr. HARDWICK. "A reasonable and just scale of wages." That is all we said about rates—that they should be "reasonable and just rates."

Mr. CUMMINS. There is no such thing as a reasonable and just wage.

Mr. HARDWICK. Then there is no such thing as a reasonable and just rate.

Mr. CUMMINS. Oh, yes; there is. That had been determined long before we ever thought of creating the Interstate Commerce Commission.

Mr. HARDWICK. The Senator is just bound by narrow precedents, then, if he thinks that.

Mr. CUMMINS. I will ask the Senator to tell me why a carpenter should get $5 a day and a lawyer $50 a day? Why is it?

Mr. HARDWICK. Oh, well, tell me why one rate for a shorter distance should be more than another rate for a longer distance.

Mr. CUMMINS. I can tell the Senator why. Because the cost of the service is greater.

Mr. HARDWICK. Well, that is undoubtedly so in the other case, too.

Mr. CUMMINS. No. Whenever you reach the question of determining what is a fair and reasonable compensation for a man's labor, whether it is mental or whether it is physical, you enter a field in which I think there is no standard, and Congress could not prescribe any.

Mr. HARDWICK. The Senator has a peculiar view, I think, in regard to that. It is a standard for service in either case. The rate is for service. The wage is for service. I can not understand the operation of the mind of a man who can see any difference between the two. It might be true, Mr. President, if this is what the Senator has in mind. It might be more difficult to fix a standard; or, once you have fixed exactly the same standard—to wit, a reasonable and just rate or wage—it might be more difficult to apply the standard in the one case than in the other. But the principle is exactly the same, both the principle of law and the principle of public policy—exactly the same. Just as we said to the Interstate Commerce Commission, "We require you to establish rates that shall be reasonable and just," we can say to that same commission in exactly the same terms, in identically the same words that we employed in regard to that question, "We require you to set up a reasonable and just standard of wages." It is for service in either case and in both cases. You can set up a standard or a rule just as securely, just as faithfully just as certainly, and just as accurately in one case as you can in the other.

I have the greatest respect for the opinion of the Senator from Iowa and for his very great ability, and yet I can not see, to save my life—he has not shaken me at all in that—how there is the slightest difference in principle between the two cases. It may be harder to apply the rule with accuracy and with justice in one case than it is in the other, just as it might be harder to tell the Senator why a lawyer was entitled to $50 for a certain piece of work when a carpenter got only $5 for a piece of work that involved very much harder physical labor than the lawyer ever performed. There is no way of establishing the reasons for those discriminations in compensation that exist except to say that certain education is required, certain training is required, certain mental qualities are required in the one case that are not required in the other, and therefore higher compensation is allowed for the one service than for the other.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. HARDWICK. Yes.

Mr. McCUMBER. Will the Senator allow me to give him a concrete case, and then illustrate his point on that case?

Mr. HARDWICK. I shall be very glad to have the Senator's suggestion.

Mr. McCUMBER. Suppose that the commission or the board should think it proper to raise the wages of trainmen who are already, we will say, receiving $4.50 a day, and by raising their wages 25 cents a day it increased the cost of freight so that a laborer working just as many hours, possibly on work that required about the same amount of intelligence, who was receiving but $2 a day, had to pay a dollar more per ton for his coal, and being compelled to purchase, say, 10 tons of coal during the winter, he would be himself paying $10 toward the wages of men who were receiving $4.50, out of his earnings of $2 a day. How would the Senator apply the reasonable-wage idea to the employees of the railway company without taking into consideration the earnings of this laborer and what effect the raise would have upon his expenses?

Mr. HARDWICK. Undoubtedly the Senator is right. I suggested myself, long before the Senator's question, that all those considerations would have to be gone into very carefully. I will tell the Senator this: It is much better, it is much safer for this country, it is much fairer both for the railroads and for the men to have things of that sort gone into carefully by a great public-service commission that is impartial, not only as between the railroads and the men but that is also representative of all the interests of this country and of every laboring man in it and of every industry in it. That is the reason why I think the Interstate Commerce Commission in the end must regulate wages as well as rates.

Mr. President, I have about concluded what I had to say, except that I want to make this suggestion: I find myself thoroughly in accord, not only with the statement of the law made by the Senator from Iowa this morning, but also with his views about individual and personal liberty, and the sacredness of individual and personal liberty, and the duty and obligation resting on us, as Members of the Senate, to preserve it and not to impair it. We can not and we ought not, under any circumstances or for any provocation, in any situation or for any reason, to enact any sort of legislation that will make men work involuntarily, or will tend to do it. For one I will never vote for such a proposition. For one I will never support such a propaganda, no matter where it comes from nor what the apparent necessities of the moment are. But I say to you that we can and we ought, and it seems to me that the present situation proves that we must, after once we lay the foundations for a just determination of these wage problems, provide that men shall not, in combination and in conspiracy and in concert, tie up the great transportation agencies of this country and halt commerce and industry throughout the country. I am in favor of securing to these men, by any way that can be devised, a fair and just determination of their demands for adequate pay and for reasonable labor conditions. Once we provide such a system—and I believe it will be along the lines of my suggestion whenever we come to its permanent solution—then I would thoroughly favor the enactment of a law making it criminal for any number of men to conspire to impair or destroy the effectiveness or the efficiency of the great interstate transportation agencies.

Upon these great transportation agencies not only do the industries, the businesses, and the enterprises of the country rest, but also the very life of the country seems to be bound up in their constant and in their regular action. It is not to be permitted in this country that either a lot of selfish capitalists who are striving to pay dividends on watered stocks or to pay exorbitant salaries to the heads of great railroad systems, or a lot of men who are already well paid, in order to get higher pay, should be permitted to halt the wheels of human progress in this Republic and to say to every industry, to every commerce, and to every business in this land, "You must starve and languish and perish while we settle our squabble about how much wages we are to pay, or we are to get."

It is inconceivable. The American public will not submit to it, and ought not to submit to it. These men on both sides, capitalists and laboring men, ought to be conservative and ought to have some thought about somebody's interests besides their own. Unless they will do it, unless they do do it, they will find aroused against them a public sentiment in this country so great that whichever side offends against it will go to eternal ruin.

Mr. BORAH. Mr. President——

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

Mr. BORAH. As I understand the Senator, he would give the Interstate Commerce Commission the power to fix wages, and then he would make it a criminal offense to strike as against those wages so fixed?

Mr. HARDWICK. After they were once determined, yes, if by a "strike" the Senator means a conspiracy or concerted action to prevent the operation of the railroads.

Mr. BORAH. Does the Senator conceive of any constitutional difficulty in the way of that?

Mr. HARDWICK. No; because I would not make it unlawful for any individual who was dissatisfied with either the scale of wages fixed by the commission or the terms and conditions of employment prescribed by them to quit as an individual; but what I would make unlawful would be a conspiracy to stop the operation of the great agencies of interstate commerce, just on the same lines that we made it unlawful—and it is now unlawful—to interfere with the postal service of the country, for instance.

Mr. BORAH. That would result in one of two things, I should think: Either the absolute destruction of unionism in connection with the railway system or else compulsory service.

Mr. HARDWICK. No; neither. Well, I will take that back in part. I think perhaps there would be very little need for union-labor organizations among railroad employees if that were done. There might be still a great field in which these organizations might work—the presentation of their cases, the arraying of the facts that support their contention—before this commission, or in case of an appeal to the courts on constitutional grounds, as the railroads now have such appeal to the courts of the land, they might operate in that way. But they certainly would have no right, under my view of what ought to be done, to cooperate in order to bring about a strike on these great interstate railroads, and I do not think they ought to have such right.

Mr. NORRIS. Mr. President——

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

Mr. HARDWICK. I yield.

Mr. NORRIS. I want to ask the Senator what he thinks of passing a law, such as he has outlined, giving the authority to fix salaries, wages, and so forth, and then stopping right there, without trying to legislate on the question of strikes or lockouts or anything of the kind? Does he not think the result of that would be, with wages so fixed, that there would be no attempt to strike?

Mr. HARDWICK. I am inclined to think the Senator is right, and but for the awful situation that appears to confront us now I never would have thought of this other proposition. But think of the situation we are in now! Why, the country is notified that, beginning at 7 o'clock on the morning of September 4, it is proposed to tie up these great agencies of interstate commerce and to suspend their operation throughout the country. Now, once we established a system of the kind that I have indicated, and once we committed to this commission the full jurisdiction over this question and the exclusive right to settle what these wages and hours and terms of employment were to be, I do not believe we would need the other law. I do not believe it would ever become necessary, practically speaking, to have recourse to it. But does not the Senator agree with me that if once we have done that, and a situation like that which confronts us at present were to recur, the Republic itself, the people themselves, the business, the industry of this country, ought to have some way of protecting itself against a suspension of all railway traffic?

Mr. NORRIS. One objection that strikes me now to legislating so far and going so far on this question is that it would take too long. The difficulty would be that we would get into trouble before we got through legislating. Then, in addition to that, the Senator agrees with me, as I understand, that there probably would be no use for that kind of a law, anyway. The consideration in favor of the other proposition is that it would not be much longer than your finger; it would be short, and might be passed speedily, if Congress should be in favor of it, of course.

Mr. HARDWICK. The Senator may be right, so far as the present situation is concerned.

Mr. NORRIS. And then it would have the effect, as I understand, of practically fixing by law every one of these salaries. It would be the same as though Congress itself legislated and fixed every one of them by law.

Mr. HARDWICK. The Senator is in favor of that sort of a proposition himself, as I understand.

Mr. NORRIS. Well, it strikes me that I would be. I have not given the subject the most profound thought, however.

Mr. HARDWICK. I have already taken up more time than I intended. I think the Senator from North Carolina [Mr. SIMMONS] is ready to proceed with his bill, so I yield the floor.

Mr. HUGHES. Mr. President, I should like to say a word or two with reference to the position taken by my friend the Senator from Georgia.

I can not imagine anything that would be more calculated to offend every friend of free institutions than the passage of legislation looking to the achievement of the end that seems to be sought by the Senator from Georgia. I can not sit here in silence and by my silence appear to give assent to the startling proposal that he has made. I am willing to go along with him about as far as was suggested by the question of the Senator from Nebraska [Mr. NORRIS]. I think perhaps it would be in the interest of the public, in the interest of the men, and in the interest of the railroads, if the Interstate Commerce Commission were clothed with the power to say what, in its opinion—all the circumstances of the case being taken into consideration—were reasonable rates of wages, reasonable hours of labor, and reasonable conditions of service.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Georgia?

Mr. HUGHES. I do.

Mr. HARDWICK. Let me ask the Senator a question, because I do not think we are very far apart. Suppose we did that, and then we were confronted by precisely the situation that confronts us to-day, would the Senator be willing to take the second step I have suggested?

Mr. HUGHES. I would not. I will say to the Senator that so long as I live, and so long as I continue to enjoy the privileges of a citizen of this country, I shall never subscribe to the theory that men can be compelled to work.

Mr. HARDWICK. Mr. President, the Senator can not be permitted to put me in that situation. I do not think so, either, and I so stated.

Mr. HUGHES. I have not put the Senator in any position yet. He has interrupted me before I got him placed. I am going to qualify what I have to say so that I do not think the Senator will quarrel with me at all.

Mr. HARDWICK. I would not quarrel with the Senator anyway.

Mr. HUGHES. I mean, then I will be glad to have him interrupt me and correct me. When I say that I will not consent to having the laboring men of this country or any other class of men in this country compelled to give up their services for rates fixed by somebody else, I mean that the Senator proposes to prohibit, along with his legislation, the only way in which they can effectively refuse to accept conditions that are imposed upon them by the Interstate Commerce Commission or other governmental authorities; namely, to confer together, or, as the Senator puts it, to conspire together and take common and joint action with reference to the propositions that are laid before them.

There is no practical difference at all in the differentiation the Senator seeks to make when he says that he would not attempt to coerce or to make subject to legislation any single individual; but that if two men working at the same desk or three men working on the same train should talk together over a decision rendered by the Interstate Commerce Commission, and decide that it was unfair, and that they would retire from the employment of the railroad so long as that decision remained in force, they would then be subject to the criminal laws of the United States, to be indicted and convicted and punished. To attempt to do that is, in my opinion, to do just what the Senator says can not be done; that is, to compel involuntary servitude in this country.

Mr. HARDWICK. Mr. President, I did not state the proposition exactly in that way, and as the Senator is undertaking to give me credit for it, he had better state it as it is.

Mr. HUGHES. I am willing to have the Senator state it.

Mr. HARDWICK. I do not refer to a case where just two or three men get to discussing a decision and then afterwards go off and determine, each one for himself, to take separate action about it and quit; but I mean going around and organizing a strike. I mean undertaking to carry out a well-conceived plan to stop the operation of the great interstate railroads of this country, issuing formal notices, and having headquarters established, and carrying on a war with respect to the public transportation agencies of this country. That is what I mean—that 100,000,000 people have some rights as well as a few laboring people.

Mr. HUGHES. Of course, the Senator is stating one extreme, and I am stating the other. They are both likely to occur. Under the Senator's proposition we might never get to the condition that we are in now; but, on the other hand, we might see thousands of train crews who operate in the way I have sug-

gested sent to the penitentiary for operating in that way. I am willing to admit that legislation such as the Senator proposes would be likely to discourage great strikes. Not only would it be likely to discourage great strikes and great industrial wars, however, but it would discourage all sorts and forms of liberty of action.

Why, an editorial in a great newspaper or in a trade journal, in a railway brotherhood journal, to the effect that a certain decision of the Interstate Commerce Commission was unfair, and advising the men that if they submitted to it later decisions would be more unfair, and that the only way they could protect themselves would be to withdraw from their employment in that company, would, under the legislation suggested by the Senator from Georgia, bring that newspaper and anybody who acted in accordance with the suggestions made by that newspaper within the provisions of the law. I can not conceive of anything more calculated to bring trouble and disorder and misery upon the people of this country, and particularly the working people of this country, than the proposal made by the Senator.

Mr. HARDWICK. Mr. President, will the Senator yield for a question?

Mr. HUGHES. Yes.

Mr. HARDWICK. What does the Senator propose to do to stop the present trouble?

Mr. HUGHES. Well, that is a large order, I will say.

Mr. HARDWICK. Yes; it is a very simple question, though.

Mr. HUGHES. I have my own views with reference to it, and I do not mind stating them.

Mr. HARDWICK. I wish the Senator would.

Mr. HUGHES. If there had not been negotiations going on here between the President of the United States and the presidents of the great railways and the various brotherhoods, which I, for one, and I know the Senator from Georgia also hoped would be productive of some solution that would prevent this great calamity from coming upon the country, and if it had not been for the fact that any attempt of mine might have been misconstrued or misunderstood, and perhaps might have worked harm where I would have intended that it should work good, I would have introduced in this body, and I trust that somebody who is charged with that legislation more particularly than I am, will introduce in this body a measure declaring that so far as the Government and the railroads of the United States are concerned an eight-hour day is regarded as in accordance with sound public sentiment and policy.

Mr. HARDWICK. Will the Senator yield again?

Mr. HUGHES. Yes.

Mr. HARDWICK. Does the Senator mean actually an eight-hour day, as the word is commonly understood, or an eight-hour yardstick of pay?

Mr. HUGHES. I mean an 8-hour day, as the word is commonly understood, as the 16-hour day is understood in what is already a law of the United States.

Mr. HARDWICK. Just to elaborate that a little, then, the Senator means that after a railroad man works eight hours he is not to be allowed, except in exceptional emergencies, to work more than eight hours?

Mr. HUGHES. Exactly.

Mr. HARDWICK. All the men are against that.

Mr. HUGHES. Well, I do not know. Of course, the Senator was asking me what I would do in this emergency. He did not ask me what I would do to please the men.

Mr. HARDWICK. Oh, no. I did not mean that the Senator ought to follow that remark, but I say he would not satisfy either side.

Mr. HUGHES. I do not suppose any solution that we will arrive at will satisfy either side. Certainly none will satisfy both sides; and if I had it in my power to satisfy one side or the other, or to do what I would like to do in the premises, I might do something other than I have suggested. But it does seem to me that one way out of this difficulty, a less drastic way than that suggested by the Senator from Georgia, and one that would, at least, remove one bone of contention, is to do what it seems to me we are completely authorized and empowered by the Constitution to do, namely, to prescribe what we regard, if we do regard it, as a fair standard of hours of labor upon the railroads of the country.

I was very much interested in the statement of the Senator from Iowa [Mr. CUMMINS]. It shows that he has given a great deal of sympathetic thought and study to this whole problem. Many of the suggestions that he has made, it seems to me, will repay the study of the Members of this body; and out of the seeds he has sown there may come a solution of this very embarrassing problem.

I do not see why partial application of one of the statutes to which he referred might not be made. I do not see why it is outside of the bounds of reason to say that the Interstate Commerce Commission or some other specially appointed commission could be clothed by law with the power to fix rates and conditions of employment upon the railroads of the country, and then that every organization which had confidence in the personnel of that commission and which wanted to avoid these occasional disturbances and crises might voluntarily subject itself to the rule of that tribunal; and I do not see why railroad organizations also seeking to avoid these disturbances might not voluntarily submit themselves to this tribunal. Then there would be no occasion for strikes, disturbances, or disorder of any kind. There would be constantly going on between the railroads who had so submitted themselves and the organizations who had so submitted themselves a process of adjustment and understanding which would work out for the benefit of all the people of the United States. That plan was suggested by some one of the statutes to which the Senator referred this morning.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from North Dakota?

Mr. HUGHES. I yield.

Mr. McCUMBER. The Senator has indicated what he would do with reference to one feature of the dispute, namely, the eight-hour-day system. Would the Senator have any objection to telling us what he would do with reference to the extra cost it would require to operate the trains for interstate commerce, and also with reference to the wages that would be dependent upon the eight-hour system? Does the Senator mean that he would have the same wages for the 8 hours that these men are now receiving for 10 hours; or, after establishing the number of hours that each trainman should work, would he leave the other question, as to what the wages should be and what the excess of time should be, to arbitration; or how would he settle that question?

Mr. HUGHES. If the Senator wants to know what my personal views on the subject are, I will say that there may be an isolated instance here and there—I have heard them cited—but in the main I am of the opinion that the railroad men are not now receiving more than they are entitled to, and they are not receiving now more than, on the average, is necessary for them in order that they may live as we would like to have them live and as we would like to have everybody who toils in this country live. Without further information on the subject than I have, I would not subscribe to any policy that would in its application cause wages for 8 hours to be reduced below what is now paid for 10 hours.

But that is a matter of detail. It seems to me what I think about that matter makes very little difference, and what the Senator thinks about it individually makes not much more.

Mr. McCUMBER. No; possibly we might agree. I confess it may be that they should receive for 8 hours what they are now receiving for 10 hours. I am having no dispute with the Senator upon that question; but if they do that, then there is a wide difference in the matter of cost of transportation, and I want to know what we are going to do with the question of the extra pay for the hours in addition to the eight hours. How would we settle that proposition?

Mr. HUGHES. I suppose the Senator wants me to admit, and I hasten to admit it, that the increase of wages must be paid by the general public, and in many instances it must be paid by men who can not as well afford to pay it as those for whom we are demanding the increase. That is true. I do not attempt——

Mr. McCUMBER. I think the Senator does not quite understand my motive. It is not an attempt to elicit any kind of an admission, but to obtain the view of the Senator as to how he would settle that question, whether it would be by arbitration with the employees or whether without any arbitration it should be loaded upon the public.

Mr. HUGHES. The public pays the freight. Of course I am willing to admit that. I do not think the Senator asked the question to embarrass me. I did not mean to state that I thought the Senator was trying to embarrass me. The public, of course, will pay these increases. I have not very much sympathy with the idea that the shippers themselves are going down into their pockets to pay the increased rates that may follow the granting of the demands of the brotherhood. That does not necessarily follow. If the statements of the brotherhood publicly and privately made are true an increase of freight rates will not be necessary to meet their demand or to meet even greater demands than they are making. It is alleged in their behalf that

during the last 10 years the length and the weight of the freight trains have been tremendously increased; and not only that, but they say that the weight of the trains and the length of them have increased to such an extent by reason of the progress that has been made in the construction of more powerful locomotives that an ordinary run, which they could make in 8 or 10 hours, now takes them 10 and 12; that the railroads are making infinitely more money from their labors than they were making 10 years ago, and that there has been no consequent increase to them, and the investigation may very well show that there is no necessity for any increase of freight rates.

Mr. WEEKS. Mr. President——

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

Mr. HUGHES. Certainly.

Mr. WEEKS. I want to ask the Senator how long he anticipates it will require to consider all the matters relating to this subject so that we may with some degree of wisdom pass legislation?

Mr. HUGHES. I hope the Senator will not ask me to answer that question.

Mr. WEEKS. The reason why I ask the question is because it is suggested that after hearings of a few hours legislation may be adopted by Saturday of this week. Does the Senator contemplate any such activity as that or any such haste as that?

Mr. HUGHES. I think if there is important legislation we can pass to prevent the strike we should pass it, even though we may make mistakes in passing it; they can afterwards be rectified; but the fundamental and pressing thing now is to legislate in such a way as to prevent this strike, if we can.

Mr. WEEKS. Does the Senator think we can pass legislation on this great subject after suitable investigation this week?

Mr. HUGHES. I think so; at least, I am ready to try it. I hope the strike will not be precipitated or be in progress without any attempt having been made by Congress to avert it.

Mr. WEEKS. Undoubtedly we could pass legislation in an hour, but what kind of legislation would it be?

Mr. HUGHES. The Senator does not want me to answer that question, of course. But I rose primarily for the purpose of dissenting from the position taken by the Senator from Georgia [Mr. HARDWICK]. I was in the lower House when the discussion was at fever heat in reference to the power of the Interstate Commerce Commission to lay rates. For a long time that commission had the power only to suggest rates; or, at least, its power was in some way limited, and it did not have the full power it now enjoys with reference to making and laying a rate, which remains as laid unless it is proved to be unreasonable. When the United States Government took that step and went to a railroad, private property privately owned, and said to the man or the group of individuals who owned it, "You shall not charge more than a certain amount for the service you render," they took the first step in the direction of governmental ownership. In my opinion, they not only took the first step, but they took a step which made the subsequent steps absolutely inevitable.

If that is so, and a great many men in this Chamber think it is so, and a great many people in the United States think it is so, although they do not look upon the consummation with any degree of pleasure, then what becomes of the proposition that we are to go to a man who toils with his hands and say to him that he shall charge no more than a certain amount for the service that he renders? If that brought us to a condition which amounts to the absolute ownership of railroads, what condition will we come to with reference to the man to whom we do the same thing? In other words, we say to the railroad corporation that it shall not charge above a certain amount of money for a certain service. Are you going to limit the American citizen and say to him he shall not charge more than a certain amount of money? That is governmental ownership in the case of corporations. Where is it going to lead us in the case of the individual?

Mr. MARTINE of New Jersey. If the Senator will yield to me a moment, I want to say for myself, as the question of wage has been brought up here, perhaps my views are pretty well known. No question is ever settled, as was said by an illustrious man some years ago, until it is settled right.

Mr. HUGHES. I simply want to say that I yield the floor.

Mr. MARTINE of New Jersey. This will be an ever-recurring question in this country until it is settled right, and I believe the only right solution of the question is the Government ownership of railroads. I recall that 25 or 30 years ago, when I ventured to assert that in my little Commonwealth it was thought to be rank heresy, and I was almost branded as a lunatic; but I pleaded that theory, and I believe it more and more. I believe the present unfortunate conditions demonstrate the necessity for it more and more.

The railroad owners are insisting that railroad men are richly and wrongly well paid to-day. I came across this in the Washington Times of yesterday:

RAILROADS PAY LOWEST WAGES.

A true wage index is the rate per hour. Let us compare the wages per hour of railway employees in Chicago switching districts with those of the building trades in Chicago. Any other city would do as well. Chicago comparisons are typical of them all. The standard rates of wages per hour now paid in Chicago are as follows:

Building employees.

	Cents.
Bricklayers, portable and hoisting engineers, inside wiremen, plasterers, plumbers and gas fitters, steam fitters, stonemasons, and tile layers	75.0
Lathers and marble setters	71.9
Carpenters, painters, and slate and tile roofers	70.0
Elevator constructors	68.8
Structural ironworkers	68.0
Composition roofers	65.0
Laborers in tunnels, wells, and caissons	57.5
Laborers on windlass, trench, and scaffold work	50.0
Plaster laborers	50.0
Composition roofers' helpers	45.0
Elevator constructors' helpers and tile layers' helpers	43.8
Marble setters' helpers	42.5
Excavating laborers, hod carriers, and steamfitters' helpers	40.0

Railway employees.

Locomotive engineers in Chicago railroad yards	42.5 to 44.0
Switching foremen	38.0
Switchmen	35.0
Locomotive firemen in Chicago railroad yards	27.0 to 27.5

That clearly demonstrates the fact that men in the employ of the great railways are paid less per hour than in almost any other calling, and I say advisedly to the Senate when you realize the conditions in which the average man works on a railroad train or at a switch or in a yard, you will see that his life is in continuous jeopardy every minute of the time.

We have had this same controversy in the Committee on Post Offices and Post Roads with reference to the Railway Mail Service. I recall the question of wage was brought up there and it impressed me very much. Since that time, in going to and from here to New York on several occasions I have made it my business to stand at the end of a mail car on a through train and see those men at work assorting the mail, tossing about almost as a ball with the sway of the car, and with a continual mental strain and a continual physical strain that must be very irksome, wearying, and tiresome, using up a man's life. I say the railroad man should be paid better than the mason who stands at the scaffold in one steady position; he should be paid better than the carpenter, better than the plasterer, or the man in almost any other calling.

I feel, of course, as we all do, that this controversy is a most unfortunate one. I realize that the time between now and September 4, when we are threatened with the railroad strike by the union, is so short a time as to make the formulation of a law as to arbitration or as to adjusting the situation almost impossible. If the strike comes, I believe the suggestion made yesterday by President Wilson, that he may draft into the service the railroad employees for the emergency, in order that the freight may be carried, in order that the mails may be carried, and in order that the general traffic affecting our Army and Navy and Government plans shall not be affected, is the wisest course that it is possible for us to pursue. But it is my prayer and my hope that this may broaden our scope and enlarge our vision, and that in the very nearby an act will pass the Congress of the United States looking to the formulation of a bill that will purchase the railroads and maintain and run them in the interest of the whole people and in justice to the laboring men, and that the purchase shall be a just and fair recompense to the parties who own the roads.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from New Jersey [Mr. HUGHES] one question with reference to the subject of the colloquy between him and the Senator from Massachusetts [Mr. WEEKS]. The Senator from Massachusetts desired to know of the Senator of New Jersey whether he thought it was possible by Saturday to pass any legislation that might stop the strike now fixed for next Monday, the 4th instant.

Mr. President, let me make a statement before I ask the question. I have listened very carefully to the discussion this morning. I do not profess myself to know very much about this question. I have not investigated it. I do not suppose there are many Senators who have thoroughly investigated it. It is now undergoing investigation by the Committee on Interstate

Commerce, and I suppose we will soon have from the committee a concrete proposition of legislation on the subject.

I think we will all agree that either party to a controversy similar to that now going on between the railroads and their employees may, under the so-called Newlands Act, decline to agree to arbitration under the auspices of that board, and that this declination of arbitration ends the powers and the jurisdiction of that board to effectively deal with this controversy between the carriers and their employees.

The Senator from Iowa [Mr. CUMMINS] has discussed the matter in a very lucid and forceful manner. He has conceded what I take it every lawyer will concede that we have the authority under the Constitution to provide that the board created by this act, or the Interstate Commerce Commission, or some other tribunal may proceed to make investigation on behalf of the public of controversies similar to that now going on between the railroads and their employees, and that while this public investigation is proceeding by this duly constituted board of conciliation and mediation, or whatever it may be called, any lockout on the part of the railroads or any strike on the part of their employees shall be unlawful and that the court may enjoin a strike or a lockout until the investigation is completed.

I wish to ask the Senator from New Jersey does he see anything in the way, as far as time is concerned, against our passing an act authorizing this board or some other tribunal to make this investigation on behalf of the public, and that until it has concluded its labors in that respect a strike or lockout shall be unlawful and subject to the restraining power of the court, and if that is done can not the strike ordered for the 4th day of September by the brotherhood be averted?

Mr. HUGHES. Mr. President, the Senator has asked me my opinion, and I will say I do not think we have any such authority. I do not think we can pass any such legislation, even under the view suggested by the Senator from Georgia.

Mr. SIMMONS. I was not speaking about the view suggested by the Senator from Georgia, because I was not here when he made his speech. I was talking about the view suggested by the Senator from Iowa. He expressed, as I understood him, no doubt about the right and competency of Congress to pass legislation providing that pending the investigation by this board a lockout or strike should be unlawful, and the courts empowered to enjoin either during the pendency of the investigation.

Mr. HUGHES. There is no theory on which that can be done, so far as I know. The Senator from Georgia has suggested that it was manifestly impossible to prevent any individuals from leaving their employment. He suggested that that could only be reached——

Mr. SIMMONS. The Senator does not understand me. I was not referring to compulsory arbitration at all. I said in case the men or the railroads should decline to enter into arbitration under the Newlands Act, thereby putting an end to the authority of that board under the present law, would it not be competent for Congress to provide by additional legislation that this same board might proceed to make an investigation on behalf of the public of the controversy between the railroads and their employees, and pending that public investigation a lockout or strike should be unlawful, and the court shall have authority and power to enjoin either.

I asked the Senator if we should pass legislation to confer upon this board the power to make an investigation into this controversy and dispute as the representatives of the public and on behalf of the public, and provide that until that investigation was ended a strike or lockout should be unlawful and subject to the restraining power of the courts pending, and only pending, the investigation, would that not stop the strike ordered to begin on Monday?

Mr. HUGHES. The Senator is assuming a good deal in saying that it will stop the strike on Monday. He is assuming that the Government has some power to compel these men to go to work on Monday.

Mr. SIMMONS. I am not assuming that at all. I am assuming that the Government has the power, pending this investigation, if authorized by Congress, to enjoin a strike while the investigation is going on and until it is completed. That is my contention, and I think if the board be given that power the strike can be prevented for the present, and that is the essential thing to be accomplished at this time and which calls for quick action.

What I suggest is not a permanent but only temporary restraint, while the controversy is undergoing investigation, and it is not to be directed against individuals, but only against concerted action. When the investigation authorized as I have indicated—in the public interest and to ascertain the merits of the controversy—is completed, if the decision or result is adverse to the employees they could, of course, stop work. I do not deny them that right. I do not think their right in this respect should be questioned. But if they should see fit to strike, notwithstanding the result of the investigation may have been adverse to their contention, I believe that the courts should be given ample power to protect those that may take their places and to prevent by injunction or otherwise the strikers who by concerted action under these circumstances and in defiance of the adverse result of the investigation authorized and conducted on behalf of the public and to reach a just conclusion as to the merits of the quarrel or controversy between them and the railroads, from interfering by concerted action for the purpose of coercing or preventing other men from taking the places they have so voluntarily abandoned.

Mr. JONES. Mr. President, I am not going to discuss this matter or the very interesting questions involved in it. I think this is an appropriate time to emphasize the interest the public has in the solution of this matter and the prevention, if possible, of this strike.

We are very apt to have in mind almost entirely the interest of the railroads and the interests of the men. These interests, it is true, are very great. The railroads will suffer and the railroad men will suffer a very great deal if the strike comes off, but there are many other people who are going to suffer, even far more than they, if the strike takes effect. While there are probably a few hundred thousand men directly interested in this matter, there are millions and millions of people who will suffer if the strike comes off, and I hope that we here, as representatives not only of the railroads and the railroad employees but of all the people of the United States, will not lose sight of the interests of the great public in this matter. I trust that every power we have and that we can exert to prevent a strike will be exerted. My sympathies as between the men and the railroads are with the men, but I feel that I also owe a duty to the men, women, and children all over the country who may not be directly interested, but who will be most disastrously affected if the strike occurs.

Just as a concrete illustration of the disasters that will come to the public I want to cite this case: I received a telegram this morning from near my home. I live in a section of the State of Washington that is a great producer of fruit. The peach crop is now just coming on. They are just getting ready to ship their peaches. It is all the crop that a great many people raise, and it is the only means that they will have of supporting themselves and their families during the coming winter. They have no markets for this fruit except as they ship to the eastern market by rail.

The telegram that I received this morning stated that the freight agent at a certain point had been notified not to receive any more shipments of perishable fruit, such as peaches.

Mr. President, that is very likely the case in many other sections of the country not only with reference to the shipment of products of this kind but with reference to other products.

There are many products that you can hold, that you can keep even for months, but there are certain sections of the country like the one I have just mentioned where their products are perishable; they can not be kept very long for market, and if they can not be shipped to market it simply means poverty, distress, and suffering. These peaches are ripe. They must be shipped or kept in cold storage or they rot. Cold storage is not available to many. Stoppage of transportation means the loss of this crop. The year's work is gone. Thousands of families will face the winter with no income and threatened with all the suffering and hardship that comes from poverty. These things must be considered by us. They should be considered by both sides to this controversy. The men have called a strike for Monday morning. If it comes off, they will lose much of the sympathy they now have. If delayed, not only will they hold the sympathy of the public, but they will have its hearty commendation.

Mr. SMITH of Georgia. Mr. President, for more than 30 years my relations with the men in my State who operate railroad trains have been most intimate. They have been my personal friends at my home, my clients, my political supporters. I think I have drawn or helped prepare practically every amendment to our laws in Georgia for the past 25 years intended to better their conditions.

Yet, Mr. President, I wish I had an opportunity to warn them of the horrible blunder they are making if they bring on this strike next Monday. They do not realize the suffering they are about to cause. There has never been a strike from coast to coast in this country. There has never previously been an effort to stop transportation throughout the entire country. If

they carry out this strike, and it lasts for only a few weeks or a few days, there will be suffering for want of food in many a city. The product of the farm will go to waste; the things necessary to be used in the factories will not reach them; the industries of the entire country will suspend operation.

No matter how rightful might be their claims against the managers of the roads, when the 90 per cent of the people of this country, who are disconnected with the railroads, feel the grinding heel of suffering that this strike will bring, they will not forgive the men who bring it on them. The railroad employees can not afford to bring this trouble upon their fellow citizens. They may have a just grievance against the men who own the railroads, but they have no right to bring such distress and suffering upon all the balance of their fellow citizens. I do not mean that they have not the legal right, but I mean if they will stop calmly and consider what they are doing they will not be willing to put such suffering upon the balance of their fellow citizens.

There will be children in this city who within two weeks will be suffering for the food necessary for their health; there will be thousands and thousands of women and children in the great cities of this country brought to the direst distress for the necessaries of life if this strike goes on; and the sympathy which the great body of the laboring people feel to-day for the firemen, the conductors, the trainmen, and the engineers will pass away when their wives and children are hungry for food; when the places where they work are closed. There is but one thing for the men to do. The National Congress has assumed responsibility for this question, and intends to handle it in a way that they shall have justice.

Mr. President, they should meet and call this strike off at once; postpone it at least until the lawmaking power of this land has the opportunity to consider and to pass upon it.

Let me say that the same power to make illegal a combination of two or more men with the view of bringing about a strike can make illegal the combination of two or more men cooperating to maintain a strike. I asked that question of the Senator from Iowa [Mr. CUMMINS] when he was upon his feet, but he did not fully agree with the view I suggested. I do not think he exactly understood me. However, the strike can not be maintained without the cooperative efforts of men; and undoubtedly the cooperative efforts of men who deter other men from working upon interstate transportation routes can be made illegal and can be suppressed as a crime. This strike can be stopped by legislation if it starts, just as it can be prevented by legislation.

Mr. President, my sympathies are with the men and not with the owners of the roads. All my life I have been trying to find a way to help them. They were the first clients I had when, a boy without friends, I rented a little office in the city of Atlanta, slept in it on a lounge, and offered my services to clients. They have friends in Congress who will see that they get justice; but they will lose their friends all over the land if they press on with this strike and produce the suffering which they will cause by the strike. For the first time in my life they would lack my sympathy.

Where are we to get the necessaries of life, such as food, right here in the city of Washington? How long can we get proper food supplies? Paralysis of every industry and almost of life will ensue if this strike is a success and goes on for two or three weeks. The men will then find that the farmer who suffers, who has been their friend; the man in the city shop who suffers, who has been their friend; the clerk in the store who suffers, who has been their friend; and the great body of the people who have been their friends, suffering from their course, will not continue their sympathy.

Mr. President, there is but one intelligent thing for them to do. They should postpone their proposed strike, set for next Monday, until after their Representatives in Congress have considered the subject and sought a way to keep from the balance of the people of the country the suffering about to be put upon them. If they do not suspend this strike, I do not believe two weeks will pass until they are made to stop it.

What I say I say with deep and earnest sympathy for these men, but with an appreciation of the rights of the balance of the people of the country and a consciousness of responsibility to them as well as to those who operate trains in interstate transportation. Ninety millions of people can not and must not be made to suffer because those who handle the trains and those who own the railroads do not agree upon hours of labor or pay for service. I am always pleased to see railroad men better their condition, but they should find a way without placing such dire distress upon their country and upon so many of their fellow citizens.

Mr. THOMAS. Mr. President, I had not intended at this time to express any views concerning the crisis which confronts us, but since this discussion has become so general and has evolved some conclusions which I am unable to accept without qualification I shall ask the indulgence of the Senate for a few moments.

There is nothing new, Mr. President, in the situation except its last development. Its details from their beginnings last spring down to the present time have been public. Our attention has been directed to them on a number of occasions. Ours is the optimism of the average individual, and this has doubtless caused us to hope and, therefore, to assume that some solution of the difficulty would be arrived at without the necessity of congressional action; so we have cheerfully gone our way in the belief that such might be the result. Now we find it essential, as the representatives of the people of the United States, to take some action in their behalf and to take it summarily, lest the Nation be involved in a widespread calamity.

Mr. President, last March, I think it was, the four great brotherhoods of the railway employees of the United States held a referendum with regard to certain demands which they contemplated presenting to the managers of the railways. Some of these demands were of great importance and some of minor concern. The referendum then taken authorized the heads of the brotherhoods to present these demands to the railway heads and to insist upon their recognition. It doubtless also clothed them with power to negotiate and, if possible, to reach a basis of agreement.

Acting upon this referendum vote and in pursuance of the instructions which that vote imposed upon them, they did confer with the representatives of the railroads, I think, for several weeks, without being able, however, to reach any conclusion, the representatives of the railroads being unwilling to make any concession whatever to their demands which did not involve the reopening of subjects which had before then been controverted and determined.

Now, I am not concerned at present, Mr. President, as to whether or not they were justified in assuming that attitude. I am merely stating facts as I understand them. It was because they could reach no common agreement that a second referendum was taken for the purpose of ascertaining the attitude of the men with regard to further action. These steps, I understand, were resorted to because required by the constitutions of the several brotherhoods.

That vote was taken, Mr. President, I think during the month of July; at any rate it extended over a considerable period of time, and culminated early this month in an overwhelming vote for a strike as an alternative to the refusal of the roads to grant their demands, or any of them.

Last May the situation was called to the attention of the Senate by the Senator from Nevada [Mr. NEWLANDS], who then suggested the enactment of legislation designed to meet a possible contingency, and warning the Senate not only of the contingent danger but of the necessity of some action by the Congress. His resolution was opposed by the Senator from Wisconsin. After a somewhat spirited debate no further action was taken; I do not think the subject was again discussed here until to-day.

Acting upon the authority with which they were invested by the so-called strike vote, another series of conferences was held between the brotherhood heads with the representatives of railways, and that also proved abortive. We are, of course, more intimately familiar with the events between the time when these negotiations were broken off and yesterday, when the President, failing as a mediator to bring the parties together or to secure any favorable result, was compelled, in the discharge of his duty, to lay the subject before Congress, acquaint them with his action, and urge its prompt consideration of the threatened cataclysm.

Mr. President, I think the views expressed by the senior Senator from Georgia [Mr. SMITH] a moment ago with regard to the effect of this strike upon public opinion are justified by the present situation. There is no question as to the extent to which the consequences of a paralysis of our great transportation systems will spread. No man can foresee them. If the trains constantly passing over the great lines of traffic of the United States and moving the enormous traffic of the people are suspended even for two or three weeks, not only will the privations and the sufferings and the miseries which the Senator referred to ensue, but the social disorder, the acts of violence and lawlessness, the destruction of human life and the destruction of property during the great industrial upheaval is appalling to contemplate; for, Mr. President, whenever the industrial forces of this country in any comprehensive way, territorially or numerically, or both, grapple in physical conflict over their

differences, all of the criminal forces of society are unloosed; it is the opportunity of which they take swift advantage and they prey upon mankind wherever immunity exists or detection may seem unlikely.

If that be true—and we know it has been true in our experience with the industrial disturbances of the past—who can limit the extent to which crime and violence will spread in a great industrial strike like this, reaching from ocean to ocean and from our northern to our southern confines and affects an industry upon which all other industries are dependent, the uninterrupted operation of which is absolutely essential not only to our physical well being, but to our very existence as members of a great social community. It is this certain calamity, Mr. President, from which I shrink, because I believe unless this strike shall be arrested in some manner either by negotiation, by law, or by force we may become involved in civil war, with all its horrors multiplied, for it may be coexistent with the boundaries of the country and people of every community in the land with its tragedies.

Mr. President, I am satisfied that the brotherhoods do not want that; the railway managers do not want that; the President does not want it; no man or set of men can be found, with one possible exception, in all this country who do not shrink from the contemplation of such a horrible calamity.

But, Mr. President, I do not think it is fair to pivot all these consequences upon the brotherhoods. Theirs must be a part of the great responsibility if this strike shall be followed or attended by them. But we must not forget that there are two sides to the controversy, and if the worst ensues one side can not be held guiltless while the other receives the reprobation of public opinion. We may, speaking for the great body of the public, well say with Mercutio, "A plague o' both your houses." I do not think that the attitude of the men is any less reprehensible than that of those who are and have been opposing all of their demands and, as the President says, insisting upon the arbitration of a thing which seems to be impossible. And it is not amiss to remind the public that the railways have not always, nor very often, been the champions of arbitration. The industrial history of the past 30 years demonstrates the contrary. They have, until the organizations waxed powerful and insistent, challenged the proposal to arbitrate anything. Not until recently have they consented even to deal with their men collectively. Their new-found zeal for the principle is commendable, but their condemnation of all who do not accept it unqualifiedly is open to the criticism that it is now regarded as the sole alternative to concession.

Mr. President, when this suffering of the people comes, as it must, when little babies die for lack of the nutrition for which they are absolutely dependent upon our lines of transportation, when men and women go hungry by day and by night, when the fires of the incendiary blaze upon the horizon, and violence and disorder reign supreme, we shall remember that, if the men concerned in this unfortunate controversy are guilty, so also are those who, having the right and the power to carry on negotiations and make concessions, have declined to do so and are alike responsible.

I again say, Mr. President, with regard to the subject matter of the controversy and its equities, I am not now concerned. I speak as one representative of that great public, always the sufferer when crises like this culminate in strike and disorder, and to whom we owe the supreme duty of safeguarding as far as we can against the disorder which menaces it.

During the gradual expansion of this difficulty I received innumerable letters and telegrams requesting that I take no action whatever with regard to the controversy, but permit it to work out its own solution without legislative interference. Presumably my associates here were similarly petitioned. To all of them I replied that I thought such should be the attitude of Senators up to the time when the great public became interested, when their rights were imperiled, when their needs were involved, and that should such a condition confront us, it would be our common duty to take every step, if within the constitutional power of Congress, which the exigency demanded.

Mr. President, that crisis has come. I, for one, am prepared to meet it, and to meet it as fully as the occasion requires. I am prepared to act with expedition, and, if need be, to take the chances on every constitutional question which may confront us. For if this Government has not the power in a time like this to protect every unit which constitutes its citizenship, then it has no right to call itself a Government; and if in a time like this it forgets or disregards that duty by taking sides with either of the combatants in the struggle as against the needs and requirements of all, it will commit an error of which it will soon repent. Mr. President, at a time like this action is necessary, and inquiry with regard to the causes demanding it should be postponed to a more convenient season. When a man's house is on fire his supreme and primal duty is to extinguish the conflagration and ascertain the cause of it after that duty has been performed. We are confronted by a threatened industrial conflagration, which we must prevent, or, if we can not do that, we must extinguish it, or exhaust the resources of the Government in the effort to do so.

Mr. GALLINGER. Mr. President, if the Senator will permit me——

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

Mr. THOMAS. I yield to the Senator.

Mr. GALLINGER. The men who are representing the four brotherhoods are very intelligent men. I have had reason to confer with them myself. Does the Senator not feel that, if proper efforts should be made, not by legislative action at present, those men could be influenced to postpone this matter for a few days? They know the difficulty, undoubtedly, that confronts Congress in endeavoring to pass a bill in a given number of hours, or even in a given number of days; and it does seem to me, if the Senator himself, sympathizing with the men, as I do, and others should take this matter in hand, that the strike might at least be postponed for a reasonable time.

Mr. THOMAS. Mr. President, they are intelligent men; if they were not, they would not occupy the responsible positions which they now hold; but, in addition to being intelligent men, Mr. President, they are the representatives of many other intelligent men, for whom they are acting as in their representative capacity. What they are doing and have done I presume they are doing by the direction of their fellows. I hope that further appeal to them may result as the Senator suggests, and I am more than willing to make the appeal; but if he wants my opinion about it, I fear that it will have no effect. I think they have taken the step reluctantly after they had exhausted every effort to reach some conclusion with the railway heads, and they resorted to a strike as the last thing, the dire resort, but from their point of view the one remaining essential thing for the establishment of their demands in whole or in part. I may say to the Senator that the men they have been dealing with are also intelligent gentlemen, men of high standing and character; and does not the Senator think that if those well acquainted with these gentlemen would appeal to them they might be induced also to so modify their position upon the matters in dispute as to make possible the postponement of this strike?

Mr. GALLINGER. I quite agree with my friend the Senator from Colorado that both sides ought to be appealed to, if an appeal can be made to them. During all my period of public service I have been strongly in favor of arbitration, and I greatly regretted that that principle in this case has evidently been thrown overboard; but manifestly it has been.

Mr. President, if the Senator will permit me just a word further, I agree with the Senator as to the crisis that confronts us. I think it is likely to take a much wider sweep than merely the men that are represented by these four brotherhoods.

Mr. THOMAS Unquestionably. It will involve all trades and all occupations.

Mr. GALLINGER. There are more than 1,000,000 men engaged in railroad service who are not receiving as high compensation as these men who propose to strike. Those men, of course, will not remain quiescent; and, then, our experience in the past has taught a useful lesson as to what a sympathetic strike means.

The Senator can not, in my judgment, represent this matter too gravely to the American people. It is a very serious matter. It will involve not only the classes I have suggested, but, as the Senator has wisely suggested, it will include all the people of the United States in the disaster, if one comes.

Mr. THOMAS. Mr. President, I think the situation which confronts us is, in some respects, quite as serious as that which confronted the Nation in 1861, not as affecting the integrity of the Union, not as imperiling the structure of our Government, but as threatening the peace, the safety, the lives, the welfare, and the property of all our people. Why, Mr. President, the railway system of the United States is as essential to our national life as is the system of arteries in the body to our physical life. Every industry, every calling, every pursuit is so interwoven and intermingled with this great labyrinth of transportation systems that every part of the country has become more or less dependent upon every other part. To suspend the operation of the system entirely, even for a short time, is like suspending the circulation of the blood in the human system; to suspend it indefinitely means social dissolution, unless the people, realizing their peril, shall in self-preservation, as I think

they will, take the matter in their own hands, if need be, in the old-fashioned Anglo-Saxon way and put a stop to it, at whatever cost; but I do not want to see that. We do not want to see that, Mr. President. It is easy to arouse the wild beast in man. To suppress it when aroused is a bloody and an awful task.

Personally, I believe, so far as the demands of the men are for added pay, that they are not unreasonable. I may be mistaken about it. Consequently, I express that opinion with some hesitation. I have always contended that the railway engineer, considering his responsibilities, is the poorest-paid individual in our entire industrial system. If it be true that men are entitled to compensation in proportion to the extent of their responsibilities, then it is true that the man who runs a limited express train bearing the lives of hundreds of his fellow citizens, requiring his every faculty to be at all times alert, since the slightest mistake may result in disaster, receives a compensation which is infinitely small. The same thing is true in a more limited way of the other brotherhoods. But the locomotive engineer is sui generis. His trust is tremendous, his responsibility is unlimited. I believe, too, Mr. President, that a man employed in this capacity should not undergo the strain of his duties for a longer period than eight hours. I believe that the railroads owe it to society and to the safety of the traveling public that their men should be kept fit at all times, which is impossible, in view of the strain and stress of their occupations, if they are required to continue their labors for a longer continuous period than that which, as the President has rightfully said, seems to be established by the consensus of modern society as a day's work.

Mr. President, there may be good reasons why the eight-hour demand should not be conceded. I do not know, except that none of those which have been advanced so far appeals to me. The transportation business is not a private one. It is a great public utility, the greatest of them all. The fundamental mistake which I think was made by our fathers was the delegation of the business of transportation to private hands. Some of the consequences of that mistake we have suffered heretofore, some of them we are about to suffer now, and others we will encounter until we go back to the fundamental proposition and act upon it that transportation, being the life of the Nation, is a public function—an agency of the Government, as the Senator from Illinois [Mr. LEWIS] suggests—one which never should have been delegated to others, and which must be recaptured as soon as it can be done consistently with the business of the country. Therein lies the chief, if not the only, solution of the formidable problem with which we are about to grapple.

Mr. President, we started out in the matter of railway building with State ownership. It was the Commonwealths of the Union which constructed the first railroads, with one or two exceptions. It is true that in a financial way their management was unscientific, and therefore bad. But the business was surrendered, and unfortunately surrendered, to private interests, since which time the keynote of railroad management, with here and there an exception, has been the operation of railroads for private aggrandizement, the public interests being a matter of secondary consideration. The operation of the roads and their manipulation have been for private emolument, irrespective of its effect either upon wages or upon the public. It is not necessary to establish that fact by more than referring to recent history, but it has been characteristic of railway management almost from its inception as a private business.

There are to-day great railroad systems in the hands of receivers. Why? Because they have been exploited and reexploited; because their stock has been watered; because they have been bonded beyond the limit of their actual value, all for the purpose of making fortunes for private individuals through the manipulation of the exchanges; and then, after these enormous liabilities have been created and the roads crushed under their intolerable burdens, the fact of their existence has been made the basis for the denial of demands for increase in wages.

Mr. President, the New York & New Haven Railway experiences of the past few years are fresh in the minds of all. We know how that stock was brought down from $200 to $65 in value and its effect upon the savings-bank surpluses all over New England. We also know that it increased in quantity as it decreased in value, until it became necessary for the Government to interfere and put an end to the saturnalia of frenzied and infamous finance by which a great and valuable property was wrecked to make a Wall Street holiday. This road has, in the last 24 hours, notified the unoffending public that it will not receive freight that can not be delivered by next Monday, because its employees demand a wage it can not pay. Of course it was represented in the recent conferences wherein all demands of the brotherhoods were rejected.

The Frisco receivership is also fresh in the minds of some. We remember how that road was looted by those who had control of it, and the consequent necessity of appointing receivers for it, and we may recall that nearly always when receivers are appointed for these plundered railways they are selected and recommended to the court by the gentlemen who have wrecked the road.

I hold in my hand a clipping from Collier's Weekly of December 27, 1913, bearing upon this road, which seems to me to be of some interest here.

Regarding the investigation of the Frisco receivership it was stated that—

"Chairman Clark and E. E. Brown, of the Interstate Commerce Commission, will lay before Congress the following:

"That the Frisco was compelled to carry and pay interest on a fictitious indebtedness of $40,000,000, created by enormous commissions paid to bankers and brokers for the sale of its securities and profits to promoters of feeder lines in the Southwest.

"That the chairman of its board of directors, B. F. Yoakum, made $7,000,000 profits for himself and associates trading with himself in the capacity of promoter and builder of Texas roads, which he caused to be sold to the Frisco at prices in excess of their value.

"That approximately $32,000,000 in the Frisco's total funded indebtedness of $244,000,000 was paid to bankers and brokers in commissions.

"That the average rate of commission was 12.05 per cent, while the profits of Mr. Yoakum and his associates in the promotion of the feeder lines sold to the Frisco ranged from 10 per cent to more than 100 per cent."

At almost the same time the Railway Age Gazette (issue of Nov. 7, 1913) was printing an article on "Locomotive fuel economy on the Frisco," showing how the care, cooperation, and loyalty of the rank and file of employees had lowered the 1912 fuel bill by $260,000 as compared with that for 1910.

That is to say, the employees of the road, urged by its officers, exercised economy in operation which resulted in a saving of $260,000 upon the fuel bill of 1912—a circumstance that is most commendable, but not at all unusual so far as the employees are concerned.

The plan was originated by W. C. Nixon, vice president in charge of operation, whose name does not apoear in the list of "insiders," and was a good, solid piece of work from beginning to end. The saving which hundreds of men thus wrought out will pay three-fifths of 1 per cent on the fictitious debt, or 3½ per cent on what the "insiders" took.

This saving, in other words, pays a very small annual interest upon the stealings of the officers during the same period of time, and of course the larceny was committed against the road of which they were trustees.

If the men worked thus for 28 years they would save for the road, without interest, the sum which the directors and officials have already taken by conspiracy from the road. This is what ails "big business." This is what breeds "class hatred." This is the sabotage of greed among those in authority, treason in place of leadership.

Mr. President, it is the existence of these practices which very largely forms the basis of the refusal to recognize the brotherhoods' demands. They can not do so and meet obligations which never should have been contracted, and which largely represent values which are largely or wholly fictitious. And yet the roads are prospering.

To say now, Mr. President, that the roads can not afford to make this increase, I think, is hardly justified by their own reports. The railroad earnings in December, 1915, were, gross, $282,170,816, or at the rate of more than $1,200,000,000 per annum; net, $101,837,933. In December, 1914, the net profit was $58,879,972. The increase for the corresponding month in 1915 over December, 1914, was $42,957,961. Surely the employees are entitled to a part of this good fortune.

I clipped this from a Washington paper:

UNION PACIFIC ROAD SHOWS LARGEST GAINS IN HISTORY.

NEW YORK, *August 5.*

A statement of the earnings of the Union Pacific Railroad Co. for the fiscal year ended June 30 shows gross earnings of $104,717,005, the largest revenue in its history. This compares with gross earnings of $86,958,295 in the preceding year. The net earnings, after the payment of preferred dividends, were $34,795,768, which is equal to 15.65 per cent on the common stock, as compared with 10.98 in the previous year.

In other words, this great corporation for the fiscal year ending June 30, in addition to its fixed charges, earned over 15 per cent upon its watered stock, or more than $34,000,000. Of course this remarkable showing is not true of all roads, and the tender solicitude which the great roads have for the poor ones in this controversy is very touching. Unfortunately it is evanescent.

Mr. President, I refer to these matters merely to emphasize the fact that there are two sides to the question at issue between the roads and the men, and the American people—when they begin to suffer, as suffer they will, from their differences—will hold both of them responsible. I do not think they will

make any distinction except as their judgment and their information requires it. I want to emphasize the fact that it is as much to the interest of the owners of the railroads of this country that this strike shall be averted as it is to the interest of the men who have called the strike to avert it. On the other hand, as I have said, it is to our interest to see, if possible, that it is averted, and if not, to stop it, by the exercise of the authority with which we are invested as the representatives of the people, by meeting the danger and applying promptly and without hesitation such remedies as the gravity of the crisis demands.

LEAVE OF ABSENCE TO SENATOR TILLMAN.

Mr. SMITH of South Carolina. Mr. President, my colleague, the senior Senator from South Carolina [Mr. TILLMAN], has requested the Senate to grant him indefinite leave of absence on account of ill health, which request I now make.

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). If there is no objection, leave will be granted. The Chair hears none.

THE REVENUE.

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

Mr. SIMMONS. Mr. President, I ask that the reading of the bill be continued.

Mr. KENYON. Mr. President, there are very few Senators on that side present, and such a large representation on this side that possibly we ought to have a quorum.

Mr. SIMMONS. I think myself the Republican side is entitled to more than two representatives while we are considering this bill.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Bankhead	Hitchcock	Martine, N. J.	Simmons
Chamberlain	Hughes	Myers	Smith, Ariz.
Chilton	Husting	Norris	Smith, Ga.
Clarke, Ark.	James	Oliver	Smith, Md.
Culberson	Jones	Penrose	Smith, S. C.
Curtis	Kenyon	Pomerene	Sterling
Dillingham	Lane	Ransdell	Thomas
du Pont	Lea, Tenn.	Robinson	Vardaman
Fletcher	Lee, Md.	Saulsbury	Wadsworth
Gallinger	Lewis	Sheppard	Williams
Hardwick	McCumber	Sherman	

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

The Secretary called the names of the absent Senators, and Mr. KERN, Mr. MARTIN of Virginia, Mr. PITTMAN, Mr. SHAFROTH, Mr. SMOOT, and Mr. UNDERWOOD answered to their names when called.

Mr. KERN. I desire to announce that my colleague [Mr. TAGGART] is unavoidably detained from the Senate.

Mr. REED, Mr. BRYAN, Mr. ASHURST, Mr. CUMMINS, Mr. BRANDEGEE, Mr. OVERMAN, and Mr. BECKHAM entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-six Senators have answered to the roll call. There is a quorum present.

RELIEF SUPPLIES TO PEOPLE OF POLAND (S. DOC. NO. 540).

Mr. SAULSBURY. Mr. President, I ask unanimous consent out of order to have printed as a public document and also in the RECORD a memorandum which I hold in my hand giving the present status of the negotiations of this country with the belligerent governments in Europe relative to negotiations for the shipment of relief supplies to the people in Russian Poland. It is a very important document, I think, giving the present situation in accordance with the resolution which was passed by the Senate some time ago, although not in response to that resolution. It is a memorandum which I have obtained for my information, and a number of Senators have desired that it should be published in this fashion.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. As a public document?

Mr. SAULSBURY. As a public document and in the RECORD also.

Mr. SMOOT. Oh, no; not both. I have no objection to having it printed in the RECORD, but I object to having it printed in the RECORD and as a public document.

Mr. SAULSBURY. Then I ask leave to have it printed as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

SURVEYS OF DISTILLERIES.

Mr. HUGHES. The bill (H. R. 9542) to amend the second paragraph of section 3264 of the Revised Statutes of the United States as amended by section 5 of the act of March 1, 1879, and as further amended by the act of Congress approved June 22, 1910, has been adopted as an amendment to the revenue bill. I move that this bill be taken from the calendar and indefinitely postponed.

The motion was agreed to.

FEDERAL RESERVE BANKS.

Mr. BANKHEAD. I ask to have printed in the RECORD a communication signed by the president and cashier of the Robertson Banking Co., of Demopolis, Ala., relative to the clearance of checks by the Federal reserve banks and members and incidentally by State banks as they will be forced to clear at par if the member banks of the Federal Reserve System clear at par.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

DEMOPOLIS, ALA., *August 21, 1916.*

To the Member of Congress addressed:

Subject: Par clearance of checks by the Federal reserve banks and members, and incidentally by State banks as they will be forced to clear at par if the member banks of the Federal Reserve System clear at par.

We do not believe that our Congressmen and Senators who have not made a study of the banking business fully appreciate the significance of this proposition, and we wish to say a few words with reference to this remarkable measure which forces a bank to render a service and decrees that the bank shall not make any charge for this service.

In order that you may clearly understand the nature of this service, we will endeavor to give you an illustration, to wit: John Doe who lives in Demopolis, Ala., orders a buggy from Sears, Roebuck & Co., of Chicago, Ill., and John Doe sends his personal check for $59, drawn on a local bank in Demopolis, Ala., to Sears, Roebuck & Co. to pay for the buggy. John Doe knows that he could have gone to the bank and gotten New York exchange for $59 or a money order at the post office, and he knows that Sears, Roebuck & Co would greatly prefer New York exchange or a money order to his personal check on a local bank, but John Doe knows that if he buys New York exchange or a money order that it will cost him 15 or 20 cents to get this money to Sears, Roebuck & Co., and he decides that he will send his personal check on his local bank, and let Sears, Roebuck & Co. pay the little charge that the local bank makes in remitting same. John Doe figures that Sears, Roebuck & Co. are making a good profit on the buggy and that they can very well afford to pay the small cost for the transfer of funds from Demopolis, Ala., to Chicago. Now, the Federal reserve steps in and says to Sears, Roebuck & Co.: "If you will route this check for $59 that you have just received from John Doe through our system, we will see that the bank on which it is drawn makes no charge whatever for remitting same. We, the Federal Reserve System, are forcing the country banks to remit these checks without charge, and if we can not accomplish what we desire in any other way, we will collect these checks for you through the post office. It is true that the country banks have to employ efficient clerks at good salaries in order to maintain an efficient collection and transit department and have to furnish their own postage, and it is also true that there is considerable responsibility involved, but all of this does not cut any ice with us, and we, the Federal Reserve System will force the country banks to render this service of sending this money from Demopolis, Ala., to Sears, Roebuck & Co. at Chicago without any charge and make them pay the freight in the way of postage."

Now, suppose John Doe instead of sending his personal check on the local bank should go to the post office and buy a money order, paying the usual fee for the same, or should send the money by registered mail, paying the usual fee of 10 cents, besides the postage, and then should ask the postmaster why Uncle Sam should charge him a fee for this service, don't you suppose the postmaster would reply that it costs Uncle Sam something to maintain a Post Office Department and that the service rendered was worth the small fee that was charged?

Now, that is just the way the country banks feel about this thing, and we wish to assure you that feeling is running very high, and in some localities has a distinct political significance.

The Federal Reserve System has so far rendered only one service to its country members in that it is claimed for the system that it eliminates the possibility of financial panics. This may be true or not; but granting that it is true, and with that exception, we can not see that it has done anything for the country banks except to limit very materially their earning power. In the first place, the country bank is required to invest a part of its own capital in the capital of the reserve bank, on which it can never expect to receive over 6 per cent. (Country banks can not exist on 6 per cent interest.) In the next place, it is required to keep on deposit a considerable sum of money in the Federal reserve banks, on which it does not receive the customary 2 per cent on daily balances that is allowed by all the large banks to their country corresponding banks; and on top of this now comes the par clearance plan, which forces them to remit Sears, Roebuck & Co. et al. and not charge anything for the service, paying the postage, and being responsible for the safe delivery of the money, etc. Representative CARTER GLASS's statement that four-fifths of the State banks derive one-half of their revenue from what he calls "check collection charges" is, in our opinion, absolutely untrue, and we believe that the total revenue derived by the banks from this service will not exceed 15 per cent of the total net income of the banks. We think that 90 per cent of the country national banks and the country State banks can continue to exist in spite of the par clearance plan, but we submit to you that it is not fair nor just nor right to force this thing on us. We feel that when we render a service that we are entitled to a reasonable compensation for that service. We do not feel that the Federal Government has any more right to require banks to render a service without charge than

it has to say to the railroads that they must let all of the natural-born citizens of this country travel and pay no fare. It is true that some small banks may make exorbitant charges for their services, which custom we deplore, and we realize that you sometimes find unscrupulous men engaged in the banking business, just as you find them in other lines of business, but that does not justify the condemnation of the entire fraternity, and we feel that the wise course for our Federal Government to pursue in the matter of collection charges on checks would be the regulation of these charges and not the elimination of same. The proposition as it stands now is one that is entirely in favor of the large banks and money centers and the big department stores and catalogue houses in our large cities. In other words, it is largely in favor of the people who are always encouraging our people to trade away from home.

The governors and directors of our Federal reserve banks are nearly all men who can not see this thing from the standpoint of the country banks. They are men who have been identified all their lives with "big business" in large cities: and while they are most excellent and capable men, their visions are clouded, so that it is impossible for them to see this thing except through the eyes of big business, big cities, and big banks.

The numerous country banks are the bone and sinew of the banking system, and we feel that it is of vital interest to all that these banks have a profitable existence. The bank that is making money is a safe bank; but if by legislation you cripple its earning power to any considerable extent, you are liable to cause it to "peter out" of existence, and the harm you would do in this way would be infinitely greater than any good that you might do to Sears, Roebuck & Co. et al. in distant cities and money centers.

In conclusion we wish to quote in part a very timely editorial which appears in the August number of the Southern Banker:

"In the multitude of counsel there is wisdom, and it is to be hoped that the next few weeks will bring about changes that may reconcile the situation and obviate the features of the plan to the extent that such important enterprises as the smaller banks may continue a prosperous and profitable existence. The welfare of these institutions is now vitally affected. They have built the country, and they are entitled to a profitable existence. Any measure that deprives them of a profitable existence strikes at the development of our country, and this is particularly true of the South."

We sincerely hope that you will give the Hon. CLAUDE KITCHIN your vigorous support in his effort to secure the amendment to section 16 that will be shortly introduced.

Respectfully,

W. S. PROUT,
President Robertson Banking Co., Demopolis, Ala.
J. D. YONWEED,
Cashier Commercial National Bank, Demopolis, Ala.

ACCEPTANCE OF PORTRAITS.

Mr. WILLIAMS. Out of order, I desire to submit a favorable report from the Committee on the Library. From that committee I report back favorably with an amendment the joint resolution (S. J. Res. 170) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer, and I submit a report (No. 835) thereon. I call the attention of the Senator from Delaware to the report.

Mr. SAULSBURY. I ask for the immediate consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The amendment was to add at the end of the joint resolution the following proviso:

Provided, That no expense incurred shall be paid by or chargeable to the Government of the United States.

So as to make the joint resolution read:

Resolved, etc., That the Vice President of the United States be authorized to accept, in behalf of the Government, portraits of Hon. James Latimer, who presided over the first convention to ratify the Constitution of the United States, and Hon. Dr. Henry Latimer, who was a surgeon general in the Continental Army and a Senator of the United States from Delaware: *Provided*, That no expense incurred shall be paid by or chargeable to the Government of the United States.

Mr. SAULSBURY. Mr. President, only a word in regard to the joint resolution. A very highly esteemed lady in the community in which I live has offered to present to the Government the pictures of two of her ancestors. They are to be in accordance with the specifications and subject to the approval of the Art Commission. One is the portrait of a former Senator of the United States and a surgeon general in Gen. Washington's army during the Revolutionary War. The other is a portrait of his father, who was a very eminent Delawarean and who presided over the Constitutional Convention which ratified the Constitution of the United States, and was the first man to sign any document ratifying that great charter.

The amendment of the committee is entirely in accord with the understanding with which these portraits were presented, and I hope there will be no objection to the joint resolution.

The amendment was agreed to.

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

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

THE REVENUE.

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

Mr. CLARKE of Arkansas. I ask to go back to page 6 for the purpose of moving to reconsider the vote by which the committee amendment appearing on that page, lines 12 to 17, inclusive, was agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. The object of the Senator from Arkansas is to offer an amendment to the Senate committee amendment at that place. I think the amendment he proposes to offer makes the provision as it now stands a good deal better. Furthermore, the language of the amendment as it stands is obnoxious to the decision of the court. I therefore join with him in the request.

The PRESIDING OFFICER. The Chair hears no objection, and the motion to reconsider is agreed to.

Mr. CLARKE of Arkansas. I offer a substitute for the portion proposed to be inserted by the committee, which I ask may be read.

The SECRETARY. On page 6, after line 11, in lieu of amendment proposed by the committee, insert:

(c) For the purpose of ascertaining the gain derived from a sale or other disposition of real property, the profits realized within the year from the sale or other disposition of any real estate purchased within two years previous to the close of the year for which such income is estimated, shall be the basis for determining the amount of such gain so derived from such sale or other disposition thereof.

Mr. WILLIAMS. With that amendment adopted, there ought to be inserted the same amendment where the measure of losses sustained is to be considered, because it involves the same question. I therefore ask unanimous consent that if adopted the same amendment shall be handed to the clerks at the desk by the Senator from Arkansas to be inserted at the other place in the bill where it would be relevant.

Mr. CHAMBERLAIN. I should like to know the purpose of the amendment, and why it is offered now after the committee amendment has been adopted?

Mr. CLARKE of Arkansas. I am very glad to explain it. The purpose of the amendment for which this has been substituted was to fix a date when the profits of an investment should cease to be income and become capital. The amendment adopted heretofore fixed March 1, 1913, as that date and made it a permanent date, so that no matter how long this act might remain in force that would be the date from which the investment as capital would be considered and all profits intervening would be income.

This has been one of the troublesome questions in tax legislation. In 1867 Congress fixed the period within which real estate investments should be treated as income at two years. The matter was brought to the Supreme Court in the case of Gray against Darlington, in Fifteenth Wallace, where it was held that profits during the current year were properly treated as income, that if the investment inured for a longer period it became merged in capital and it was not proper to fix it as income.

That feature was carried into the subsequent income-tax law down to the one passed in 1894. The last income tax left it out entirely, so that the only part of the profit on real estate investment, or any other investment for that matter, which should become profit for the purpose of being treated as income would accrue within the current year.

The purpose of this act is to adopt as an approved rule two years as against real estate investments; that is to say investments made in real estate and not consummated by a subsequent sale for a period greater than two years shall be treated as no part of the income, but are to be taken as a part of the loss and profit of that character of transaction and be permitted to pass as increased capital. If a sale occurred any time within the two years the profit on the transaction would be treated as income and accounted for accordingly.

It fixes a date that travels along with the law instead of fixing absolutely a day, which was the 1st of March, 1913. That would have involved the necessity of making an assessment every time an income-tax return was made with a view of determining whether or not in the meantime some profit had not attached to it. The one is a sensible, forcible rule, and the other is an exceedingly inconvenient one which does not in all cases do justice, because it might turn out that some investments would produce no profit whatever. No provision is made for taking care of that contingency.

Mr. HITCHCOCK. According to what I heard of the amendment read, it differs from the amendment which the Senate adopted also in this respect, that the amendment adopted by the

Senate includes not only real estate but also personal and mixed property. I should like to know what becomes of the profit on personal or mixed property.

Mr. CLARKE of Arkansas. On personal property any profit made during the current year would be accounted for as income. Profit not made on that character of property during the year, or rather realized by the sale, would not be treated as income. That is the universal rule.

Mr. HITCHCOCK. Is there any provision for that in the bill?

Mr. CLARKE of Arkansas. The first section of the bill provides:

(a) That there shall be levied, assessed, collected, and paid annually upon the entire net income received in the preceding calendar year from all sources by every individual, a citizen or resident of the United States, a tax of 2 per cent upon such income.

That language was deemed sufficient in the case of Gray against Darlington and fixed the period of the annual accounting. If the Senator will permit me, I will read the syllabus in that case, which will make much clearer than I have been able to do the point I am seeking to present to the Senate. It is the case of Gray against Darlington, reported in Fifteenth Wallace, page 63:

The advance in the value of personal property during a series of years does not constitute the gains, profits, or income of any one particular year of the series, although the entire amount of the advance be at one time turned into money by a sale of the property. Accordingly, when bonds of the United States were sold by the owner, after being held by him four years, at an advance of $20,000 over their cost to him, it was held that this amount was not taxable as "gains, profits, or income" of the owner for the year in which the sale was made, under the amendatory internal-revenue act of March 2, 1867.

The Supreme Court said in disposing of that matter——

Mr. HITCHCOCK. Mr. President——

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

Mr. CLARKE of Arkansas. Without the necessity of calling attention to it, I will yield to the Senator until this colloquy closes. On page 66 the court said:

The mere fact that property has advanced in value between the date of its acquisition and sale does not authorize the imposition of the tax on the amount of the advance. Mere advance in value in no sense constitutes the gains, profits, or income specified by the statute. It constitutes and can be treated merely as increase of capital.

That is my answer to the inquiry of the Senator from Nebraska.

Mr. HITCHCOCK. I still am not able to understand it. I will put a case to the Senator. Suppose a man has purchased in a certain year stocks or bonds and two years thereafter there is an advance of $20,000. Is the man just taxed for one year only on the profit made?

Mr. CLARKE of Arkansas. He is not taxed at all on that, because it ceases to be income and becomes capital.

Mr. HITCHCOCK. What reason is there for taxing the man upon the profit he makes upon the sale of real estate within two years and not taxing him upon the profit he makes on the purchase and sale of securities?

Mr. CLARKE of Arkansas. That always has been carried as a discrimination in the law. Whatever my opinion is, it ought to be confined to the annual accounting. There is no necessity really for making a distinction against real estate, but it always has been made, and I thought it would be a preferable rule to the one the committee adopted.

Mr. WILLIAMS. Real estate is not a live asset, and is not generally bought and sold within one year.

Mr. HITCHCOCK. I do not think that answers the question at all. Why should we exempt from income tax the profit the man makes upon the purchase and sale of stocks and bonds? Why should they not be included with real estate, just as they were originally included in this paragraph?

Mr. CLARKE of Arkansas. They are included now, if the purchase and sale is made within a year. That is the law. The Supreme Court of the United States answered that question, and held that it is a part of his capital, and a tax can not be levied upon it.

Mr. HITCHCOCK. I am at a loss to see why the increase in the value of real estate is not a part of the capital.

Mr. CLARKE of Arkansas. That matter may be decided some day and determined to the contrary, but at present the decision of the Supreme Court seems to treat it as a valid provision. There are numerous grounds upon which a distinction between real and personal property can be established, where one rule of taxation applies in one case and another in another. Bonds pass very frequently and very rapidly many times, whereas, as the Senator from Mississippi suggests, that is not the rule in the case of real property.

Mr. HITCHCOCK. It seems to me we are proposing to exempt from taxation some of the most enormous profits made in this country. For instance, during the last year or two perfectly prodigious incomes have been derived by men through successful speculation in the purchase and sale of stocks and bonds, and the incomes derived from the purchase and sale of real estate are insignificant by comparison. I do not like to assent to exempting those profits while continuing to tax the profits on real estate.

Mr. CLARKE of Arkansas. The Senator misunderstands me if he thinks I am trying to exempt their profits from taxation. I simply want to establish a rule that applies in every other character of taxation provided for in this bill, and that is the annual accounting. That is what was done in this particular case. The tax collector in New York collected an income tax of $20,000 upon an increase on bonds that the taxpayer had been holding for four years. He paid the tax under a protest and sued the collector for it, and that is the way this particular lawsuit was decided, and like every other lawsuit will be decided.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CLARKE of Arkansas. I will be very glad to yield.

Mr. CHAMBERLAIN. I am frank to say I really do not understand the effect of this amendment. There was a good deal of discussion over this particular amendment, I will say to the Senator, and it involves two other amendments which I supposed and those who think with me on the subject supposed had been settled. This seems to change the whole proposition, and before it is acted upon I should like to have the matter go over until to-morrow, it involving three amendments, as I suggested.

Mr. CLARKE of Arkansas. I have no objection to that course. The matter was submitted to the Senator from Alabama [Mr. UNDERWOOD], who proposed the amendment which is now offered as a substitute.

The PRESIDING OFFICER. Is there objection to postponing the consideration of this question until to-morrow?

Mr. WILLIAMS. I have no objection, although I wish it could be disposed of now. The Senator from Alabama who drew the amendment which is upon the bill now has agreed to this amendment to the amendment. I think the amendment to the amendment helps the amendment itself very much. But I have no objection to its going over.

The PRESIDING OFFICER. If there is no objection, it will be postponed until to-morrow.

Mr. SIMMONS. Mr. President, I hope we will now proceed with the consideration of the revenue bill, but before the Secretary renews the reading of the bill, I desire to state that this section of the bill as to special taxes, also the section relative to documentary stamp taxes, and the section creating a tariff commission, were referred to a subcommittee of which the Senator from Georgia [Mr. SMITH] is the acting chairman; and I shall therefore ask him to look after amendments to those provisions of the bill.

The reading of the bill was resumed. The next amendment of the Committee on Finance was, on page 99, after line 19, to insert:

First. Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business, including such sums as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every corporation, joint-stock company, or association as defined and limited in section 10, Title I, of this act, shall be liable to this tax: *Provided*, That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation: *And provided further*, That corporations actually paying the tax imposed by section 41 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

Mr. SMITH of Georgia. In the committee amendment, on page 100, line 2, after the word "year," I move to amend the committee amendment by inserting:

But excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

Mr. OLIVER. Mr. President, I should like to ask the Senator in charge of this portion of the bill a question. I do not know that I clearly understood the amendment; but I presume it was intended partially to effect the same purpose as the amendment

which was offered by the Senator from New York [Mr. O'GORMAN] yesterday.

Mr. SMITH of Georgia. I did not hear the speech of the Senator of New York or see his amendment. At that very time, by request of the committee, I was preparing an amendment to free from tax a certain class of trust assets held by fire and life insurance companies that we did not think ought properly to be subject to this tax. I have shown the amendment to the Senator from New York, and we agree about it.

Mr. McCUMBER. Mr. President, I did not hear what the amendment was or where it was proposed to be inserted.

The VICE PRESIDENT. The amendment to the amendment which has been proposed by the Senator from Georgia [Mr. SMITH] will be stated from the desk.

The SECRETARY. In the committee amendment, on page 100, line 2, after the word "year," it is proposed to insert:

But excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

Mr. McCUMBER. Mr. President, that raises the question that ought to be raised in this committee amendment, as to whether or not any tax whatever should be levied upon insurance companies. I purpose to offer an amendment on page 99, line 20, after the word "companies," to insert the words "except insurance companies." I think that that amendment at least should be voted upon before the amendment to the amendment which has been offered by the Senator from Georgia. If it should be voted in the affirmative, of course there would be no occasion for the other amendment; but if it be voted down, as I assume that probably it will be, then the qualification of the committee amendment offered by the Senator from Georgia would be most proper.

Mr. SMITH of Georgia. Mr. President, I withdraw the amendment to the amendment, so as to give the Senator from North Dakota an opportunity of presenting his amendment, although I desire to say that I do not think his amendment to the amendment ought to be adopted. We have carefully sought by this amendment to avoid taxing the trust funds of the insurance companies that do not stand upon the same status as the capital of other companies.

I will also say to the Senator that this amendment has been prepared with a great deal of care, using the technical terms as to reserves, and that it applies to both fire and life insurance companies. I think it goes as far as fairness and justice require us to go, and that it is liberal to the insurance companies.

Mr. McCUMBER. Then, Mr. President, on page 99, line 20, after the word "companies," I move to amend the amendment by inserting the words "except insurance companies."

Mr. SIMMONS. Mr. President, the Senator from North Dakota understands that not only insurance companies, but all the other corporations enumerated in the committee amendment, are entitled to the same exemptions that apply to corporations, including insurance companies, under the income-tax section of the bill.

Mr. McCUMBER. Yes; Mr. President.

Mr. SIMMONS. That is to say, it does not apply to mutual insurance companies or to fraternal orders or to the various other characters and kinds of insurance that are exempted from the payment of the income tax.

Mr. McCUMBER. I understand that, and I also understand that it would be necessary to make other amendments in order to free the insurance companies from any taxes whatever.

Mr. President, I want to say just a word on the amendment to the amendment. Section 10 of the bill provides for a tax of 2 per cent on net incomes of corporations, stock companies, and insurance companies. That is one tax. Section 56 provides for a tax of 50 cents per $1,000 of capital, surplus, and undivided profits, including such sums as may be invested in or loaned upon mortgages. That is a second tax. Then section 69 provides for a stamp tax of one-half of 1 per cent on each premium charged of $1 or fractional part thereof.

Mr. SMITH of Georgia. If the Senator will allow me to interrupt him, I desire to say that I am instructed when we reach the stamp tax on insurance companies to withdraw it. That provision will not be pressed.

Mr. McCUMBER. Very well. In addition, then, to these two taxes the stockholders are taxed, of course, upon their individual incomes. That would give three or four taxes practically upon the same business or upon the same fund.

The whole question, it seems to me, Mr. President, is a question of public policy. Ought we to encourage that frugality which looks to the care of old age? We recognize the fact that every dollar of tax will ultimately be charged in some form or another to the policyholders. The old-age pension laws of some of the countries of the world are already very onerous. We have no such laws in the United States; I hope we shall never be under the necessity of such enactment; but we all agree that there ought to be a time in the life at least of the ordinary workingman when he can drop the working tools of life and live either upon that which he has accumulated or which he has laid aside in some trust company's hands or in the hands of some insurance company.

We ought to make insurance just as cheap as possible. We know from the past history of insurance companies that, on account of carelessness in operation and excessive salaries paid to presidents and other officials, life insurance and, in many instances, insurance against casualties has been altogether too high. The tendency of late years has been to remedy those excesses and to make insurance cheaper. We ought to encourage every American to provide against sickness and to protect his family in case of his death, and the only way that we can encourage him properly is to make insurance as profitable to him as we can, and that means that he shall be able to secure it at as little expense as possible. We eliminate that much expense if we relieve the policyholder from the taxes which in the end will always be loaded onto him.

The same rule holds good with reference to fire insurance, hail insurance, cyclone insurance, and insurance against all of the elements or against casualties generally. I should hope, Mr. President, that we could carry the financial burden of this Government without imposing a portion of it upon the policyholders and those who seek insurance.

I have a letter here from the Insurance Federation of North Dakota, which I think presents the whole argument in a nutshell, and I will ask that the Secretary read the letter.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

INSURANCE FEDERATION OF NORTH DAKOTA,
Fargo, N. Dak., August 22, 1916.

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.

DEAR SIR: Confirming telegram of even date, reading:

"Insurance Federation of North Dakota, representing all branches of insurance world and organized throughout State, protests against amended revenue bill increasing income taxation of insurance companies and continuing stamp tax on policies while relieving other lines. Insurance business so intimately affects welfare of all people that imposition of added burden merely unjustly increases insurance cost and unfairly adds to burden on public. Letter follows. Advise us of your stand.

"INSURANCE FEDERATION OF NORTH DAKOTA,
"By HARRY CURRAN WILBUR, *Executive Secretary.*"

The officers and directors of this federation, which represents every branch of the insurance business, whether organized on the stock, mutual, or fraternal basis, and which includes in its membership the buyers of insurance as well as the sellers, asks your active efforts to prevent the enactment of this or other legislation the result of which is to increase unjustly insurance taxes and the cost of insurance to the general public.

Insurance is second only to transportation in importance to the general public. In the last analysis it is the real basis of credit and the balance wheel of business. What affects it in any of its branches vitally affects all business interests, large and small, and the welfare of individuals in the city and on the farm.

Federal, State, and local taxes are very heavy now. All efforts to decrease the cost of insurance to the purchaser are thwarted by such special taxation, which unjustly singles out this business and saddles it with an unnecessary expense, thereby increasing the cost of operation and, in turn, the cost to the insurance purchaser of protection he must have against hail, fire, tornado, and the ravages of illness and death.

If the amended bill passes, thousands of insurance buyers in this State and millions in the country at large will be the ultimate sufferers. Can we count upon you to help protect their interests?

The Insurance Federation of North Dakota, uniting all branches of the business and organized throughout the State, is carrying on a campaign of education on insurance matters, and meetings are being held in the county seats to get the real facts before the people at large. Our object is service to the public as a whole and to provide sound insurance at a minimum cost.

Will you please advise us promptly of your stand on this measure and direct your secretary to send us copies of the CONGRESSIONAL RECORD containing the story of this amendment's progress, in order that we may have a complete record for our bulletin service here?

Again asking that you use your active efforts to prevent the enactment of this and other unjust insurance legislation,

Yours, very truly,

INSURANCE FEDERATION OF NORTH DAKOTA,
By HARRY CURRAN WILBUR, *Executive Secretary.*

Mr. McCUMBER. Mr. President, if any man who had labored until he was 60 years of age for a mere living and to support his family, without laying up anything, should have a life-insurance policy of $10,000 for the support of his widow and family, I would think it most unjust, I would think it bad governmental policy, to levy a tax upon that meager amount of savings for the family; and yet I can see no difference between that and levying a tax upon the amount that will be paid in premiums

for insurance. I do not think that anyone could by taking half a day in argument present the matter more clearly than it has been presented in the letter which has been read at the desk. It is simply a question of public policy which every Senator thoroughly understands, namely, whether it is advisable to free insurance companies, and thereby to that extent free policyholders, of any burden of taxation upon their savings, against the misfortunes of business, against death, or against the destruction of the property which they have acquired through long years of labor. It seems to me that they should be free from any burden of taxation, and that is why I have offered the amendment. If it shall be carried, of course it will be necessary to make further amendments in other portions of the bill.

Mr. SMITH of Georgia. Mr. President, we have done for the insurance companies in this bill all that their friends could possibly ask. We have taken care of the policyholders. We intend to omit the stamp tax upon policies, which has been incorporated in the present bill as reported. When that provision is reached, I have been authorized to say, we will not ask for its enactment. On the contrary, we desire that it be stricken from the amendment proposed by the committee.

Mr. McCUMBER. Mr. President, at that point let me ask the Senator one question. Does not the Senator believe that whatever is paid out by the insurance companies in the way of taxes will be made up in the added cost of insurance to the policyholders?

Mr. SMITH of Georgia. If so, their conduct will be utterly inexcusable. Now, let me read to you what we have exempted from taxation under this section.

Mr. GALLINGER. Mr. President, will the Senator, after he has done that, state exactly what is left in the bill, so far as taxing insurance companies is concerned?

Mr. CURTIS. Mr. President, may I ask the Senator before he reads the amendment to which he has referred if he has been authorized to offer the amendment at the proper time?

Mr. SMITH of Georgia. I have already offered it, and I only failed to press it in order that the Senator from North Dakota [Mr. McCUMBER] might first present his amendment exempting everything connected with insurance companies. This is the amendment that we offer:

But excluding, in the case of insurance companies, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

It simply leaves as the subject of taxation that part of the capital that belongs in no sense to the policyholders; that is, not the reserve or the trust fund or the policyholders' fund. We will really get very little from them, in my opinion; but it was only fair that the part of the funds which were personal to the stockholders or the corporation, and not a trust fund, should be treated like the funds of other corporations.

Mr. McCUMBER. Mr. President, may I ask the Senator a question right here?

Mr. SMITH of Georgia. Let me finish, please, first.

Mr. McCUMBER. Yes.

Mr. SMITH of Georgia. I have sought from those well versed in insurance the terms that would exempt all of the funds that belong or go to their policyholders, and I want to say that the representatives of the companies feel that we have done for them all that we properly could do in this matter; at least, I judge so from their expressions of appreciation, that we have recognized these trust funds and deposit funds that belong to the policyholders as funds that should not be subject to this tax.

Mr. McCUMBER. I would not think so, Mr. President, from the telegrams that are coming to me daily; but laying that aside, how much does the Senator expect to collect from these insurance companies after the amendment which he proposes has been adopted?

Mr. SMITH of Georgia. I do not know; it is difficult to say; but the other funds that they have, beyond those we have exempted, we could not properly exempt unless we discriminated in their favor against all other corporations.

Mr. McCUMBER. I appreciate that; but suppose that you collect $10,000,000?

Mr. SMITH of Georgia. I have no idea we will collect any thing like that.

Mr. McCUMBER. Well, suppose we say $5,000,000. I do not care how many millions we assume.

Mr. SMITH of Georgia. Suppose we say half a million dollars.

Mr. McCUMBER. But whatever the amount may be that will be collected next year, does the Senator for a moment believe that that will not be carried, not as a charge against those who have already made their contract of insurance, but into the matter of fixing rates of insurance for the future, to cover that loss?

Mr. SMITH of Georgia. I do not for one moment. The company that increased the rates on account of this tax would find other companies declining to do so and pointing out the unfairness of their conduct, and would lose business by it. The amount placed upon it is really very small. They realize that themselves. We have guarded their trust funds so carefully that no one of them has any excuse for complaint, and so far as I know no one of them does complain; and I have not the slightest idea that it will be carried on to the policyholders.

Mr. McCUMBER. Mr. President, just one word. We will all agree that the only source of income that the insurance companies have is the money paid by policyholders, and also income upon their investments from the money paid by policyholders, which is again invested in other properties. As those are their only two sources of income, it necessarily follows that any expense connected with conducting their business—any overhead charges, or any taxes, or anything else that adds to the expense of the business—will, of course, be charged ultimately to those who will take out policies. It must be; otherwise these companies would be doing business for pleasure, and not for profit.

It is to save to these policyholders of the future such sums as would be placed upon them through this system of taxation that I offer my amendment. It is upon the general policy that we ought to encourage that frugality, as I have said, which looks to the protection of age. I think that is all there is in the question; and if we desire to tax these people, the policyholders of the future, making their policies cost them at least a little more, we can do it in this manner.

Mr. SMITH of Georgia. Not a cent more.

Mr. SIMMONS. Mr. President, I want to say just a word.

A great many of the representatives of the large insurance companies have been here in connection with this bill. They came here with reference to certain things about which they protested. This particular tax was not one of those things. It was mentioned in some of their telegrams when they were enumerating the various taxes that they would have to pay under the bill as it was originally amended by the Senate committee.

I have had many talks with these representatives of the insurance companies, and I will say to the Senator that I do not recall now that a single one of them protested against this particular tax of 50 cents on the $1,000 of capital. On the contrary, quite a number of them said that they had no complaint to make of that which did not apply to all other corporations as well as to them. They had no complaint to make of that.

The complaint was as to other things, and we have yielded to their complaints as to all the other matters except one, and that is embraced in the amendment of the Senator from New York. With that single exception, I understand that these gentlemen went home satisfied.

Mr. McCUMBER. Mr. President, I am not making any argument for the benefit of the stockholders of the insurance company or of the officers. They will probably make just as much whether you levy this tax or not. The argument I have made has been based upon my view of a great public policy that we ought to adopt for the benefit of the public and the policyholder, of those who desire to insure to protect themselves in their old age.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SMITH of Georgia. Mr. President, I now offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 100, after the word "year," on line 2, it is proposed to insert a semicolon and the words:

but excluding, in the case of insurance companies, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders.

The amendment to the amendment was agreed to.

Mr. SMITH of Georgia. I also desire to offer an amendment on line 23, page 99, after the word "sums," so that it may be clearer as to its meaning. The line will then read:

including such sums of capital, surplus, and undivided profits as may be invested in or loaned upon stocks—

And so forth.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. After the word "sums," in the committee amendment, on page 99, line 23, it is proposed to insert "of capital, surplus, and undivided profits."

The amendment to the amendment was agreed to.

Mr. WADSWORTH. Mr. President, I should like to ask the Senator from Georgia a question: What is the significance and purpose of the exemption of $99,000?

Mr. SMITH of Georgia. The tax is a small one, and to follow up all the small companies would cost just about as much as it would amount to. It is only 50 cents a thousand, and the expense of hunting up $5 in each case, it was felt—and especially some of them which would not be $5, but only $2.50—was really more annoyance than it would be worth.

Mr. WADSWORTH. Mr. President, a tax of 50 cents on every $1,000 of capital stock, in the case of a $100,000 corporation, if my arithmetic is correct, is $50, is it not?

Mr. SMITH of Georgia. Well, that was the reason expressed at the time.

Mr. WADSWORTH. If the exemption were lowered so as to apply the tax to $50,000 corporations, you could still collect $25 out of them. It does work an injustice to this extent——

Mr. SMITH of Georgia. The same amount is to be deducted in the case of all other corporations.

Mr. WADSWORTH. This applies, as I understand, to all kinds of corporations that have a capital stock of over $99,000.

Mr. SMITH of Georgia (reading)—

That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation.

It applies to every corporation.

Mr. WADSWORTH. Yes; every corporation.

Mr. SMITH of Georgia. The larger ones and the smaller ones, and it was suggested that the department should not be required to hunt up the smaller corporations, and that it was better to leave the figure as it is here. I think we started at $50,000. That was our original idea, and it was changed to $99,000. But the same amount is deducted in the case of every corporation.

Mr. WADSWORTH. Yes; I understand that, Mr. President. For myself, I believe that if we are to collect taxes by direct methods we should propose a light tax on a large number of payers instead of a heavy tax on a small number of payers; and I think had I been a member of the Finance Committee, or perhaps of the Democratic conference, I would have urged a $50,000 exemption instead of the $99,000 exemption and would have reduced the rate.

It does work an injustice in some respects. Some of the States by law compel certain classes of corporations to have a capital stock in excess of $100,000. They have no choice in the matter. They must have a capital stock in excess of $100,000. I have in mind the fire insurance corporations of New York, which must have a capital stock of $200,000. But there are many other States whose laws make no provision as to what financial strength their fire insurance companies shall have. In some States that I can think of you could organize insurance company after insurance company of $98,000 capital, as many as you want, and they would never pay any tax under this provision.

Mr. SMITH of Georgia. That would certainly be a very weak insurance company. I do not think it would do much business.

Mr. WADSWORTH. There are a great many fire insurance companies of one kind or another of less than $99,000 capital. That one instance happens to come to my mind. There are other kinds of corporations besides insurance corporations whose capital stock is less than $99,000 and who could well afford to pay a little something toward the support of the Government if a corporation of $100,000 could pay it. If you had taken a capitalization of $50,000 and assessed 50 cents on every thousand dollars of capital stock, you still would have had $25 paid in the way of taxation.

I think the provision is open to the same criticism that I tried to point out the other day—that it is part of the attempt to collect the revenues of the Government by a comparatively heavy tax upon a small number of taxpayers instead of by a comparatively light tax upon a large number of taxpayers. I do not care to offer any amendment, however.

Mr. SMITH of Georgia. I do not know what the Senate will do about it. If it should pass in this shape and the conferees should bring it back, taxing them at $50,000, I should vote for the report of the conferees.

Mr. WADSWORTH. Mr. President, I see there is no provision here for the taxation of the major portion of the thousand dollars. The tax is levied at the rate of 50 cents for every thousand dollars of the capital. Was it the intention of the committee—perhaps it was not the intention—to say, "50 cents on every thousand dollars or major portion thereof"?

Mr. SMITH of Georgia. There is an express statement that each corporation shall have an exemption of $99,000 from the sum upon which the 50 cents is levied.

Mr. WADSWORTH. Then, if its entire capital stock were $99,000——

Mr. SMITH of Georgia. It would pay a tax only on $900.

Mr. WADSWORTH. That is not 50 cents on the thousand. That is what I am asking the Senator.

Mr. SMITH of Georgia. I do not know whether it says "or any part thereof" or not.

Mr. SIMMONS. No; it does not.

Mr. SMITH of Georgia. Then, they would not pay any tax at all.

Mr. WADSWORTH. They would not pay any tax, even if they had $99,900 capital?

Mr. SMITH of Georgia. It would be necessary for them to have $1,000 capital above the $99,000 to pay any tax.

Mr. WADSWORTH. I shall not insist upon the major fraction being taxed. I think these taxes are too high now.

Mr. JONES. Mr. President, as I understand this amendment, it requires the payment of this 50 cents for each thousand dollars of capital, no matter what the value of the stock may be.

Mr. SMITH of Georgia. It is not on the stock at all; it is on the capital. It does not say "capital stock."

Mr. JONES. No; I see. Is there a provision here that puts a tax of 50 cents per thousand on the stock of a corporation regardless of the value of the stock?

Mr. THOMAS. That was the intention.

Mr. JONES. What section is that?

Mr. THOMAS. That was the intention of this section.

Mr. JONES. That is what I thought.

Mr. SIMMONS. What was the statement of the Senator?

Mr. JONES. I understand this to be a tax of 50 cents per $1,000 upon the capital stock of every corporation, regardless of the value of that stock, provided it exceeds the $99,000 exemption.

Mr. SIMMONS. No; the Senator is entirely mistaken about that.

Mr. JONES. Is there any provision in the bill anywhere, then, which imposes a tax of 50 cents a thousand upon the capital stock of a corporation?

Mr. SIMMONS. No. This is the only provision that imposes a tax of this character upon any corporation. This is upon the capital, the surplus, and the undivided profits used in the activities or functions of the business of the corporation, including such sums—the committee now proposes to add this after the word "sums"—"including such sums of capital, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds," and so forth.

Mr. THOMAS. Mr. President, I feel it incumbent upon me to express a dissent from the statement of the chairman of the committee. My understanding of this provision is that it is a tax upon the capital stock, whatever the par value of the capital stock may be. If it does not do that it is different from what I supposed it meant and what I think it ought to mean. If you are going to levy a tax of this kind upon the capital, it is a very serious question whether it would not include money raised on notes and mortgages and invested in the business, because that is capital, and certainly that was not the intention.

There was some question about this matter which caused me to look into the authorities somewhat. I have not made a very extensive investigation, but so far as I have gone I find that "capital" and "capital stock," when used as a basis for a tax of this kind, are the equivalents of each other. This is an excise tax. It does not, strictly speaking, apply to the capital stock, because the capital stock belongs not to the corporation, but to the stockholders; but it is made the basis of an excise tax upon the corporation. That is my understanding of it.

Mr. JONES. I had that impression. I have here a letter addressed to my colleague which came after he left with reference to this particular matter.

Mr. THOMAS. I should perhaps add, if the Senator will permit me, that I had a conference of considerable length with the chairman of the board of directors of one of the big railroad systems of the country, and he is quite content with the tax, if it is limited upon the capital stock; but if it is to be construed otherwise and is limited not upon the capital stock but applied to the capital in business and the bonded indebtedness of the road, then he thinks it would be unfair, and I agree with him. So the notion of levying a tax upon the capital of a company, unless it means the capital stock, might produce a very

much larger revenue on the one hand and inflict considerable injustice upon the other.

Mr. FLETCHER. Perhaps the Senator has not observed the language after line 12:

That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

That may be the corporation the Senator has in mind.

Mr. JONES. I have looked at that language in the amendment and I was just going to state that probably that language meets the objection made by the gentleman in his letter, because he argues on the theory that, for instance, steel stock that is worth $468 a share would have to pay exactly the same tax as stock that is worth only $2.50 a share, and he cites this company, which is a mining company, that have expended considerable money in development, and in fact everything they have raised they have spent in development. He says if this tax of 50 cents a thousand dollars is put on his tax of $5,000, they would have to raise it; that they have had no income. I take it even on that basis the lines to which the Senator from Florida just called attention would take care of the situation.

Mr. THOMAS. It was precisely that class of cases that prompted the amendment to which the Senator from Florida referred.

If I may be permitted a further word, there is another question that is decided in a number of cases in the State courts principally that has to do with respect to what a corporation's capital signifies—the aggregate of the sum subscribed, being that either paid in or agreed to be paid in by the stockholders.

Mr. JONES. In view of the statement made by the Senator from Colorado I suggest to the Senator from North Carolina it ought to made clear whether we intend to put a tax on the capital stock or whether it should apply simply to the capital.

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. If the Senator from Georgia will pardon me just a moment, the Senator from Colorado, I think, is mistaken in reference to the purpose of the committee. During the discussion it was proposed to make that capital stock. We discussed that and concluded that that would not be quite the proper standard, because a great many corporations issue a certain amount of stock paid in. One class is preferred stock and another class is common stock, and nothing is paid upon it at all. The stock does not represent money that is invested in the enterprise.

What I want to do is to place a tax of 50 cents a thousand on the money actually used in the industry in the nature of capital or surplus or undivided profits. For instance, a corporation is organized on a basis of $200,000 worth of stock, only $100,000 of that stock is paid for, only the $100,000 which was paid up was invested in the business, and that is what we intended to tax. If during the operation of the business they accumulated a surplus, that would be taxed. If they accumulated certain profits which they did not divide among their stockholders, that is a part of the undivided profits, and that we intended to tax. That was our intention.

Mr. CUMMINS. If I may be permitted just a moment, whatever doubt there might be about the use of the word "capital" if standing alone is removed when you consider the further language of the amendment. It says:

Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business.

Very clearly this would be construed to mean a tax upon each thousand dollars of the capital invested, and it might be very burdensome.

I may suggest to the Senator from North Carolina, in the first place, it will require an appraisal of all the property of the corporation every year in order to ascertain the value of the property, for the property is the capital, I mean if its capital has been invested in that time. A corporation invests $100,000 in the construction of a building, and when they come to ascertain how much it should be taxed they must ascertain the value of that building, for it is their capital for that purpose. If the corporation bond $100,000 and invest it in their business, it becomes capital and would be taxed. A railroad company worth, we will assume, a million dollars, one-half represented by capital stock and one-half represented by bonds, would be taxed for a million dollars. There is no deduction.

Mr. SIMMONS. If the Senator will pardon me, I will say to him another amendment was proposed by the committee. In the clause "including such sums as may be invested in or loaned upon stocks, bonds," and so forth, after the word "sums" the words "of capital, surplus, and undivided profits" were added.

Mr. OLIVER. We can not hear a word on this side that the Senator is saying.

Mr. SIMMONS. I say it is proposed to read "sums of capital, surplus, and undivided profits," showing that if the capital and surplus or undivided profits are invested in these things, the amount invested in the enumerated things, stocks and bonds and mortgages, are not to be taxed.

Mr. CUMMINS. I have not seen the amendment.

Mr. SIMMONS. It is right after the word "sums," inserting "of capital, surplus, and undivided profits"; that is to say, the sum of their capital, surplus, and undivided profits invested in bonds, stocks, and mortgages is not to be taxed in addition to the tax on the capital, surplus, and undivided profits.

Mr. CUMMINS. Suppose it is invested in other kinds of property. Take a manufacturing concern. It has a million dollars which has been contributed as a part of the capital either through stock or through bonds. The money is used for the purpose of constructing a plant. What would be the capital of such a company?

Mr. SIMMONS. It is a part of the capital invested in the manufacturing plant, and it would deplete their capital to that extent.

Mr. CUMMINS. Surely; that it what I say, and the capital is the value of the plant.

Mr. SIMMONS. If you included the one you would not include the other, because this is simply transferring the amount of money—taking an amount of money out of the capital, the surplus, and undivided profits, and investing it in something else. You have not added anything to it.

Mr. CUMMINS. It is intended to ascertain the value of property with which the corporation carries on business and tax it at the rate of 50 cents a thousand. That is the purpose, is it not?

Mr. SIMMONS. It is the purpose to tax the actual capital surplus invested in the business, and no more. I will state to the Senator that I have sent for and will have it here in a minute the present law under which banks are taxed. There is a similar tax imposed upon banks. It is a tax of $1 upon the thousand instead of 50 cents, as in the bill, and practically exactly the same language is used there as here, except that the tax is $1 upon every thousand dollars of capital, surplus, and undivided profits instead of half a dollar. There has been no trouble about the administration of that law.

Mr. CUMMINS. As just indicated by the Senator from Colorado, when it is used in any of the activities or functions of their business I think you put a different interpretation upon it.

Mr. SIMMONS. I do not think that has been our purpose. Our purpose is that whatever capital may be actually invested in the business shall pay a tax of 50 cents upon every thousand dollars.

Mr. THOMAS. I am sorry I find myself out of agreement with my associate in regard to this provision. I think, as the chairman will recall, that at the end of one of our discussions I suggested an examination of the legal definition, and consequently the extent of the use of the word "capital." I availed myself of the first opportunity to do that, although I do not recall that I reported the result to the chairman or to any other member of the committee. But before doing that I consulted the law to which the Senator refers, the statute as now in force.

Mr. SIMMONS. I think the Senator did call it to our attention.

Mr. THOMAS (reading)—

First. Bankers shall pay $1 for each $1,000 of capital used or employed, and in estimating capital surplus and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year.

There is a proviso to that section of the present law "that any postal savings bank or savings bank having no capital stock and whose business is confined to receiving deposits," and so forth, "shall not be subject to this tax." The word "capital" there was evidently used, and intentionally so, as being the equivalent of capital stock; and I find that such are the authorities with regard to this subject in connection with tax laws.

Thus, in California, in Iowa, in Louisiana, and in New York it is held that in statutes of this kind capital and capital stock are used convertibly. This is not a tax, as I have stated, upon property. It is not a tax upon stock as such. The use of the expression is designed to fix a basis or measure for the levying of an excise tax, and as a consequence I feel that it is my duty to define my understanding of this provision and what I had in view in assenting to its adoption. It is the levying of 50 cents upon every thousand dollars of capital stock of the company,

including its surplus and undivided profits. If it does not, it ought to be made that way, and I think it should be so written not only because it will avoid the inconvenience suggested by the Senator from Iowa but because if you do not make it that way you are going to levy this tax upon the debts of corporations as well as upon their capital.

Where a corporation borrows $250,000 and issues bonds for the same and that money is invested in its business you are going to levy 50 cents upon every thousand dollars of the $250,000 represented by bonds. I know the committee did not intend that. I know that no member of the committee intended that. Hence I must insist that the construction which I have given to the use of this language all along, justified, as it is, by the decisions, means that this tax will be levied upon corporations, using their capital stock, together with their surplus and the undivided profits, as the basis or measure of the tax provided for in this act.

Mr. SMITH of Georgia. Mr. President, when I differ on a law question with the Senator from Colorado I have always very serious doubt as to whether I am right, but I do not understand this paragraph to mean at all what he says. I think the term "capital" has a distinct meaning.

Mr. THOMAS. I do not aspire to infallibility, and I will say to the Senator that I have quite as much respect for his legal opinion as he can possibly have for mine.

Mr. SMITH of Georgia. I think the term "capital" here means the actual money of the company ahead of its liabilities. The capital, surplus, and undivided profits are the assets of the company in excess of its liabilities.

Mr. OLIVER. Mr. President, I should like to ask the Senator from Georgia if that is not substantially the same theory that was announced by the Senator from Colorado?

Mr. SMITH of Georgia. No; the Senator from Colorado insisted that the term "capital" meant capital stock, and that the tax would follow the capital stock regardless of the value of the capital stock. I do not agree with that view at all. I think we used the term "capital" to avoid that very view, because we do not mean to tax the capital stock, we mean to tax the actual capital, the actual assets of the company. I do not think that money used by the company derived from a mortgage or a loan would be subject to the tax. I have taken this section up with the law officer of the Internal-Revenue Bureau and looked into the precedents, and he agrees with my view about its meaning.

Mr. OLIVER. I will ask the Senator from Georgia if it might not be well to put in some qualifying phrase.

Mr. SMITH of Georgia. I think we have the proper language now. I think we have exactly the proper language to cover the result that I have described.

Mr. OLIVER. I agree with the Senator, but at the same time, since there is a disagreement between three of the ablest lawyers in the Senate as to the meaning of this phrase, would it not be well to put in such language as would show its exact intent and meaning, and bring it to a point where there would not be such a disagreement as has been expressed?

Mr. THOMAS. So far as I am concerned, I am quite willing to do that by the insertion of the word "stock" after the word "capital."

Mr. SIMMONS. I could not vote for that.

Mr. THOMAS. That certainly would clarify the doubt, if there be one, although not in the direction satisfactory to the chairman of the committee and the Senator from Georgia.

Mr. SIMMONS. When properly construed the language there means practically the same as does the language employed here. It says, "capital used or employed."

Mr. THOMAS. And yet, if the Senator will look at the proviso which exempts banks having no capital stock, he must draw the conclusion that "capital" as used in the body of the section is the equivalent of capital stock.

Mr. SIMMONS. No; I do not think that conclusion follows at all. They were simply exempting a certain class of banks—savings banks and postal banks—and they simply indicate that they exempt them because they do not have capital.

The PRESIDING OFFICER (Mr. MYERS in the chair). Without objection, the amendment of the Senator from Georgia [Mr. SMITH] to the amendment of the committee is agreed to. The question now is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. OLIVER. Mr. President, the reading of the amendment has not been concluded, and I shall not insist on that being done, but I should like to hear something from the Senator in charge of the bill with regard to the necessity of this amendment, taken as a whole.

It seems to me, Mr. President, that if the committee were setting out to tax corporations, it would have been the part of wisdom to settle upon some way of getting all the money that is wanted from the corporations by one method of taxation. This thing of multiplying taxes is inexpert, and, in my opinion, it is exceedingly unwise. I do not know how much money is expected from this source of taxation, but I do think that piling on one tax after another is not only irksome, but it is wrong. Corporations are taxed to the limit by the several States, and now the committee come in and in some cases pile three and four taxes upon one corporation under this one bill. I should like to hear some defense from the committee for this proposed amendment.

Mr. SIMMONS. Mr. President, if there is any class of capital in this country that has no right to complain of this bill it is the corporations. Individuals are taxed upon an entirely different basis with reference to their incomes from the tax imposed upon corporations with reference to their incomes. An individual must pay a flat tax of 2 cents under this bill up to $20,000. After that he has got to pay a constantly increasing surtax. The corporation simply pays a flat tax of 2 cents. It pays no surtax whatever. The only tax imposed upon corporations in this bill, except this little tax, is a flat tax of 2 cents, which, I say, is not so great as the tax imposed upon individuals.

This is not a tax upon corporations alone. This is a tax for the privilege of doing business; it is a license tax. All corporations are required to pay the same tax, to wit, only 50 cents upon $1,000 of capital. Then follow——

Mr. OLIVER. Mr. President——

Mr. SIMMONS. Will the Senator let me finish the sentence? Then follow various and sundry license taxes upon individuals; on commission brokers so much; on pawnbrokers so much; theaters so much; on circuses so much. This is the same kind of tax with reference to corporations. It is no more burdensome than are the other license taxes imposed in this bill. I can not see any reason why it should be treated as an unusual or an extraordinary tax. It is simply a license tax, such as we impose upon individuals for doing certain kinds of business. I heard no complaint when we imposed a similar tax upon bankers in the last revenue bill and did not impose it upon other corporations.

Mr. SMITH of Georgia. And we made it twice as high.

Mr. SIMMONS. Yes; it was twice as high on bankers. There was a great outcry on the part of bankers, but they never put their complaints on the ground that it was unjust to impose upon them a small tax for the privilege of doing business. They, however, based their complaints solely and exclusively upon the ground that the present law singled them out and imposed this license tax upon them, while it did not impose similar taxes upon any other corporation. After we eliminated that tax as to banks and put them in the same category with all other corporations in the United States they did not complain any further; and I have not had a complaint from any of the corporations against this specific tax since we adopted this amendment.

Mr. OLIVER. Mr. President, the defense of this legislation by the chairman of the committee is just about what I expected. I did not say there was anything unusual about the tax. On the contrary, I think it is the usual thing. The complaint about it is that it is piling one tax upon another and upon the same class of people.

The Senator says that the tax applies to all corporations alike. It does not do anything of the kind. It exempts corporations having a capital and surplus of less than $100,000.

Mr. SIMMONS. Yes, Mr. President; but it exempts that much of the capital of every corporation.

Mr. OLIVER. I understand that very well; but I tell you, Mr. President, that it is so framed not because it will cost too much to collect the tax, but because the tax would otherwise hit too many people, would render too many people dissatisfied, and would take too many votes away from the party which is framing this legislation. That is the reason why the corporation having a capital under $100,000 is exempted. You want to cause as little dissatisfaction as you can by this legislation and to get as much money out of the pockets of the people as you can.

Talk about this being a just tax! Talk about any part of the bill being just! There is not a shadow of justice about the bill from beginning to end.

Mr. SIMMONS. Of course, we understand, Mr. President, that the Senator from Pennsylvania is opposed to any direct taxation whatever.

Mr. OLIVER. This is not direct taxation; it is coming out of the people who own these corporations.

Mr. SIMMONS. The Senator from Pennsylvania thinks that all the money for the support of the Government ought to be raised from the customhouses and that those taxes ought to be exceedingly high, especially upon the products of the State of Pennsylvania——

Mr. OLIVER. Mr. President——

Mr. SIMMONS. In order that that State might continue to enjoy the privilege of taxing the balance of the people of this country in the future to the extent that it has been permitted to do in the past.

Mr. OLIVER. Mr. President, I am sorry that the Senator from North Carolina has cast that imputation upon me. It is entirely unjust. I have never advocated in behalf of the State of Pennsylvania what I did not want to give to every other State in the country. Since the Senator has made the reference, however, I will say that the bill is especially framed to exempt his section of the country as far as possible from taxation and to impose it upon other sections. It is framed with that purpose in view. He himself had that purpose in view—to exempt his own people as far as he can from the payment of taxes *and to* impose the taxes upon the people of my State and upon other States similarly situated.

Mr. SIMMONS. Mr. President, I state emphatically that I have no such purpose as that, and the Senator is not justified in making any such statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. CURTIS. Let the amendment as amended be stated.

The PRESIDING OFFICER. The Secretary will state the amendment as amended.

The SECRETARY. On page 99, after line 19, it is proposed to insert the following:

First. Corporations, joint-stock companies, and associations shall pay 50 cents for each $1,000 of capital, surplus, and undivided profits used in any of the activities or functions of their business, including such sums as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year, but excluding in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders. Every corporation, joint-stock company, or association as defined and limited in section 10, Title I, of this act, shall be liable to this tax: *Provided*, That for the purpose of this tax an exemption of $99,000 shall be allowed from the capital, surplus, and undivided profits of each corporation: *And provided further*, That corporations actually paying the tax imposed by section 41 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation not engaged in business or which had no net income, as defined in Title I of this act, during the preceding taxable year, or which are exempt under the provisions of section 11, Title I, of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended. [Putting the question.] By the sound the "ayes" appear to have it.

Mr. CURTIS. I ask for a division.

The amendment as amended was agreed to on a division.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 100, line 21, after the word "broker," to strike out "*Provided*, That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker," so as to make the clause read:

Second. Brokers shall pay $30. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for others, shall be regarded as a broker.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Mr. President, just a moment.

Mr. SMITH of Georgia. I will state that formerly there was a tax on banks. We have stricken out the tax on banks, and therefore this language was unnecessary.

Mr. THOMAS. It would not be fair to tax a private bank and not tax a banking corporation.

Mr. SMOOT. What I had in mind was whether the amendment striking out the proviso had been agreed to.

Mr. SMITH of Georgia. We have just agreed to that amendment.

Mr. SMOOT. I did not understand the announcement, and therefore I desired to ascertain whether or not the amendment had been agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 101, after line 16, to strike out:

Sixth. Proprietors of theaters, museums, or concert halls, where a charge for admission is made, located in a city, town, or village with a population not exceeding 1,000, according to the last preceding census of the United States, shall pay $10; located in a city, town, or village having a population in excess of 1,000 but not in excess of 2,000, shall pay $15; located in a city, town, or village having a population in excess of 2,000 and not in excess of 3,000, shall pay $20; located in a city, town, or village having a population in excess of 3,000, shall pay one-half of 1 per cent of their gross receipts from admission. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representation, shall be regarded as a theater.

Every proprietor of such theater, museum, or concert hall, located in a city, town, or village having a population in excess of 3,000 inhabitants shall, on or before the 15th day of March, 1917, and on or before the 15th day of June, September, December, and March thereafter, make a return under oath to the collector of internal revenue of the district wherein they are located, stating the gross receipts from admissions for the preceding quarter. The collector shall, within five days of receipt of the return, notify the proprietor of the amount of the tax for which such person is liable, and such person shall pay the tax to the collector on or before the 1st day of the next month.

And insert:

Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay $25; having a seating capacity of more than 250 and not exceeding 500, shall pay $50; having a seating capacity exceeding 500 and not exceeding 800, shall pay $75; having a seating capacity of more than 800, shall pay $100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the passage of this act, the tax shall be paid by the lessee, unless otherwise stipulated between the parties to said lease.

Mr. SMITH of Georgia. Mr. President, I will explain to the Senate just what is accomplished by that amendment.

Mr. SMOOT. Mr. President, I was going to ask the Senator to allow the amendment to go over until to-morrow.

Mr. SMITH of Georgia. I do not think the Senator will want to do that after I give him a word of explanation. Let me explain it this time, even if it goes over until to-morrow.

The existing law was criticized because it placed a tax per seat upon amusement houses. The smaller cities insisted that they had amusement houses about as large as some in the larger cities, but did not use them half so much, and that to tax their amusement houses at the same rate as amusement houses in larger places was really taxing them twice as much on their amusements as the amusements in larger places. To try to avoid this the House adopted a gross income tax of 1 per cent; but this seemed to us unjust. We have felt that net income, rather than gross income, was the fairer basis for taxing. Investigation led us to believe that it would be almost impossible as to many of the smaller amusement places that did not keep books to ascertain the net income. Therefore, we propose to reenact the existing law, modified with the provision that in towns of 5,000 inhabitants or less the tax per seating capacity shall be only half of that in larger places. We were simply trying to equalize the effect of the tax, based upon the theory of the extent of use of the theater. That is the change we have made.

Mr. SMOOT. Yes; I noticed that that was the change, Mr. President. I think, as far as the proviso is concerned, the change that has already been made is a very good one, indeed; but I do not want at this late time of day to take up the discussion of the question itself. Therefore I ask that it go over until to-morrow, so that we can proceed with the balance of this subdivision without the necessity of suggesting the absence of a quorum, as I should like a vote upon it when it is passed upon by the Senate.

Mr. SMITH of Georgia. Very well.

The PRESIDING OFFICER (Mr. LEE of Maryland in the chair). The Senator from Utah requests that the amendment be passed over. Without objection, it will be so ordered.

Mr. NELSON. Mr. President, I desire to say that this change in the law pointed out by the Senator from Georgia strikes me as eminently fair and just. It is a modification of the old law that did not make a fair distinction. What the Senator has stated has come under my own observation in the little town where I live. The old law worked a great hardship. The distinction that has been made here by cutting down the license fee by half in these small towns is eminently just and fair, and I am very glad the committee made this change.

Mr. SMOOT. It is a splendid amendment.

The reading of the bill was resumed.

The next amendment was, on page 104, line 18, after the word "played," to strike out "and that are open to the public with or without price," so as to make the clause read:

Ninth. Proprietors of bowling alleys and billiard rooms shall pay $5 for each alley or table. Every building or place where bowls are thrown or where games of billiards or pool are played shall be regarded as a bowling alley or a billiard room, respectively.

Mr. OLIVER. Mr. President, I will ask the Senator from Georgia if that is intended to make a man liable to this tax if he has a billiard table in his own house.

Mr. SMITH of Georgia. I do not think so. I think it makes all clubs and places liable where billiard tables are kept for use but to which the public are not freely invited, only the membership being invited.

Mr. OLIVER. It seems to me that this would include private tables. I do not care particularly, because a man who can afford to have a billiard table in his house can perhaps afford to pay the tax.

Mr. SMITH of Georgia. There were two views of it. One was that the language would include private tables, and one was that the language would include clubhouses. My view is that it includes clubhouses. Some thought that it included private tables as well. So far as I was concerned, I did not care which view was taken, although I think the proper view is that it does not apply to a man's private table in his own house; but if it does, it is all right with me. I do not care which view is had of it.

Mr. OLIVER. I am not particular.

Mr. SMOOT. I believe it will apply to every bowling alley or every billiard table that may be in the United States. It says:

Every building or place where bowls are thrown or where games of billiard or pool are played shall be regarded as a bowling alley or a billiard room, respectively.

I have not any objection whatever to putting the $5 tax upon every billiard table that there is in the United States, whether it be in a hovel or in a palace or in a public building of any kind.

Mr. SIMMONS. Neither have I. I think that is what we intended.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 106, line 4, after the word "cigarettes," to insert "including little cigars weighing not more than 3 pounds per thousand," so as to read:

Manufacturers of cigarettes, including little cigars weighing not more than 3 pounds per thousand, shall each pay, etc.

Mr. OLIVER. Mr. President, I should like to have that amendment, as well as the long amendment on the next page, go over until to-morrow. I have received a very vigorous protest from the manufacturers of what are termed "stogies" in our section, and I have not yet been able to ascertain just exactly the ground of the protest. It may be that these sections will not be open to the objection that they raise. I will investigate the matter to-night.

Mr. SMITH of Georgia. I want to say to the Senator that I do not think the paragraph he is asking to have go over applies to stogies. I think that is a paragraph that we have already gone over. If it is, I am perfectly willing to have the adoption of the paragraph reconsidered.

Mr. SMOOT. The stogies would weigh more than 3 pounds per thousand. These are the little cigars that are made.

Mr. OLIVER. I suppose that is what is called an all-tobacco cigarette.

Mr. SMITH of Georgia. That is really an all-tobacco cigarette.

Mr. OLIVER. Then I will withdraw my request so far as this is concerned. Which paragraph does the Senator thinks covers stogies?

Mr. SMITH of Georgia. I do not know just into which class it may fall. I have studied this paragraph to find out what falls in it, as we are changing the House provision. We added the little cigar, because otherwise it would fall into the class of actual cigars and would be taxed more than it would be fair to tax it. We brought the little cigar, which is a cigarette cigar, into this paragraph.

Mr. SMOOT. An all-tobacco cigarette.

Mr. SMITH of Georgia. An all-tobacco cigarette; that expresses it correctly.

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

The amendment was agreed to.

Mr. OLIVER. Whatever section does apply to the stogies I should like to have open to reconsideration in case I find it necessary.

Mr. SMITH of Georgia. The change that we made from 3 cents to 8 cents for every 10,000 cigarettes was due to the fact that we did not think the 3 cents brought it up to the proper standard. The existing law fixes the price in grades and quantities up to 100,000,000. Beyond that it makes no increase One manufacturer, say, makes 5,000,000,000. We are undertaking by this 8-cent tax to obtain exactly the same sum from these cigarettes that would have been derived had we continued to charge per 100,000,000 on to the 5,000,000,000 production. By putting it at so much per 10,000 we equalized it as to everybody according to production, and we raised the same sum that we would have raised had the former law extended on by 100,000,000 to the 5,000,000,000 producers.

Mr. JAMES. Mr. President, out of order I wish to offer an amendment as a new section on page 144, after section 102. I do this at this time because I may not be able to be here to-morrow, and I desire to be present when this matter is considered. I ask that the Secretary may read it.

The PRESIDING OFFICER. Without objection, the Secretary will read the amendment offered by the Senator from Kentucky.

The SECRETARY. On page 144, after section 102, it is proposed to add a new section as follows:

SEC. 103. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict during the period such prohibition or restriction is in force, the importation into the United States of similar articles or in case the United States does not import similar articles from that country then other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than $2,000 nor more than $50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

Mr. SIMMONS. Mr. President, this amendment has been submitted to the Finance Committee. On behalf of the committee I will accept the amendment.

Mr. SMOOT. Mr. President, does the Senator mean the amendment that has just been offered?

Mr. SIMMONS. Yes.

Mr. SMOOT. Let it go over until we can read it.

Mr. JAMES. I will state to the Senator the reason why I desire it acted on.

Mr. SMOOT. I really did not hear the amendment read.

Mr. JAMES. I think I can state to the Senator just what the amendment it. It will take only a moment. It provides that in case any Government, during a war to which the United States is not a party, contrary to the law and practice of nations discriminates against the products of the soil or industries of the United States, and prevents such goods or products from going into that or any other country, then the President, when satisfied that that is the case, has a right to retaliate by prohibiting such articles or any article from that country being imported into this country.

Mr. SMOOT. What effect would that have upon our treaties—for instance, the question of the favored-nation clause? Would it not conflict with those treaties if that authority were granted to the President?

Mr. JAMES. I will say to the Senator that this amendment has been submitted to the State Department and meets with its approval. It is not in conflict with any treaty at all.

Mr. SMOOT. I will say that if it can be carried out without conflict with treaties I am in favor of the amendment.

Mr. THOMAS. Mr. President, if any treaty violation is involved, the violation is from the offending country, not from the United States.

Mr. SMOOT. If that were true, Mr. President, it would have the effect of relieving the United States from any obligation it may have under the treaty.

Mr. JAMES. Certainly no country could claim that we were violating a favored-nation clause when they themselves were violating such a treaty by discrimination against goods or products of the United States, or claim such protection, when they had first violated the treaty, if such a treaty had existed.

Mr. SMITH of Georgia. Mr. President, I am very cordially in favor of the amendment. I think it many ways we leave our administrative officers helpless to guard our commercial rights.

Mr. SMOOT. So am I in favor of it, if it is not subject to the objection to which I have referred.

Mr. SMITH of Georgia. I think it can be handled without any trouble. I have given a good deal of thought to the subject of our international relations, and I believe it will help the State Department in diplomatic negotiations looking toward guarding the rights of American commerce. Of course any administration would be very careful about its use and regardful of our treaty obligations; but to-day the State Department negotiates in many respects with reference to a disregard of our commercial rights with hands tied, the opposing power being conscious of the fact that no authority has been vested in the State Department or in the President to use our commercial strength. The British Government, through its Privy Council, has almost unlimited power.

Mr. SMOOT. Mr. President, I shall not object to the adoption of the amendment at this time, but I do think it is worthy of most serious consideration. I want to say to the Senator from Georgia that if it can be carried out, and if it does not conflict with our treaties with other countries, I should be most happy to have it become a part of the law of the United States.

Mr. THOMAS. Mr. President, perhaps the Senator is not aware of the fact that on Saturday last I introduced an amendment, prepared also by the State Department, much more extensive than this, drawn to some degree in the same language, but designed to arm the Government with the power to retaliate by way of reprisals whenever such acts on the part of foreign Governments as are illustrated by the so-called black-list order shall occur. I hope the Senator will also find himself in accord with that amendment and with the purpose for which it is intended.

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

Mr. SMOOT. I hope the Senator will not do that.

Mr. OLIVER. I withdraw the suggestion for the present, then; but I do not propose that an amendment so important as this shall be acted on without careful consideration.

Mr. SMOOT. Why does not the Senator object to its consideration now, and ask that it go over?

Mr. OLIVER. I ask, then, that the amendment may go over until to-morrow.

Mr. JAMES. Of course, the Senator has the power to do that, but I can not see the slightest objection. I know of no treaty in the world that this amendment would interfere with.

Mr. SMOOT. I will say to the Senator that the Senator from Pennsylvania does not want it acted upon to-night.

Mr. OLIVER. It is a new thing to me.

Mr. SMOOT. There is no need of calling a quorum, because we can not get one.

Mr. JAMES. The reason why I called up the amendment this afternoon was that I may have to be absent from the city to-morrow, and I certainly shall have to be absent the following day. I can stay here until to-morrow, and I should like to know if the Senator would have any objection to calling it up in the morning.

Mr. OLIVER. I will say to the Senator from Kentucky that after studying the amendment it may be that I will have no objection to it. I am perfectly willing, if the Senator must go away and is not paired, to break my pair with the Senator from Oregon [Mr. CHAMBERLAIN] and pair with him, or do anything in the world to accommodate him.

Mr. SMITH of Georgia. I move that when the session of the Senate closes this afternoon, it be by recess until 11 o'clock to-morrow morning.

The motion was agreed to.

Mr. MYERS. Mr. President, I ask that the Senate recur to page 79 of the printed bill under consideration; and I move that all of subsection (2), on page 79, being lines 10 to 19, inclusive, be stricken out. I move to amend that section in that way.

Mr. THOMAS. Mr. President——

Mr. STONE. Mr. President, I rise to a question of order. A motion was made by the Senator from Georgia that when the Senate ends the present session it be by recess until 11 o'clock to-morrow morning. What became of that motion?

The PRESIDING OFFICER. It was carried.

Mr. STONE. Was it so announced?

The PRESIDING OFFICER. It was so announced.

Mr. STONE. I did not hear it.

Mr. MYERS. Mr. President, I renew my motion.

The PRESIDING OFFICER. The Chair will inform the Senator from Montana that that whole section has been laid over for the time being.

Mr. MYERS. I ask unanimous consent that we take it up now.

Mr. THOMAS. I object, Mr. President.

The PRESIDING OFFICER. Objection is made.

CONDITIONS IN IRON-ORE MINING TOWNS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 26th instant, copies of four reports, received by the Surgeon General of the Public Health Service from Passed Asst. Surg. Robert Olesen, embodying the observations made by Dr. Olesen and Asst. Surg. Joseph Bolten of sanitary conditions in certain iron-ore mining towns in Michigan and Minnesota, which, with the accompanying papers, was ordered to lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendments of the Senate to the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, agrees to the conference asked for by the Senate upon the disagreeing votes of the two Houses thereon, and had appointed Mr. FIELDS, Mr. CALDWELL, and Mr. GREENE of Vermont managers at the conference on the part of the House.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes; and

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 13391) entitled "An act to amend certain sections of the act entitled 'Federal reserve act,' approved December 23, 1913," and it was thereupon signed by the Vice President.

PETITIONS.

Mr. SHEPPARD presented petitions of sundry citizens of the District of Columbia, praying for prohibition in the District of Columbia, which were referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEE ON CLAIMS.

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

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle (Rept. No. 834); and

H. R. 8452. An act for the relief of Charles L. Moore (Rept. No. 833).

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. SHIELDS:

A bill (S. 6968) authorizing the Secretary of War to donate to the State of Tennessee two brass cannon with carriage; to the Committee on Military Affairs.

By Mr. CURTIS:

A bill (S. 6969) for the relief of Mary E. Woodward (with accompanying papers); to the Committee on Claims.

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

A bill (S. 6970) to waive the age limit in the appointment of Frederick P. Rogers, of Bangor, Me., as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. JAMES:

A bill (S. 6971) granting a pension to Herbert G. Hoots (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 6972) to repeal provisions of Interstate Commerce Commission and dividing same into sections and for giving jurisdiction to raise or change rates of wages to employees in interstate commerce; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

A bill (S. 6973) to enable Frank B. Lammons to take the examination for second lieutenant; to the Committee on Military Affairs.

By Mr. WILLIAMS:

A bill (S. 6974) granting a pension to Eva A. Trager; to the Committee on Pensions.

By Mr. LEWIS:

A joint resolution (S. J. Res. 171) expressing sentiment of right to increase or decrease rates of freight and passenger compensation by Interstate Commerce Commission under certain circumstances; to the Committee on Interstate Commerce.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. KERN submitted an amendment authorizing the Secretary of the Treasury to consider and favorably adjudicate claims of trust companies or other claimants for refund of taxes illegally collected on capital, surplus, or undivided profits, etc., intended to be proposed by him to the general deficiency appropriation bill (H. R. 17645), which was referred to the Committee on Appropriations and ordered to be printed.

THREATENED RAILWAY STRIKE.

Mr. LEE of Maryland. I offer a resolution and ask that it be read and referred to the Committee on Interstate Commerce.

The resolution (S. Res. 260) was read and referred to the Committee on Interstate Commerce, as follows:

Resolved, That in order to afford sufficient time for the intelligent consideration of the legislation suggested in the President's message to Congress of August 29, the Senate of the United States hereby requests the representatives of the railway employees who have fixed upon September 4 for the commencement of a general strike, to postpone the date for the beginning of such strike for one week, and that a copy of this resolution be immediately forwarded by the Secretary of the Senate to the said representatives having the matter of a strike in their charge.

FEDERAL FARM-LOAN ACT.

Mr. CHILTON. I ask unanimous consent to have printed in the RECORD a compendium of the farm-loan act showing the practical workings of it. It consists of just about four pages.

Mr. SMOOT. I wish to say to the Senator that the Department of Agriculture has already printed Circular No. 60, and not only the information is the same as what the Senator has presented but it contains a great deal of other information in relation to the same subject matter.

Mr. CHILTON. I want this to go in the RECORD; that is all.

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

CHARLES TOWN, W. VA., *August 23, 1916.*

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

MY DEAR SENATOR: I am handing you herewith a luminous abridgment of the recent farm-loan act, together with the closely related Federal reserve bank act, the former having been made possible by the latter. Both enactments are so exceedingly creditable to our Congress that I wish to lift up my voice now in praise of the broad spirit of prophetic wisdom which prompted their conception. Both, however, being much too complex and involved for clear and quick appreciation of the average citizen, this synopsis is prepared by a gentleman who has deeply studied both measures, and it represents a true reflex of the essentials of both acts. It is educational and should be widely disseminated.

Yours, sincerely, A. W. BYINGTON.

THE FARM-LOAN ACT.

On July 17, 1916, President Wilson signed what is known as the farm-loan act, a measure of such tremendous significance as to be hardly second in importance to that wisest of all financial legislation known as the Federal reserve bank act. These two acts, operating in harmony, render it practically impossible for any interest or combination of interests to cause a money stringency or produce a financial panic, and free the farmer forever from the clutches of money sharks and make it easy for him to procure long-time loans at low interest, and repayable in easy installments. The far-reaching effect of these two measures can hardly be estimated, so great is their scope and so powerful the impulse they give to widespread and lasting prosperity.

This latest act—the farm-loan act—provides two systems for making loans—the Federal Land Bank System and the Joint Stock Bank System. The Federal Land Bank System will consist of 12 banks located in 12 farm districts, each having a subscribed capital of not less than $750,000 in shares of $5, and all under control of the Federal Farm Loan Board, composed of the Secretary of the Treasury and four members appointed by the President. The money comes from the sale of shares of bank stock and of bonds secured by first mortgages on farm land. If the bank stock offered is not all sold within 30 days, what remains shall be bought in by the United States Treasury. The United States, however, will get no dividend on the stock it holds. This provision is intended to make sure that the bank gets proper capital to start business.

Local farmers are to form loan associations composed of borrowers. They will be shareholders in the bank and will share in dividends. The bank that has to borrow money to lend can not charge for loans more than 1 per cent more than it pays for such money. Full information as to procedure in securing a loan will be furnished prospective borrowers by each Federal land bank or its branch in any particular locality.

How it works: Brown borrows $1,000, to be repaid, say, in 20 years; his first annual payment would be $80.24, $50 of which is interest.

In tabular form the account will appear thus:

	Total payment.	Interest at 5 per cent.	Paid on principal	Still due
First year	$80.24	$50.00	$30.24	$969.76
Second year	80.24	48.48	31.75	938.01
Third year	80.24	46.90	33.34	904.67
Fourth year	80.24	45.23	35.01	869.66
Fifth year	80.24	43.48	36.75	832.90
Sixth year	80.24	41.64	38.59	794.31
Seventh year	80.24	39.71	40.52	753.79
Eighth year	80.24	37.68	42.55	711.23
Ninth year	80.24	35.56	44.68	666.55
Tenth year	80.24	33.32	46.91	619.64
Eleventh year	80.24	30.98	49.26	570.39
Twelfth year	80.24	28.51	51.72	518.67
Thirteenth year	80.24	25.93	54.31	464.33
Fourteenth year	80.24	23.21	57.02	407.31
Fifteenth year	80.24	20.36	59.87	347.43
Sixteenth year	80.24	17.37	62.87	284.60
Seventeenth year	80.24	14.28	66.01	218.59
Eighteenth year	80.24	10.93	69.31	149.28
Nineteenth year	80.24	7.46	72.78	76.50
Twentieth year	80.33	3.83	76.50	[1]

[1] Paid out.

It will be seen that the interest reduces annually and at same time payments on principal increase.

Had he borrowed $1,000 in the ordinary way he would have paid, besides fees and commission, $1,000 in interest and still would owe the original $1,000 borrowed. Under this system he pays no commission.

The only restriction is that the loan must be for the building up and equipping the farm and its business, and not for some enterprise wholly disconnected therewith.

If more than $1,000 is desired, the principle indicated in above figures will prevail, the simple multiplication of said figures by the number of thousands giving the result.

THE JOINT-STOCK BANK SYSTEM.

The banks under this system are authorized to lend direct to borrowers on farm mortgages and to issue farm-loan bonds for capital. These banks will be capitalized at $250,000 or more and will be supervised by the same board, but they get no financial assistance from the United States Government. They are not restricted as to the purpose of the loans made. They can not charge over 6 per cent and must provide for the same plan of easy repayment. They can take no commission or fee for making the loan.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had, on August 29, 1916, approved and signed the following acts:

S. 19. An act relating to bills of lading in interstate and foreign commerce;

S. 381. An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands;

S. 6740. An act to correct the military record of Matthew C. Butler, jr.; and

S. 6924. An act to provide for the maintenance of a training camp on the military reservation of Fort Douglas, Utah.

HOUSE BILL REFERRED.

H. R. 17235. An act granting the consent of Congress to W. H. Crosby, W. H. Andrews, E. G. Connette, Daniel Good, Henry May, Robert C. Gaupp, Edward Kener, jr., William F. MacGlashan, and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

EXECUTIVE SESSION.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. STONE. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 3 minutes p. m., Wednesday, August 30, 1916) the Senate took a recess until to-morrow, Thursday, August 31, 1916, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 30 (legislative day of August 29), 1916.

PROMOTIONS IN THE NAVY.

Rear Admiral William S. Benson, Chief of Naval Operations with rank of rear admiral, to have the rank of admiral in accordance with the provisions of the act of Congress approved August 29, 1916, from date of said act and during the remainder of his term of office as Chief of Naval Operations under his existing appointment thereto.

First Lieut. George W. Van Hoose to be a first lieutenant in the Marine Corps, from the 17th day of December, 1915, to correct the date from which he takes rank as previously confirmed.

First Lieut. Arthur J. White to be a first lieutenant in the Marine Corps, from the 2d day of June, 1916, to correct the date from which he takes rank as previously confirmed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 30 (legislative day of August 29), 1916.

POSTMASTERS.

ILLINOIS.

L. L. Boyle, Roberts.
Robert E. Duff, Clay City.
A. R. Godknecht, Palatine.
Gilbert L. Hough, Clayton.
A. J. Ikemire, Louisville.

IOWA.

T. L. Finley, Missouri Valley.
J. W. Forward, Edgewood.
J. N. McCoy, Corydon.
R. A. Mortland, Montezuma.

KENTUCKY.

Eunice D. Taylor, Greenup.

MASSACHUSETTS.

William Joseph Bell, Warren.
Charles E. Cook, Uxbridge.

PENNSYLVANIA.

John W. Murray, Rossiter.
George W. Weinman, Monaca.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 30, 1916.*

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

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, whose loving heart is ever open to the appeals of Thy children, we seek Thee at the beginning of this new legislative day that we may be guided by the holy spirit of truth with clear vision, that each legislative act may be in consonance with the eternal principles which have been woven into the foundation of our Republic, life, liberty, and the pursuit of happiness, that its superstructure may not be weakened but made stronger, that it may stand the strain of all the forces from within or from without which may be hurled against it and so be worthy of the trust reposed in us. For Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. GREENE of Massachusetts. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair wishes the gentleman would withhold that for just a minute.

Mr. GREENE of Massachusetts. Well, I will withhold it for a minute.

Mr. EDWARDS. Mr. Speaker——

The SPEAKER. The gentleman from Massachusetts makes the point of order——

Mr. EDWARDS. But, Mr. Speaker, it has been withheld.

The SPEAKER. It was withheld for one purpose. Evidently there is no quorum present.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from North Carolina moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock 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:

Adair	Fairchild	Kettner	Patten
Anderson	Farr	Kiess, Pa.	Peters
Anthony	Ferris	Kinkaid	Pou
Ashbrook	Fess	Konop	Pratt
Austin	Finley	Lafean	Ragsdale
Barchfeld	Flood	La Follette	Ricketts
Beakes	Flynn	Langley	Riordan
Beales	Foss	Lazaro	Roberts, Mass.
Bell	Foster	Lee	Roberts, Nev.
Blackmon	Frear	Lever	Rogers
Browne	Freeman	Lewis	Russell, Ohio
Browning	Fuller	Liebel	Sabath
Burgess	Gardner	Loft	Saunders
Burke	Garner	Longworth	Scott, Mich.
Butler	Gillett	Loud	Scott, Pa.
Byrnes, S. C.	Good	McCracken	Sells
Callaway	Graham	McCulloch	Shackleford
Campbell	Gray, Ala.	McDermott	Shouse
Cantrill	Gray, N. J.	McFadden	Slemp
Capstick	Gregg	McGillicuddy	Smith, Mich.
Carew	Griffin	McKellar	Smith, Tex.
Carter, Okla.	Guernsey	McKenzie	Snell
Cary	Hamill	McLaughlin	Snyder
Charles	Hamilton, Mich.	Madden	Stedman
Chiperfield	Hamilton, N. Y.	Magee	Stephens, Nebr.
Church	Hart	Maher	Stiness
Cooper, Ohio	Hay	Mapes	Stout
Cooper, W. Va.	Hayes	Martin	Sullaway
Copley	Heaton	Matthews	Sumners
Costello	Helm	Meeker	Sweet
Crago	Helvering	Miller, Minn.	Swift
Crisp	Henry	Miller, Pa.	Talbott
Dallinger	Hensley	Morgan, La.	Tavenner
Danforth	Hernandez	Morin	Taylor, Colo.
Darrow	Hinds	Mott	Temple
Davis, Minn.	Hollingsworth	Mudd	Tilson
Decker	Howard	Murray	Tinkham
Dempsey	Howell	Nelson	Tribble
Dill	Hughes	Nicholls, S. C.	Walker
Dooling	Humphrey, Wash.	Nichols, Mich.	Walsh
Driscoll	Husted	Nolan	Ward
Drukker	James	North	Wason
Dunn	Johnson, Wash.	Norton	Whaley
Dyer	Jones	Oglesby	Williams, T. S.
Eagle	Kahn	Olney	Wilson, Fla.
Ellsworth	Kearns	O'Shaunessy	Wilson, Ill.
Elston	Kelley	Paige, Mass.	Winslow
Emerson	Kennedy, R. I.	Park	Woods, Iowa
Esch	Kent	Parker, N. Y.	Young, N. Dak.

The SPEAKER. On this roll call 235 Members, a quorum, answered to their names.

Mr. KITCHIN. 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.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3180. An act to authorize the appointment of Clarence C. Kress to the grade of captain, United States Army Medical Corps.

The message also announced that the Senate had agreed to the amendment of the House to bill (S. 5987) to amend subsection 11 of section 3244 of the Revised Statutes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills and joint resolution:

H. R. 600. An act to validate title to the town site of McCabe, in the State of Montana;

H. R. 10251. An act authorizing the Kansas City & Memphis Railway & Bridge Co. to make settlement with Crittenden County, Ark., and for other purposes;

H. R. 13835. An act to authorize the county commissioners of Aitkin County, Minn., and the town board of Logan Township, in said county and said State, to construct a bridge across the Mississippi River on the line between sections 26 and 27, township 49 north, range 25 west, fourth principal meridian;

H. R. 13926. An act to amend an act entitled "An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes," approved March 3, 1915, so as to provide for terms of the district court to be held at Anderson, S. C.;

H. R. 17375. An act to amend an act entitled "An act to provide for an enlarged homestead," approved June 17, 1910; and

H. J. Res. 292. Joint resolution proposing to amend section 2971 of the Revised Statutes of the United States.

THE SHIPPING BILL.

Mr. ALEXANDER. I understand, Mr. Speaker, under the agreement or understanding yesterday afternoon we would proceed with Senate amendments to the shipping bill (H. R. 15455).

The SPEAKER. The unfinished business is Senate amendments to H. R. 15455. Under the agreement the gentleman has 10 minutes and the gentleman from Massachusetts 26 minutes. Does the gentleman desire to go ahead?

Mr. ALEXANDER. I yield to the gentleman from Massachusetts.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. BENNET]. [Applause.]

Mr. BENNET. Mr. Speaker, amendment No. 48 to the shipping bill is in all probability the most important and far-reaching matter that has been brought to the attention of this Congress. This legislation embraced in amendment 48 to the shipping bill is an assertion of American sovereignty at a time when possibly the assertion of American sovereignty, although right, correct, and patriotic, is nevertheless a most serious matter. The amendment as it comes to us from the Senate, known as the Thomas amendment, bearing the name of the distinguished Senator from Colorado, is correct in principle and as a Republican I rejoice in the fact that I can support an amendment coming from a Member upon the opposite side, and if it can not be strengthened I shall support the amendment in the form in which it is. The gentleman from West Virginia [Mr. SUTHERLAND] will offer an amendment not differing in any wise in principle from the Thomas amendment but strengthening the Thomas amendment in two particulars.

The Thomas amendment is defective in two particulars. It protects only shipments by citizens of the United States, and it merely authorizes the Secretary of the Treasury to refuse clearances to vessels without directing him to do so. I for one do not believe that the United States of America ought to make scraps of paper of its treaties. [Applause.] There are 14 nations amongst the belligerents. Nine of those 14 nations have commercial treaties with us, including Great Britain, France, Germany, and Austria, and those commercial treaties give them the right when their citizens or subjects are domiciled in the United States to do business in the United States in the same way that our own citizens do; and we have reciprocal treaties with them. That particular provision in the Thomas amendment therefore tears up every one of our nine commercial treaties pro tanto. The Sutherland amendment applies not to the citizenship of the goods but to the fact that they are shipped from an American port and therefore gives the protection to which they are entitled to firms domiciled in America.

Also, I do think that in a matter of this importance we ought not to cast the burden upon an executive officer when we declare a thing to be wrong—the burden of the importunities, that would come to him in specific cases, not to enforce the law. If a thing is wrong, then let the remedy be applied equally without fear and without favor and against everyone, and that the Sutherland amendment does. Outside of those particulars it is not essentially different from the Thomas amendment.

What is the situation that these two amendments, differing only in the way I have indicated, seek to remedy? It is this: As the gentleman from Connecticut [Mr. HILL] so aptly said on the floor the other day, we can not ship from our own country a bale of cotton or a box of matches without the consent of the British Government. I will give you an exact illustration of a man whom we know. A Member of this body, my colleague, Mr. GOULD, a manufacturer of pumps, has had a customer in the Argentine for 20 years. The other day he desired to ship pumps in the regular way to that customer. Not an American ship would take those American goods from an American manufacturer to a customer of 20 years standing because the British Government said they should not. You can not get a bank in any seaboard city to accept for collection a draft on any one of the 1,500 persons and firms on the British black list. And unless we pass this legislation we are just as much a commercial colony of Great Britain as is Canada.

Mr. COX. Will the gentleman yield?

Mr. BENNET. Certainly.

Mr. COX. I am very much in sympathy with what the gentleman is saying. I will vote for anything to strengthen this amendment. What would be wrong with the proposition to strike out the word "authorized" and use the word "directed"?

Mr. BENNET. Why, Mr. Speaker, I would vote for that. It would make it stronger. I am very frank to say to the gentleman that I would vote for it. I will vote for the Sutherland amendment. I hope to get one or the other. If I can not vote for that, I will vote for the Thomas amendment.

Mr. COX. Does not the gentleman believe that if the word "directed" was substituted for the word "authorized" the amendment would carry more force and more power?

Mr. BENNET. Why, certainly; and the Congress of the United States ought to commence to realize that they are the lawmaking body, and the duty of the Executive is simply to execute the laws which the Congress passes. [Applause.]

Mr. TOWNER. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. TOWNER. Does the gentleman believe that it would benefit American commerce if the word "authorized" was changed to "directed" merely, and still leave it so that this restriction would apply only to American ships and not to other regular transportation ships?

Mr. BENNET. Yes; I believe that. Now, there are some gentlemen who say—men who are not affected themselves—it might discommode more people to pass this than are discommoded at present. That is a narrow view. Unless we take the position as a Nation that an injury to one is the concern of all we have ceased to be an independent, sovereign nation. [Applause.] Our merchants in New York before the Revolution, when the British Government put an embargo on the merchants of Boston and attempted to drive the trade of New England to the port of New York, to the great financial benefit of the merchants of New York, met in a coffeehouse in Pearl Street and passed a resolution unanimously that they would not as fellow Americans take advantage of this oppression of their New England brethren, and that they would refuse to handle any business coming to them from a source like that. The Americans in Virginia prior to the War of the Revolution had not one single grievance with Great Britain that they could not have settled by accommodation; and so it can be said of all the coast south of that; but they took the patriotic American ground that we were one people, and because there were wrongs in Pennsylvania and New York and New England which could not be righted those gentlemen from the South struck hands with the gentlemen from the North in pursuit of a common Americanism, forgetting, as I hope they will do to-day, all factional, political, or sectional differences, and asserting, as we have in the past, that America is America and that American rights are American rights. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, I hardly think that I can agree with my good friend from New York [Mr. BENNET] upon one proposition of his speech. To change the word "authorized" to "directed" might be of benefit to the amendment, but as I believe one of the chief objections to the amendment lies in the fact that this restriction applies only to citizens of the United States, as I gather from a somewhat hasty reading of the amendment, this restriction applies only to American ships. If that be true, that is the chief defect of this amendment. Why, gentlemen, at the close of this war we will not only have to build up American commerce but we will be required to protect American commerce.

Can we protect American commerce by placing restrictions upon American ships—restrictions that do not apply to their rivals, restrictions that would drive American ships from the seas? Three-fourths, I believe, of all the regular established routes of transportation are absolutely in the control of foreigners to-day. Suppose we endeavored to establish American lines to compete with them, and the restrictions of this law apply only to American ships and not to foreign ships. Is that Americanism? Is that building up American commerce? Will that be an encouragement to American industries? Will that build American ships? Will that be an encouragement to American organizations to put lines in operation in competition with the great organized lines of Europe? It occurs to me not; and so I think it is as essential to modify this amendment by making it apply to all ships on regular lines that clear from our ports as it is that it shall apply to American ships.

Mr. Speaker, I am inclined to think that those who formulated this bill and these amendments have had little thought with regard to the real interests of America in all these matters, in so far as the commercial interests are concerned.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Iowa yield to the gentleman from Illinois?

Mr. TOWNER. Yes; I yield.

Mr. BRITTEN. In what respect does the amendment not apply to all vessels?

Mr. TOWNER. To all vessels?

Mr. BRITTEN. Yes. It reads "to any vessel."

Mr. TOWNER. This is a restriction, I will say to my friend, and it is a restriction that applies by the terms of the act to any citizen of the United States. This, of course, does not make it apply to any foreign ships or any foreign line of vessels doing business in the United States.

Mr. HARDY. Mr. Speaker, will the gentleman please repeat that statement? I did not catch it.

Mr. TOWNER. I would rather that the gentleman would take it up in his own time, but I will answer any question the gentleman may propound.

Mr. HARDY. Oh, no.

Mr. TOWNER. I want to call attention also to the first amendment. This first amendment provides:

A cargo boat commonly called an ocean tramp shall not be deemed such "common carrier by water in foreign commerce."

It is a well-known fact that from 60 to 75 per cent of all the trade and commerce is now carried in tramp ships from ports of the United States. The effect of this amendment is to exclude all of such vessels from all of the regulatory features of this act.

Now, what are some of these regulatory features of the act—regulatory features that apply only to American ships, regulatory features that do not apply to tramp ships, regulatory features that do bind our shippers, but will not bind foreign shippers and will not apply to tramp vessels? What are some of them? The first of them is section 14 of this act, on page 15. The first regulatory feature that is a restriction on American commerce is "that no common carrier by water shall directly or indirectly"—and that applies only to American shipping and not to foreign shipping and tramp shipping—

That no common carrier by water shall directly or indirectly—first, pay or allow or enter into any combination, agreement, or understanding, expressed or implied, to pay or allow, a deferred rebate to any shipper.

That is a restriction that applies to American ships. That is not a restriction that applies to any tramp ships, although they are now doing, as I said, from 60 to 75 per cent of all of our business.

The second restriction on American commerce is that they shall not use "a fighting ship, either separately or in conjunction with any other carrier, through agreement or otherwise." The term "fighting ship" in this connection means a vessel used in a particular trade by a carrier or group of carriers for the purpose of reducing or preventing competition by driving any carrier out of the trade. No American ship can do that, but all foreign and tramp ships may do it. If this is a United States provision for the protection of shippers of America, why should it not apply to all those ships that clear from our ports, instead of applying only to American ships?

The third restriction is that they shall not "retaliate against any shipper by refusing, or threatening to refuse, space accommodations," and so forth. That applies only to American ships. Why should it not apply to all ships sailing from our ports?

The fourth restriction is that they shall not "make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered," and so forth.

In other words, these regulatory features are made as restrictions on American ships and shipowners and do not apply to others. I am not condemning the restrictions. They may be fair, although I very much question whether or not they will be applicable under the conditions of our foreign commerce. But certainly it is not defensible to say that they shall apply to Americans, as restrictions upon them, and not apply to foreign commerce, that carries so large a proportion of our trade.

In fact, I think we are justified in saying, gentlemen, that this bill from beginning to end will not and can not operate to encourage American commerce or American shipping; that it will only discourage men who desire to invest in it; that it will be a hindrance and not a help. And I very well believe that the first action this Congress would take, if it could take action when the real competition begins at the close of this war, would be to repeal this act in its entirety, from beginning to end. [Applause on the Republican side.] At least I am quite sure that the succeeding Congress, which will be a Republican Congress, will repeal this act, because it will find that it is a millstone about the neck of American commerce, and not a help. [Applause on the Republican side.] I believe that they will find that almost every provision of this act is a hindrance, and can not possibly be a benefit to American commerce. [Applause on the Republican side.]

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired. The gentleman from Massachusetts [Mr. GREENE] is recognized.

Mr. GREENE of Massachusetts. Mr. Speaker, I regret that I have not more time to speak on the Senate amendments to this bill, but I have given to some able opponents of the Senate amendments an opportunity to fire a few shots into the same.

Now, I am going to talk plain business to the Members of the House. Gentlemen, the issue is between the Republican Party and the Democratic Party. The Democratic Party favors this infernal bill with worse than infernal amendments made by the Senate [applause on the Republican side], and if I find a Republican registered for these amendments sent to us from the Senate when we take a vote on the amendments I will put him down with the Democratic Party straight. [Applause on the Republican side.] I wish to call the attention of the Members of the House and the country to the fact that the Republican Party is opposed to the admission of foreign-built vessels to the coastwise trade of the United States, and the Democratic Party, by its votes in this body and the body at the other end of the Capitol, throws all our ports open to the competition of the low-paid labor of all foreign countries. I can not understand how any red-blooded American can indorse the position of the Democratic Party on the Senate amendments to section 9, but the responsibility is theirs.

Gentlemen, it is stated in the biography of Henry Clay that shortly after the Revolution the Tammany Society in New York passed a resolution that they would not buy any article made abroad, especially any articles made in England. I honor the Tammany Society for the record they made then regarding the proposition of buying goods made abroad when the country was a struggling Nation. Many another good Democrat at that time held the same view. To-day at the close of this debate we shall vote on one of the most important bills ever presented in this Congress. The amendments will pass, but the law will be very short lived. There will be a new House of Representatives, a new Senate, and a new President of the United States after the 4th of March, 1917. [Applause on the Republican side.] And when we get possession of the Government we will wipe off the statute books some of this infernal legislation that you have put into law. [Applause and laughter.] Oh, you gentlemen on the Democratic side can laugh, but the ides of November are coming, and when the 11th day of September comes, and the vote is taken in Maine, gentlemen of the Democratic Party, you will be utterly overwhelmed there. Mark my words. I put that statement on record here and now.

Mr. GORDON. Look out, now; that is not very far off.

Mr. GREENE of Massachusetts. I am a good predictor and forecaster, and I have been a political forecaster for a great many years. [Laughter and applause.]

Now, gentlemen, we have public law No. 175, which authorized the President of the United States to suspend the provision of law requiring surveys, inspections, and measurements by officers of the United States of foreign-built vessels admitted under the registry act and under that act. Why, gentlemen, how much discretion did the President of the United States use? What were the vessels that he admitted under that act? They were vessels of the Standard Oil Co. They were vessels of the United Fruit Co., which companies I have heard denounced on the other side of the aisle as being a part of a great monopoly. The President of the United States gave authority for English officers to run those vessels, to the deprivation of American officers. My objection to the action of President Wilson was that he hastened under the discretion granted him to give preference to foreign officers, in the face of the fact that there was a large number of American officers idle, and Capt. Wescott is my authority for the statement that he had submitted a list of idle American officers to the President.

This bill has section 5 in it, which provides that this board is authorized to have ships constructed in American yards and navy yards—the American yards are full of business and the navy yards are full of business—or elsewhere, which means that they can go and spend this $50,000,000 in Japan or China, or any other place where they can hire people at from 15 to 25 cents a day, for they will stretch their authority in every possible way, and there is a good deal of chance in this bill.

I tell you, my friends, this bill ought to be defeated. Therefore I am going to call on every Republican to vote against it. There is going to be a presidential election, and you gentlemen want to be pretty careful how you vote. [Laughter and applause.] You want to vote so as to put the Republicans together. The Republicans are united to-day, and the Democratic Party can not understand it. They think they have got a chance to win. They are doomed to the greatest thrashing they have

had in 25 years. I tell you, gentlemen, you have not reelected a President in 84 years. Just think of it! You have not reelected a President in 84 years, and you are not going to break the record this year, and it is your own work that will be responsible for the defeat that stares you in the face.

Now, I want to say a word about these amendments to this bill that were put on in the Senate. They undertook last year to put these amendments on this bill, to admit foreign-built vessels to the coatswise trade; but the Senate had some patriotic Democrats in it, and quite a number of Republicans, and they beat that proposition 2 to 1. To-day, doctoring this bill so as to make it satisfactory to all Democrats, and under orders from the White House, issued by the President and forwarded by his son-in-law, the Secretary of the Treasury, they deliberately voted to admit into the coastwise trade of the United States foreign-built vessels. The interest of the Democratic Party in the bill and amendments principally is in the appointment of five persons with the authority to draw salaries for a few brief months.

The SPEAKER. The time of the gentleman has expired.

Mr. ALEXANDER. Mr. Speaker, the gentleman from Massachusetts [Mr. GREENE] is rather amusing in his attitude toward this legislation. He would read out of the Republican Party the Republicans who voted for this bill when it passed the House, but I do not think they will permit him to do so. He should be more charitable toward his erring brethren.

It is interesting also to note that the gentleman from Massachusetts voted for the ship-registry act of August 18, 1914. I introduced that bill and it passed the House under suspension of the rules and not a vote was cast against it. It was an emergency measure. Yet the gentleman is inveighing against that bill to-day. He voted for the seamen's law, which passed this House under suspension of the rules with not a vote against it. And as a member of the Committee on the Merchant Marine and Fisheries, charged with the investigation of the Shipping Trust, he joined in a report which recommended to the Congress legislation regulating shipping along the lines proposed in this bill. Of course he has changed his mind, which he has a right to do; but he has not been consistent, and I do not think he ought to lecture his colleagues because they do not follow him.

It is said that the amendment now pending, if agreed to, will be a menace to our shipbuilding industry. Is that true? Vessels are now being built cheaper in American shipyards than in foreign shipyards, and I believe that condition will continue for years to come. Our shipyards are building vessels now on foreign account. A gentleman from the Pacific coast was in my office the other day, who said he had sold two American-built ships to a company in Norway. On May 1, 1916, there were 1,129,014 tons of steel vessels under construction or under contract to be built in American shipyards, and on June 30, 1916, we had 3,135 vessels of 2,194,470 gross tons under the American flag engaged in the foreign trade, the largest tonnage building or engaged in our foreign trade any time in the history of our country since the Civil War. Yet it is said that this legislation, which has been pending for two years past, is a menace to the shipbuilding industry. Our shipbuilding industry is more flourishing right now than it has been at any time since the Civil War, as the following tables will show:

Steel merchant vessels under construction or under contract to be built in the United States on May 1, 1916.

[Prepared by Hon. E. T. Chamberlain, Commissioner of Navigation, Department of Commerce.]

Builders.	Number.	Gross tons.
American Bridge Co., Ambridge, Pa., and Trenton, N. J	113	53,874
Bath Iron Works, Bath, Me	5	1,900
The Charles Barnes Co., Cincinnati, Ohio	1	300
Ellicott Machine Corporation, Baltimore, Md	3	750
Fore River Shipbuilding Corporation, Quincy, Mass	14	75,460
James Rees & Sons Co., Pittsburgh, Pa	2	300
Manitowoc Shipbuilding Co., Manitowoc, Wis	4	1,000
New York Shipbuilding Co., Camden, N. J	25	131,788
Quintard Iron Works Co., New York, N. Y	1	900
Seattle Construction & Dry Dock Co	7	42,600
Tampa Foundry & Machine Co., Tampa, Fla	1	2,000
Toledo Shipbuilding Co., Toledo, Ohio	11	25,100
Union Iron Works Co., San Francisco, Cal	21	151,458
Great Lakes Towing Co	2	180
Harlan & Hollingsworth Corporation, Wilmington, Del	17	70,086
Merrill-Stevens Co	2	2,200
Newport News Shipbuilding & Dry Dock Co	19	135,209
The Pusey & Jones Co., Wilmington, Del	7	2,434
Staten Island Shipbuilding Co., Port Richmond	6	5,419
William Cramp & Sons Ship & Engine Building Co., Philadelphia, Pa	13	81,300
Milwaukee Bridge Co., Milwaukee, Wis	1	.....
American Shipbuilding Co., Cleveland, Ohio	25	86,200
Baltimore Dry Docks & Shipbuilding Co	7	24,500
Chester Shipbuilding Co., Chester, Pa	13	62,600
Clinton Shipbuilding & Repair Co., Philadelphia, Pa	1	560
Cowles Shipyard Co., Buffalo, N. Y	2	56
Great Lakes Engineering Works, Detroit, Mich	18	66,230
Howard Shipyards Co., Jeffersonville, Ind	6	3,400
Maryland Steel Co., Sparrows Point, Md	11	60,050
Moore & Scott Iron Works, Oakland, Cal	4	16,000
Standard Shipbuilding Corporation	3	14,400
Spedden Shipbuilding Co., Baltimore, Md	3	730
Total	368	1,129,014

The trades of vessels under construction are indicated by the following:

Class.	Number.	Gross tons.
Cargo vessels	109	464,654
Bulk oil vessels	67	459,000
Passenger and cargo combined	10	55,978
Colliers	12	50,729
Molasses carriers	3	15,000
Passenger vessels	2	1,800
Ferryboats and towing vessels	14	4,045
Miscellaneous	151	77,808
Total	368	1,129,014
For salt-water trades	221	954,584
For fresh-water trades	147	174,430

AMERICAN BRIDGE CO., PITTSBURGH, PA.

This company has reported that on May 1 it had under contract or under construction 113 barges, various owners and for various trades, with an aggregate tonnage of 53,874 tons, but no detailed statement is furnished.

AMERICAN SHIPBUILDING CO., CLEVELAND, OHIO.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 713	7,000	10	Interlake Steamship Co., Lorain, Ohio	Freight	Spring, 1916.
No. 714	7,000	10	Pittsburgh Steamship Co	do	Do.
No. 715	7,000	10	Herbert K. Oakes	do	Do.
No. 716	7,000	10	Pittsburgh Steamship Co	do	Do.
No. 717	6,400	9½	M. A. Hanna & Co	do	Do.
No. 718	7,200	11	Carl D. Bradley, Cleveland yard	do	1917 delivery.
No. 459	2,100	9½	A. H. Skaugaards	do	Spring, 1916.
No. 460	2,100	9½	Arthur Mathiesen, Detroit yard	do	Do.
No. 195	2,100	10	Geo. Hall Coal Co	do	Do.
No. 196	2,100	9½	A. O. Lindvig	do	Do.
No. 197	2,100	9½	do	do	Do.
No. 198	2,100	9½	Erling Lund, Chicago yard	do	Do.
No. 79	2,100	10	Erling Lund, Superior, Wis., yard	do	Do.
No. 524	7,000	10	Roy M. Wolvin	do	1916 delivery.
No. 199	2,100	9½	Hasler Bros. (Inc.)	do	Do.
No. 200	2,100	9½	Barber & Co. (Inc.)	do	Do.
No. 201	2,100	9½	Atlantic, Gulf & West Indies Steamship Lines	do	Do.
No. 202	2,100	9½	do	do	Do.
No. 719	7,000	10	Pittsburgh Steamship Co., Lorain yard	Cargo	1917 delivery.
No. 720	7,000	10	do	do	Do.
No. 461	2,100	.....	Standard Transportation Co., Cleveland yard	Oil barge	1916 delivery.
No. 462	2,100	9½	Atlantic, Gulf & West Indies Steamship Lines, Chicago yard	Cargo	Do.
No. 80	2,100	9½	do	do	Do.
No. 525	2,100	9½	James E. Davidson	do	Do.
No. 463	2,100	9½	Barber & Co. (Inc.)	do	1917 delivery.
No. 464	2,100	9½	do	do	Do.
Total (25 vessels)	86,200				

BALTIMORE DRY DOCKS & SHIPBUILDING CO., BALTIMORE, MD.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 74	3,500	11½	Transatlantic Motor Ship Co	Bulk oil	Apr. 1, 1916.
No. 75	3,500	11½	do	do	Do.
No. 76	3,500	11½	do	do	Do.
No. 77	3,500	11½	do	do	Oct. 1, 1916.
No. 78	3,500	11½	Christoffer Hannevig	do	Do.
No. 79	3,500	11½	do	do	
No. 80	3,500	11½	do	do	
Total (7 vessels)	24,500				

BATH IRON WORKS, BATH, ME.

No. 69	4,300	29	P. N. Rouse	Yacht	Launched.
No. 71	800			Car float	
No. 72	800			do	
No. 73		26		Yacht	
No. 74		26		do	
Total (5 vessels)	1,900				

THE CHARLES BARNES CO., CINCINNATI, OHIO.

Australia	300	9	South Australian Government	River improvement	Fall, 1916.

ELLIOTT MACHINE CORPORATION, BALTIMORE, MD.

No. 6190-1	250	11	Pennsylvania R. R. Co		Jan. 25, 1916.
No. 6190-2	250	11	do		Feb. 25, 1916.
No. 6190-3	250	11	do		Mar. 25, 1916.
Total (3 vessels)	750				

FORE RIVER SHIPBUILDING CORPORATION, QUINCY, MASS.

Cubadist	5,000	10½	Cuba Distilling Co	Molasses	Apr. 15, 1916.
No. 218	6,000	12	Luckenbach Steamship Co	Freight	June 1, 1916.
Sucrosa	5,000	10½	Cuba Distilling Co	Molasses	Mar. 1, 1916.
Mielero	5,000	10½	do	do	
No. 251	6,000	12	Luckenbach Steamship Co	Freight	
No. 253	6,000	11	The Texas Co	Oil	
No. 254	6,000	11	do	do	
No. 255	3,000	10½	Argentine Government	Naval	
No. 264	6,000	12	Luckenbach Steamship Co	Freight	
No. 265	6,000	12	do	do	
——			Spanish Government	Submarine	
No. 267	8,100	13	Edgar F. Luckenbach	Freight	Summer, 1917.
No. 268	6,680	10½	Mexican Petroleum Co	Tanker	Do.
No. 269	6,680	10½	do	do	Do.
Total (14 vessels)	75,460				

JAMES REES & SONS CO., PITTSBURGH, PA.

——			Foreign owners	River	May, 1916.
Jas. Rees & Sons Co	300	12	For Colombian owners		Ship in parts.
Total (2 vessels)	300				

MANITOWOC SHIPBUILDING CO., MANITOWOC, WIS.

——	300	10	Bay State Fishing Co., Boston, Mass	Trawler	May 15, 1916.
——	300	10	do	do	June 15, 1916.
——	300	10	do	do	July 15, 1916.
Geo. A. Wallace, Jr	100	9	City of Cleveland	Fire boat	May 15, 1916.
Total (4 vessels)	1,000				

CHESTER SHIPBUILDING CO., CHESTER, PA.

No. 346	4,500	11	Boston Steamship Co	Cargo	March, 1917.
——	5,000		For foreign account	Oil carrying	June, 1916.
——	5,000		do	do	July, 1916.
——	4,000		For local owners	Freighter	October, 1916.
——	5,000		For foreign account	Oil carrying	Do.
——	5,000		do	do	November, 1916.
——	5,000		do	do	January, 1917.
——	5,000		do	do	April, 1917.
No. 344	5,000	11	do	Tanker	February, 1917.
No. 346	4,800	11	For local owners	Cargo	April, 1917.
No. 347	4,800	11	do	do	Do.
No. 347	4,500	11	Shawmut Steamship Co	do	March, 1917.
No. 350	5,000	11	For foreign account	Bulk oil	December, 1916.
Total (13 vessels)	62,600				

CLINTON SHIPBUILDING & REPAIR CO., PHILADELPHIA, PA.

No. 30	560		James J. McNally	Coastwise	June 1, 1916.

COWLES SHIPYARD CO., BUFFALO, N. Y.

No. 60	20	8	Harry J. Hutchings		Mar. 1916.
No. 61	36	10	State of New York	Towing	Aug. 1, 1916.
Total (2 vessels)	56				

GREAT LAKES ENGINEERING WORKS, DETROIT, MICH.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 153	500	10	Merritt & Chapman	Wrecking tug	
No. 154	8,000	10	Pittsburgh Steamship Co	Freight	
No. 155	4,810	10	Wyandotte Transportation Co	do	
No. 156	2,480	10	Adler (Inc.)	Coast collier	
No. 157	2,500	10	Clyde Steamship Co	Coast freight	
No. 158	2,500	10	do	do	
No. 159	1,710	10	J. L. Crosthwaite	Lake and coast	
No. 160	2,480	10	Adler (Inc.)	Coast collier	
No. 161	2,200	10	Argentine Government	Oil	
No. 162	2,550	10	Clinchfield Navigation Co	Coast collier	
No. 163	2,550	10	do	do	
No. 164	8,000		Cleveland Clifford Co	Cargo	Winter, 1916.
No. 165	2,550		Clinchfield Navigation Co	Collier	Fall, 1916.
No. 166	8,000		Buffalo Steamship Co	Cargo	Winter, 1916.
No. 167	8,000		do	do	Spring, 1917.
No. 168	3,700	11	Not given	do	
No. 169	3,700	11	do	do	
No. 129		13	do	Car ferry	
Total (18 vessels)	66,230				

HOWARD SHIPYARDS CO., JEFFERSONVILLE, IND.

——	450		W. F. Mayo		
——	500		Baton Rouge Transportation Co	Ferry	
——	550		Union Ferry Co	do	
——	500		do	do	
——	500		Amesville Ferry Co	do	
——	900		L. & J. Ferry Co	Passenger	
Total (6 vessels)	3,400				

MARYLAND STEEL CO., SPARROWS POINT, MD.

Munsome	3,450	10	Munson Steamship Co	Freight	May 15, 1916.
Munplace	3,450	10	do	do	Apr. 15, 1916.
Cornelia	3,800	12	Bull Insular Steamship Co	do	July 15, 1916.
Helen	3,800	12	do	do	Sept. 1, 1916.
No. 157	4,000	10	Munson Steamship Co	do	Aug. 15, 1916.
A. C. Bedford	10,000	10½	Standard Oil Co	Bulk oil	Nov. 1, 1916.
W. C. Teagle	10,000	10½	do	do	Jan. 1, 1917.
Mayari	7,150	10	Spanish-American I. Co	Freight	April, 1917.
Daiquiri	7,150	10	do	do	May, 1917.
No. 164	3,450	9	Christopher Hannevig, jr	do	February, 1917.
No. 163	3,809	12	Munson Steamship Line	do	
Total (11 vessels)	60,056				

MOORE & SCOTT IRON WORKS, OAKLAND, CAL.

No. 108			For French owners	Hopper barge	
No. 109	5,000		Rolph Navigation Co	Cargo	
No. 110	5,000		Port Costa Steamship Co	do	
——	6,000		Huasteca Petroleum Co	Tanker	July 1, 1917.
Total (4 vessels)	16,000				

STANDARD SHIPBUILDING CORPORATION.

No. 1	4,800	10½	Builder's account	Cargo	December, 1916.
No. 2	4,800	10½	do	do	February, 1917.
No. 3	4,800	10½	do	do	April, 1917.
Total (3 vessels)	14,400				

SPEDDEN SHIPBUILDING CO., BALTIMORE, MD.

John T. Donohue	235		Northern Transportation Co	Tug	June 1, 1916.
No. 245	70		Standard Oil Co	Oil barge	Do.
Northern	425		Northern Transportation Co	Tug	Dec. 1, 1916.
Total (3 vessels)	730				

GREAT LAKES TOWING CO.

No. 39	90	9	Great Lakes Towing Co	Towing	June, 1916.
No. 40	90	9	do	do	Do.
Total (2 vessels)	180				

HARLAN & HOLLINGSWORTH CORPORATION, WILMINGTON, DEL.

Pearl Shell	5,605	11	Shell Co. of California	Bulk oil tanker	Mar. 1, 1916.
George E. Paddleford	5,347	11	Petroleum Transport Co	do	Feb. 15, 1916.
Benjamin Brewster	5,605	10½	Standard Oil Co. of New Jersey	do	June 1, 1916.
W. H. Tilford	5,605	10½	do	do	Sept. 15, 1916.
No. 443	750	15	Wilmington Steamboat Co	Passenger and freight	Feb. 1, 1916.
No. 444	2,010	10	Baltimore & Carolina Steamboat Co	Freight	June 1, 1916.
No. 445	8,490	10½	Standard Oil Co. of New Jersey	Bulk oil tanker	Dec. 1, 1916.
No. 446	5,605	10½	do	do	Jan. 15, 1917.
No. 448	2,750	10	Vacuum Oil Co	Freight	Dec. 15, 1915.
No. 449	5,605	11	do	Bulk oil tanker	May 1, 1917.
No. 450	4,500	12½	Ocean Steamship Co. of Savannah	Freight and passenger	Sept. 1, 1917.
No. 451	4,500	12½	do	do	Apr. 1, 1918.
No. 452	1,404		New York Central R. R. Co	Ferry	Sept. 1, 1916.
No. 453	3,070	10	United Fruit Co	Cargo	Mar. 1, 1917.
No. 454	3,070	10	do	do	July 15, 1917.
No. 455	3,070	10	do	do	Nov. 1, 1917.
No. 456	3,070	10	do	do	Feb. 1, 1918.
Total (17 vessels)	70,056				

MERRILL-STEVENS CO.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
No. 89	1,700	10	Gulf & Southern Steamship Co	Cargo	November, 1916.
———	500	7	Cuba Distilling Co	do	December, 1916.
Total (2 vessels)	2,200				

NEWPORT NEWS SHIPBUILDING & DRY DOCK CO., NEWPORT NEWS, VA.

Edgar F. Luckenbach	8,000	10	Edgar F. Luckenbach	Freight	Launched.
H. H. Rogers	10,935	10½	Standard Oil Co. of New Jersey	Oil carrier	February, 1916.
Antwerpen	8,374	10½	Standard Oil Co	do	July, 1916.
Henry R. Mallory	6,000	14	Mallory Steamship Co	Freight and passengers	October, 1916.
Munalbro	4,387	10	Munson Steamship Co	Freight	April, 1916.
Wm. G. Warden	10,900	10½	Standard Oil Co	Oil carrier	November, 1916.
F. Q. Barstow	10,900	10½	do	do	December, 1916.
No. 198	5,900	10	Crowell & Thurlow Steamship Co	Freight	September, 1916.
No. 199	5,900	10	do	do	December, 1916.
No. 200	4,600	10½	Munson Steamship Co	do	February, 1917.
No. 201	10,900	10½	Standard Oil Co	Oil carrier	August, 1917.
Torres	5,125	11	Southern Pacific Co	do	May, 1917.
El Mirante	4,500	11	do	Freight	Do.
El Capitan	4,500	11	do	do	June, 1917.
No. 205	8,400	10½	Atlantic Refining Co	Oil carrier	July, 1917.
No. 206	4,600	10½	Munson Steamship Co	do	November, 1917.
No. 207	4,600	11	do	Cargo	December, 1917.
No. 208	8,374		Standard Oil Co	Bulk oil	
No. 209	8,374		do	do	
Total (19 vessels)	135,269				

THE PUSEY & JONES CO., WILMINGTON, DEL.

No. 1306	328		Pennsylvania R. R. Co	Freight	Dec. 29, 1915.
No. 1306	328		do	do	Jan. 29, 1916.
No. 1306	328		do	do	Feb. 29, 1916.
Winterthur	100		Philadelphia & Reading R. R	Towing	Mar. 1, 1916.
No. 1313	300		W. & A. Fletcher Co	do	Apr. 6, 1916.
No. 1326	300		Not given	do	
No. 1334	750		do	Yacht	
Total (7 vessels)	2,434				

STATEN ISLAND SHIPBUILDING CO., PORT RICHMOND, N. Y.

No. 676	178		Standard Oil Co	Towing	
No. 680	300		Pennsylvania R. R. Co	Steam lighter	
No. 681	300		New York Central & Hudson River R. R. Co	House barge	
No. 684	241		Lehigh Valley R. R. Co	Tug	
No. 688	2,200	12	Clinchfield Navigation Co	Cargo	
No. 689	2,200	12	do	do	
Total (6 vessels)	5,419				

NEW YORK SHIPBUILDING CO., CAMDEN, N. J.

Standard Arrow	10,250	11	Standard Transportation Co	Bulk oil	Spring, 1916.
Royal Arrow	10,250	11	do	do	Winter, 1916.
No. 170	10,250	11	Petroleum Transport Co	do	Do.
No. 172	5,188	11½	Gulf Refining Co	do	Fall, 1916.
No. 173	10,250	11	do	do	Spring, 1917.
Sylvan Arrow	10,250	11	Standard Transportation Co	do	Do.
Broad Arrow	10,250	11	do	do	Fall, 1917.
No. 176	8,500	10½	Darrow-Mann Co	Collier	Winter, 1916.
No. 177	5,266	10½	do	do	Spring, 1917.
No. 178	750		New York Central & Hudson River R. R. Co	Car float	Spring, 1916.
No. 179	750		do	do	Do.
No. 180	750		do	do	Fall, 1916.
No. 181	750		do	do	Do.
No. 182	5,266	10½	Coastwise Transportation Co	Collier	Spring, 1917.
No. 183	3,289	10½	Pocahontas Navigation Co	do	Summer, 1917.
No. 184	5,266	10½	Darrow-Mann Co	do	Do.
No. 185	765		New York Central & Hudson River R. R. Co	Car float	Winter, 1916.
No. 186	765		do	do	Do.
No. 187	765		do	do	Spring, 1917.
No. 188	765		do	do	Do.
No. 189	5,188	11½	Gulf Refining Co	Bulk oil	Winter, 1917.
No. 190	10,250	11	Petroleum Transport Co	do	Spring, 1918.
No. 191	5,266	10½	Darrow-Mann Co	Collier	Do.
No. 192	5,266	10½	do	do	Do.
No. 193	5,483	11	do	do	Do.
Total (25 vessels)	131,788				

QUINTARD IRON WORKS CO., NEW YORK, N. Y.

Mary Chilton	900	17	Nantasket Beach Steamboat Co		Apr. 1, 1916.

SEATTLE CONSTRUCTION & DRY DOCK CO.

No. 85	3,900	12	New York & Cuba Mail Steamship Co	Freight	May, 1916.
No. 86	3,900	12	do	do	June, 1916.
———	7,500		A. O. Anderson & Co	do	June, 1917.
———	7,500		do	do	Do.
———	7,500		do	do	Do.
No. 91	8,000	12	Edgar F. Luckenbach		
No. 92	4,300	10½	For foreign account	Freight	
Total (7 vessels)	42,600				

TAMPA FOUNDRY & MACHINE CO., TAMPA, FLA.

Vessels.	Gross tonnage.	Speed (knots).	Owner.	Trade.	Probable date of launching.
———	2,000	.....	Central Hudson Steamboat Co	.....	

TOLEDO SHIPBUILDING CO., TOLEDO, OHIO.

No. 131	1,700	7	Smith Shipping Co. (Inc.)	Freight	April, 1916.
No. 132	1,700	7	.....do	.....do	Do.
No. 133	1,700	7	.....do	.....do	May, 1916.
No. 134	1,700	7	.....do	.....do	June, 1916.
No. 135	1,700	7	.....do	.....do	July, 1916.
No. 136	1,700	7	.....do	.....do	August, 1916.
No. 137	7,700	10½	Great Lakes Steamship Co	.....do	Do.
No. 138	1,800	10	R. Lawrence Smith	.....do	1917 delivery.
No. 139	1,800	10	.....do	.....do	Do.
No. 140	1,800	10	.....do	.....do	Do.
No. 141	1,800	10	.....do	.....do	Do.
Total (11 vessels)	25,100				

UNION IRON WORKS CO., SAN FRANCISCO, CAL.

No. 124	8,100	11	Standard Oil Co. of California	Oil tanker	July 5, 1916.
No. 125	7,100	11	Standard Oil Co. of Delaware	.....do	Aug. 5, 1916.
No. 126	6,400	11	Rolph Navigation Co	General cargo	Apr. 1, 1916.
No. 127	9,728	16	Matson Navigation Co	Cargo and passengers	Nov. 4, 1916.
No. 128	8,100	11	Standard Oil Co. of New York	Oil tanker	Aug. 12, 1916.
No. 129	7,200	11	J. W. Van Dyke	.....do	Nov. 18, 1916.
No. 130	7,200	11	.....do	.....do	Dec. 16, 1916.
No. 131	7,100	11	Vacuum Oil Co	.....do	January, 1917.
No. 132	6,200	11	Walker-Armstrong Co	General cargo	Oct. 2, 1916.
No. 133	6,200	11	Rolph Navigation Co	.....do	Do.
No. 134	10,500	11	Standard Oil Co. of New Jersey	Oil tanker	Jan. 2, 1917.
No. 135	10,500	11	.....do	.....do	Feb. 2, 1917.
No. 136	6,200	11	Standard Transportation Co. of Delaware	General cargo	Nov. 25, 1916.
No. 137	6,200	11	.....do	.....do	Do.
No. 138	6,200	11	Not given	.....do	Jan. 25, 1916.
No. 139	6,200	11	.....do	.....do	Do.
No. 140	7,200	11	Wilhelm Iebsen	Oil tanker	Mar. 5, 1917.
No. 141	7,200	11	Not given	.....do	Do.
No. 15	3,500	9	For European owners	Freight	Sept. 1, 1916.
No. 143	7,200	11	Not given	Tanker	July, 1917.
No. 144	7,200	11	.....do	.....do	Do.
Total (21 vessels)	151,458				

WILLIAM CRAMP & SONS SHIP & ENGINE BUILDING CO., PHILADELPHIA, PA.

No. 428	7,100	11	Petroleum Transport Co	Bulk oil	Launched.
Coahuila	2,900	10½	Mexican Navigation Co	Passengers and freight	Do.
No. 431	7,100	11	Sun Co	Bulk oil	May 15, 1916.
No. 432	7,100	11	.....do	.....do	June 15, 1916.
No. 433	2,700	12	Florida East Coast Ry. Co	Car ferry	July 20, 1916.
No. 434	8,000	17	Atlantic, Gulf & West Indies Steamship Co	Passengers and freight	Mar. 1, 1916.
No. 435	8,000	17	.....do	.....do	Jan. 2, 1917.
Santa Rosa	6,300	12	W. R. Grace & Co	Freight	Oct. 2, 1916.
Santa Paula	6,300	12	.....do	.....do	Nov. 1, 1916.
No. 440	7,100	11	Petroleum Transport Co	Bulk oil	Oct. 1, 1916.
No. 441	7,100	11	.....do	.....do	Nov. 2, 1916.
No. 442	5,800	13	W. R. Grace & Co	Passengers and cargo	May, 1917.
No. 443	5,800	13	.....do	.....do	June, 1917.
Total (13 vessels)	81,300				

MILWAUKEE BRIDGE CO.

This company has reported one vessel under construction, tonnage not stated.

We have authorized a building program for the Navy that will involve the expenditure of over $600,000,000 in the next three years. This money is to be expended in American shipyards, navy yards, and private yards. We are told in one breath by those who oppose this legislation that the adoption of the Senate amendment, notwithstanding the limitations imposed, will ruin our ship-building industry. These arguments are as consistent as the arguments urged against the provisions of the bill authorizing the shipping board, through a Government-controlled corporation to operate vessels if necessary to develop our foreign trade. In one breath it is seriously charged that it will discourage private enterprise, and in the next breath the question is asked, "What will the addition of 600,000 tons of vessels, as authorized by this bill, amount to anyway?"

We need six or seven million tons to meet the requirements of our foreign trade. Yet it is seriously asserted that if the shipping board, under the power conferred under the provisions of this bill, either have constructed in American shipyards or in foreign shipyards a paltry 600,000 tons of shipping toward meeting an imperative demand for not less than 6,000,000 tons of shipping to meet the full requirements of our foreign trade, it will be a menace to our shipbuilding industry. What nonsense.

This legislation neither discourages shipbuilding or operation by private enterprise in the domestic or foreign trade. On the contrary, the purpose and intent of this legislation is to help both. This bill provides that the board may employ naval architects and other experts whose services and expert knowledge will be at the disposal of our shipbuilding industry and those who are operating ships both in the coastwise and in the foreign trade.

Our shipyards are well equipped. They are well managed. They have a full quota of skilled laborers. The material entering into the construction of ships is of American manufacture and production. There is no reason why we can not build ships in American shipyards more cheaply than they can be built anywhere else in the world. And, as I have said, we are building them now more cheaply in American shipyards than they can be built in any other country, and I believe that will be true in the future. To my mind the feature of this amendment that merits emphasis is that it gives the shipping board the power to either purchase or cause ships to be constructed in foreign shipyards and admit them to American registry, for the foreign or coastwise trade, that it places in their hands the power which I believe will be exercised judiciously to prevent unreasonable prices in American shipyards.

Mr. FOCHT. Will the gentleman yield for a question?

Mr. ALEXANDER. No; I can not yield, I regret; I have not got the time.

The most of our large shipyards are either under the control or owned by the United States Steel Corporation and its subsidiaries. My information is that the Maryland Steel is owned by the Pennsylvania Steel Co. The Fore River shipyard is

owned by the Bethlehem Steel, as is the Union Iron Works of the Pacific coast, and I might mention others. Hence I say, if we have any independent shipyards in this country, and we have some, it will give the Shipping Board power to compel these corporations, if they are disposed to extort larger prices for material that enter into the construction of ships, to treat the industry fairly and let our shipyards have material at reasonable cost, and if they do so I have no fear that any part of these expenditures will be made in foreign shipyards.

I have been chairman of the Merchant Marine Committee for six years, and I have been a member of that committee ever since I have been in Congress, and I have never favored the admission of foreign ships to the coastwise trade as a policy; but to take away from the board this power is simply to give it over to those who sell the material that enters into the construction of ships or those engaged in shipbuilding industry in this country—the power to extort unreasonable prices for tonnage. It simply takes the power out of the hands of the shipbuilding industry and those who control material that enters into ships under existing conditions, to combine and demand unreasonable prices for building ships, and lodges in the board the power to demand fair treatment. The legislation providing for construction of the Panama Canal provides that the President might have the power to buy material entering into the construction of that great waterway in foreign countries if he could not buy that material in our country at a reasonable cost.

Mr. Speaker, I remarked in the outset of this discussion of the Senate amendments Nos. 1, 2, and 3 to this bill that they are wholly unnecessary and might lead to confusion. I take it, however, that it was the intention to remove every possible doubt that cargo vessels that come under the legal definition of bailees for hire, and commonly known as tramps, shall be exempt from the provisions of the act.

If the Senate had taken the care to examine the brief which I caused to be prepared and incorporated in the hearings, defining the distinction between tramps, or bailees for hire, and the term "common carriers by water" as used in the bill, they would have seen that these amendments were wholly unnecessary, and the amendments Nos. 2 and 3 may prove too restrictive.

It may be worth while to incorporate the brief referred to as part of my remarks:

LEGAL STATUS OF TRAMP VESSELS.

In the consideration of legislation for the regulation of common carriers by water it becomes important to know whether tramp vessels ever possess the status of common carriers.

It may be stated as an almost general proposition that such vessels seldom or never can be considered as common carriers. Tramp vessels are almost universally chartered by a single shipper, even though in some instances that shipper may be a charter broker who has accumulated the shipments of a number of small shippers. It has become well established by a long line of decisions in the Federal courts that when a charter party gives the charterer the full capacity of a ship the owner is not a common carrier but a bailee to transport as a private carrier for hire.

The earliest case upon this point is Gracie *v.* Palmer (8 Wheat., 605, 632 (1823)), in which the court said:

"The carrier may hire his vehicle, or his team, or his servant, for the purposes of transportation; or he may undertake to employ them himself in the act of transporting the goods of another. It is in the latter case only that he assumes the liabilities and acquires the rights of a common carrier. So the shipowner who let his ship to hire to another, whether manned and equipped or not, enters into a contract totally distinct from that of him who engages to employ her himself in the transportation of the goods of another. In the former case he parts with the possession to another, and that other becomes the carrier; in the latter he retains the possession of the ship, although the hold may be the property of the charterer; and being subject to the liabilities, he retains the rights incident to the character of a common carrier."

While this statement of the court in this case is perhaps little more than dicta, the same principles have been applied in a number of subsequent cases in the circuit and district courts. In Lamb *v.* Parkman (1 Sprague, 343; 14 Fed. Cas. No. 8020 (1857)) it was definitely held that where a ship was let by charter party to the defendant who was to furnish a full cargo the owners, having no right to take goods for any other person, were in no sense common carriers, but only bailees to transport for hire.

This decision has been followed in Bell *v.* Pidgeon (5 Fed., 634, 638), the *Dan* (40 Fed., 692), the *Fri* (154 Fed., 333, 338), and the *Royal Sceptre* (187 Fed., 224, 226).

In Sumner *v.* Caswell (20 Fed., 249, 251) the question was discussed at some length. The court said:

"The charter appears to have contemplated carrying the goods of the freighters only. She was in no sense, therefore, a general ship, but only a ship hired for a specific voyage to carry a particular cargo for the charterers. Such a contract does not seem to be within the definition of a common carrier. In the case of The Niagara *v.* Cordes (21 How., 7) a common carrier is defined as 'one who undertakes for hire to transport the goods of those who may choose to employ him from place to place. He is, in general, bound to take the goods of all who offer, unless his complement for the trip is full or the goods be of such kind as to be liable to extraordinary danger or such as he is unaccustomed to convey.' None of these conditions attach to a contract of affreightment in charter parties like the present. In Lamb *v.* Parkman (1 Sprague, 353) it is stated by Sprague, J., that such contracts 'are not those of a common carrier, but of bailees for hire, bound to the use of ordinary care and skill.' And such is the view taken in Pars. Shipp. & Adm., volume 1, pages 245, 248. The most recent discussion of the subject is in the case of Nugent *v.* Smith (1 C. P. Div., 19), in which a liability like that of a common carrier was upheld by Brett, J., but was subsequently overruled in the court of appeals by Cockburn, C. J. (1 C. P. Div., 423 (1876).)"

While, as pointed out by the court, the decision in this case did not rest upon this distinction, the reasoning of the court in this case has been cited and followed in several of the other cases cited in this memorandum.

In the Wildenfels (161 Fed., 864, 866) the court said:

"But, irrespective of these considerations, we are of the opinion that the *Rover* was not pro hac vice a common carrier. It is true that her owner was in the lighterage business and was in the habit of taking goods for anyone who wanted lighterage done. She had, however, no regular route, did not carry between well-known termini, and, on the occasion in question, was engaged to carry, and had on board only, the jute of the libelant. She was not a general ship, but was employed for this business exclusively; no one else had a right to put a pound of freight aboard her. She became a private carrier and liable only as a bailee for hire. Her owner was under no legal obligation to carry this jute; he could have refused this and all other cargoes had he seen fit to do so, and no liability would have attached to his refusal."

And, after citing Sumner *v.* Caswell, Lamb *v.* Parkman, and the *Fri*, pointed out that, as held in Fish *v.* Chapman (2 Ga., 349, 353), the liability to an action for a refusal to carry is the safest criterion of the character of the carrier.

That the Congress and the country may have a clear idea of the conditions growing out of the war in Europe which have given inspiration and impetus to this legislation, and the many economies in shipbuilding that may be worked out by a wise and skillful administration of this law, and the enormous toll American commerce has been compelled to pay in the way of ocean freight rates by reason of our lack of ships to meet the demands of our enormous foreign trade, I think it worth while to incorporate my report on this bill as part of my remarks:

[House Report No. 659, Sixty-fourth Congress, first session.]

CREATING A SHIPPING BOARD, A NAVAL AUXILIARY, A MERCHANT MARINE, AND REGULATING CARRIERS BY WATER ENGAGED IN THE FOREIGN AND INTERSTATE COMMERCE OF THE UNITED STATES.

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, submitted the following report, to accompany H. R. 15455:

The Committee on the Merchant Marine and Fisheries, to whom was referred the bill (H. R. 15455) to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes, having considered the same, report it to the House with the recommendation that the bill do pass.

The full text of the bill follows:

"*Be it enacted, etc.*, That when used in this act—

"The term 'common carrier by water in foreign commerce' means a common carrier engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, including the import and export trade.

"The term 'common carrier by water in interstate commerce' means a common carrier engaged in the transportation by water of passengers or property between one State, Teritory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

"The term 'common carrier by water' means a common carrier by water in foreign commerce or a common carrier by water in interstate commerce.

"The term 'other person subject to this act' means any person not included in the term 'common carrier by water,' carrying on the business of forwarding, ferrying, towing, or furnishing transfer, lighterage, wharfage, dock warehouse, or other terminal facilities in or in connection with a common carrier by water.

"The term 'person' includes corporations, partnerships, and associations, existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

"SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of a corporation, unless its president and managing directors are citizens of the United States and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof.

"The provisions of this act shall apply to receivers and trustees of all persons to whom the act applies.

"SEC. 3. That a board is hereby created, to be known as the United States shipping board, and hereinafter referred to as the board. The board shall be composed of the Secretary of the Navy and the Secretary of Commerce, as members ex officio, and five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; one of such commissioners to be designated by the President as chairman of the board and one as vice chairman.

"The first commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

"The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act, and to a fair representation of the geographical divisions of the country. Not more than three of the commissioners shall be appointed from the same political party. No commissioner shall be in the employ of or hold any official relation to any common carrier by water or other person subject to this act, or own any stocks or bonds thereof, or be pecuniarily interested therein. No commissioner shall actively engage in any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

"The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

"SEC. 4. That each member of the board, except the ex officio members, shall receive a salary of $10,000 per annum. The board shall appoint a secretary, at a salary of $5,000 per annum, and employ and fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by the Congress. The President, upon the request of the board, may authorize the detail of officers of the military and naval services of the United States for such duties as the board may deem necessary in connection with its business.

"With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service.

"The expenses of the board, including necessary expenses for transportation, incurred by the members of the board or by its employees under its orders, in making any investigation, or upon official business in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

"Until otherwise provided by law the board may rent suitable offices for its use.

"The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

"SEC. 5. That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes.

"SEC. 6. That the President may transfer to the board such vessels belonging to the War or Navy Department as are suitable for commercial uses and not required for military or naval use in time of peace, and cause to be transferred to the board vessels owned by the Panama Railroad Co. and not required in its business.

"SEC. 7. That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased, constructed, or transferred.

"SEC. 8. That when any vessel purchased or constructed by or transferred to the board as herein provided, and owned by the United States, becomes, in the opinion of the board, unfit for the purposes of this act, it shall be appraised and sold at public or private sale free from the conditions and restrictions of this act.

"SEC. 9. That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels heretofore or hereafter admitted to American registry or enrollment and license under the act of August 18, 1914, or under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder (except the Panama Railroad Co.), may not engage in the coastwise trade of the United States, except that such vessels may engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels.

"Every vessel purchased, chartered, or leased from the board shall, unless otherwise authorized by the board, be operated only under such registry or enrollment and license. Such vessels, while employed solely as merchant vessels, shall be subject to all laws, regulations, and liabilities governing merchant vessels, whether the United States be interested therein as owner, in whole or in part, or hold any mortgage, lien, or other interest therein. No such vessel, without the approval of the board, shall be transferred to a foreign registry or flag or sold, nor, except under regulations prescribed by the board, be chartered or leased.

"When the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to a foreign registry or flag.

"Any vessel sold, chartered, leased, transferred, or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than $5,000 or to imprisonment of not more than five years, or both such fine and imprisonment.

"SEC. 10. That the President, upon giving to the person interested such reasonable notice in writing as in his judgment the circumstances permit, may take possession, absolutely or temporarily, for any naval or military purpose, of any vessel purchased, leased, or chartered from the board: *Provided*, That if, in the judgment of the President, an emergency exists requiring such action he may take possession of any such vessel without notice.

"Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value at the time of taking of the interest of such person in every vessel taken absolutely, or, if taken for a limited period, the fair charter value for such period. In case of disagreement as to the fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of a majority of such appraisers shall be final and binding upon both parties.

"SEC. 11. That the board, if in its judgment such action is necessary to carry out the purposes of this act, may form under the laws of the District of Columbia one or more corporations for the purchase, construction, equipment, lease, charter, maintenance, and operation of merchant vessels in the commerce of the United States. The total capital stock thereof shall not exceed $50,000,000. The board may, for and on behalf of the United States, subscribe to, purchase, and vote not less than a majority of the capital stock of any such corporation, and do all other things in regard thereto necessary to protect the interests of the United States and to carry out the purposes of this act. The board, with the approval of the President, may sell any or all of the stock of the United States in such corporation, but at no time shall it be a minority stockholder therein.

"At the expiration of five years from the conclusion of the present European war the operation of vessels on the part of any such corporation in which the United States is then a stockholder shall cease and the said corporation stand dissolved. The date of the conclusion of the war shall be declared by proclamation of the President. The vessels and other property of any such corporation shall revert to the board. The board may sell, lease, or charter such vessels as provided in section 7 and shall dispose of the property other than vessels on the best available terms and, after payment of all debts and obligations, deposit the proceeds thereof in the Treasury to its credit. All stock in such corporations owned by others than the United States at the time of dissolution shall be taken over by the board at a fair and reasonable value and paid for with funds to the credit of the board. In case of disagreement, such value shall be determined in the manner provided in section 10.

"SEC. 12. That any vessel purchased, leased, or chartered from the board may be listed by the Secretary of the Navy as a vessel of the United States Naval Auxiliary Reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose and are citizens of the United States or its insular possessions may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of lieutenant commander, as members of any naval reserve force established by law.

"SEC. 13. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry. It shall examine the navigation laws of the United States and the rules and regulations thereunder, and make such recommendations to the Congress as it deems proper for the amendment, improvement, and revision of such laws, and for the development of the American merchant marine. It shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping.

"It shall, on or before the 1st day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, and a statement of all expenditures and receipts under this act, and of the operations of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

"SEC. 14. That for the purpose of carrying out the provisions of sections 5 and 11 the Secretary of the Treasury, upon the request of the board, approved by the President, shall from time to time issue and sell or use any of the bonds of the United States now available in the Treasury under the acts of August 5, 1909, February 4, 1910, and March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $50,000,000: *Provided*, That any bonds issued and sold or used under the provisions of this section may be made payable at such time within 50 years after issue as the Secretary of the Treasury may fix, instead of 50 years after the date of issue, as prescribed in the act of August 5, 1909.

"The proceeds of such bonds and the net proceeds of all sales, charters, and leases of vessels and of sales of stock made by the board, and all other moneys received by it from any source, shall be covered into the Treasury to the credit of the board, and are hereby permanently appropriated for the purpose of carrying out the provisions of sections 5 and 11.

"SEC. 15. That no common carrier by water shall directly or indirectly—

"First. Pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow a deferred rebate to any shipper. The term 'deferred rebate' in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the period for which computed and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

"Second. Use a fighting ship either separately or in conjunction with any other carrier, through agreement or otherwise. The term 'fighting ship' in this act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

"Third. Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronized any other carrier or has filed a complaint charging unfair treatment, or for any other reason.

"Fourth. Make any unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered, or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment and settlement of claims.

"Any carrier who violates any provision of this section shall be guilty of a misdemeanor punishable by a fine of not more than $25,000 for each offense.

"SEC. 16. That every common carrier by water, or other person subject to this act, shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement. The term 'agreement' in this section includes understandings, conferences, and other arrangements.

"The board may by order disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States or to be in violation of this act, and shall approve all other agreements, modifications, or cancellations.

"Agreements existing at the time of the organization of the board shall be lawful until disapproved by the board. It shall be unlawful to carry out any agreement or any portion thereof disapproved by the board.

"All agreements, modifications, or cancellations made after the organization of the board shall be lawful only when and as long as approved by the board, and before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement, modification, or cancellation.

"Every agreement, modification, or cancellation lawful under this section shall be excepted from the provisions of the act approved July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' and amendments and acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the act approved August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' and amendments and acts supplementary thereto.

"Whoever violates any provision of this section shall be liable to a penalty of $1,000 for each day such violation continues, to be recovered by the United States in a civil action.

"SEC. 17. That it shall be unlawful for any common carrier by water, or other person subject to this act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

"Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

"Third. To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

"SEC. 18. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

"Every such carrier and every other person subject to this act shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the board finds that any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable regulation or practice.

"SEC. 19. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

"No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board, stating the increase proposed to be made; but the board for good cause shown may waive such notice.

"Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

"SEC. 20. That whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not increase such rates unless after hearing the board finds that such proposed increase rests upon changed conditions other than the elimination of said competition.

"SEC. 21. That it shall be unlawful for any common carrier by water or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier or other person subject to this act for transportation in interstate or foreign commerce, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier, and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used.

"Nothing in this act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court of a State or of the United States, or to any officer or agent of the Government of the United States, or of any State, Territory, District, or possession thereof, in the exercise of its powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of businesses of such carriers.

"SEC. 22. That the board may require any common carrier by water, or other person subject to this act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other persons subject to this act. Such report, account, record, rate, charge, or memorandum shall be under oath whenever the board so requires, and shall be furnished in the form and within the time prescribed by the board. Whoever fails to file any report, account, record, rate, charge, or memorandum as required by this section shall forfeit to the United States the sum of $100 for each day of such default.

"Whoever willfully falsifies, destroys, mutilates, or alters any such report, account, record, rate, charge, or memorandum, or willfully files a false report, account, record, rate, charge, or memorandum, shall be guilty of a misdemeanor and subject upon conviction to a fine of not more than $1,000, or imprisonment for not more than one year, or to both such fine and imprisonment.

"SEC. 23. That any person may file with the board a sworn complaint setting forth any violation of this act by a common carrier by water, or other person subject to this act, and asking reparation for the injury if any, caused thereby. The board shall furnish a copy of the complaint to such carrier or other person, who shall, within a reasonable time specified by the board satisfy the complaint or answer it in writing. If the complaint is not satisfied the board shall, except as otherwise provided in this act, investigate it in such manner and by such means and make such order as it deems proper. The board, if the complaint is filed within two years after the cause of action accrued, may direct the payment, on or before a day named, of full reparation to the complainant for the injury caused by such violation.

"The board, upon its own motion, may in like manner and, except as to orders for the payment of money, with the same powers, investigate any violation of this act.

"SEC. 24. Orders of the board relating to any violation of this act shall be made only after full hearing and upon a sworn complaint or in proceedings instituted of its own motion.

"All orders of the board other than for the payment of money made under this act shall continue in force for such time, not exceeding two years, as shall be prescribed therein by the board, unless suspended, modified, or set aside by the board or any court of competent jurisdiction.

"SEC. 25. That the board shall enter of record a written report of every investigation made under this act in which a hearing has been held, stating its conclusions, decision, and order, and, if reparation is awarded, the findings of fact on which the award is made, and shall furnish a copy of such report to all parties to the investigation.

"The board may publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and of the States, Territories, Districts, and possessions thereof.

"SEC. 26. That the board may reverse, suspend, or modify, upon such notice and in such manner as it deems proper, any order made by it. Upon application of any party to a decision or order it may grant a rehearing of the same or any matter determined therein, but no such application for or allowance of a rehearing shall, except by special order of the board, operate as a stay of such order.

"SEC. 27. That for the purpose of investigating alleged violations of this act, the board may by subpœna compel the attendance of witnesses and the production of books, papers, documents, and other evidence from any place in the United States at any designated place of hearing. Subpœnas may be signed by any commissioner, and oaths or affirmations may be administered, witnesses examined, and evidence received by any commissioner or examiner, or, under the direction of the board, by any person authorized under the laws of the United States or of any State, Territory, District, or possession thereof to administer oaths. Persons so acting under the direction of the board and witnesses shall, unless employees of the board, be entitled to the same fees and mileage as in the courts of the United States. Obedience to any such subpœna shall, on application by the board, be enforced as are orders of the board other than for the payment of money.

"SEC. 28. That no person shall be excused, on the ground that it may tend to incriminate him or subject him to a penalty or forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence, in obedience to the subpœna of the board or of any court in any proceeding based upon or growing out of any alleged violation of this act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce evidence, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"SEC. 29. That in case of violation of any order of the board, other than an order for the payment of money, the board, or any party injured by such violation, or the Attorney General, may apply to a district court having jurisdiction of the parties; and if, after hearing, the court determines that the order was regularly made and duly issued, it shall enforce obedience thereto by a writ of injunction or other proper process, mandatory or otherwise.

"SEC. 30. That in case of violation of any order of the board for the payment of money the person to whom such award was made may file in the district court for the district in which such person resides, or in which is located any office of the carrier or other person to whom the order was directed, or in which is located any point of call on a regular route operated by the carrier, or in any court of general jurisdiction, of a State, Territory, District, or possession of the United States having jurisdiction of the parties, a petition or suit setting forth briefly the causes for which he claims damages and the order of the board in the premises.

"In the district court the findings and order of the board shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor shall he be liable for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If a petitioner in a district court finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the costs of the suit.

"All parties in whose favor the board has made an award of reparation by a single order may be joined as plaintiffs, and all other parties to such order may be joined as defendants, in a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of, or point of call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

"No petition or suit for the enforcement of an order for the payment of money shall be maintained in a district or State court unless filed within one year from the date of the order.

"SEC. 31. That the venue and procedure in the courts of the United States in suits brought to enforce, suspend, or set aside, in whole or in part, any order of the board shall, except as herein otherwise provided, be the same as in similar suits in regard to orders of the Interstate Commerce Commission, but such suits may also be maintained in any district court having jurisidiction of the parties.

"SEC. 32. That whoever violates any provision of this act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by fine of not to exceed $5,000.

"SEC. 33. That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce.

"SEC. 34. That if any provision of this act, or the application of such provision to certain circumstances, is held unconstitutional, the remainder of the act and the application of such provision of circumstances other than those as to which it is held unconstitutional, shall not be affected thereby.

"SEC. 35. That for the fiscal year ending June 30, 1917, the sum of $100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized."

In February, 1914, Sixty-third Congress, second session, the Committee on the Merchant Marine and Fisheries made a report to the House of Representatives on steamship agreements and affiliations in the American foreign and domestic trade.

The investigation of such combinations was begun by the committee under House resolutions 425 and 587 in the Sixty-second Congress and continued in the Sixty-third Congress under House resolution 205. The resolution (H. Res. 587) directed the committee "to report to the House all facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto." In accordance with the directions of the resolution relating to legislation, the committee, by unanimous action, submitted recommendations which have been followed in large part in framing the sections of the bill 15 to 21, inclusive.

The recommendations referred to are as follows:

RECOMMENDATIONS RELATING TO WATER CARRIERS ENGAGED IN THE FOREIGN TRADE.

"The facts contained in the foregoing report show that it is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conference arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates; (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry; (3) the pooling of earnings from all or a portion of the traffic; or (4) meeting the competition of nonconference lines. Eighty such agreements or understandings, involving practically all the regular steamship lines operating on nearly every American foreign-trade route, are described in the foregoing report. (For a full classification of these agreements, see pp. 281 to 295 of the report.) The report also presents the economic advantages and disadvantages of steamship agreements and conference arrangements as presented to the committee by steamship line representatives and the exporting and importing interests of the United States. (For a full classification of the advantages and disadvantages, see pp. 295 to 307 of the foregoing report.)

"In formulating its recommendations it became apparent to the committee, in view of all the facts presented, that only two courses of action were open for adoption. Either the agreements and understandings, now so universally used, may be prohibited with a view to attempting the restoration of unrestricted competition, or the same may be recognized along lines which would eliminate existing disadvantages and abuses. It is claimed that the adoption of the first course—the prohibition of cooperative arrangements between practically all the lines in nearly all the divisions of our foreign trade—would not only involve a wholesale disturbance of existing conditions in the shipping business but would deprive American exporters and importers of the advantages claimed as resulting from agreements and conferences if honestly and fairly conducted, such as greater regularity and frequency of service, stability and uniformity of rates, economy in the cost of service, better distribution of sailings, maintenance of American and European rates to foreign markets on a parity and equal treatment of shippers through the elimination of secret arrangements and underhanded methods of discrimination. (A classification of the advantages claimed as resulting from the aforementioned factors is presented on pp. 295 to 303 of the foregoing report.)

"These advantages, the committee believes, can be secured only by permitting the several lines in any given trade to cooperate through some form of rate and pooling arrangement under Government supervision and control. It is the view of the committee that open competition can not be assured for any length of time by ordering existing agreements terminated. The entire history of steamship agreements shows that in ocean commerce there is no happy medium between war and peace when several lines engage in the same trade. Most of the numerous agreements and conference arrangements discussed in the foregoing report were the outcome of rate wars and represent a truce between the contending lines. To terminate existing agreements would necessarily bring about one of two results; the lines would either engage in rate wars which would mean the elimination of the weak and the survival of the strong, or, to avoid a costly struggle, they would consolidate through common ownership. Neither result can be prevented by legislation, and either would mean a monopoly fully as effective, and it is believed more so, than can exist by virtue of an agreement. Moreover, steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own. The merchants of these countries now enjoy the foregoing advantages of cooperative arrangements, and to restore open and cutthroat competition among the lines serving the United States would place American exporters at a disadvantage in many markets as compared with their foreign competitors.

"Steamship-line representatives, as well as the patrons of the lines, were almost a unit in emphasizing to the committee the importance and necessity of the aforementioned advantages of agreements and conferences, and in asserting that these advantages can only be effected by permitting the several lines in a given trade to cooperate in the regulation of their rates and the expeditious handling of their business. Very few of the many exporters and importers who communicated with the committee were opposed to agreements and conferences in themselves, provided they are fairly and honestly conducted. Many, however, objected to the secrecy with which agreements and conferences are now conducted, and stated that, while the advantages must be admitted, they have no assurance and no means of knowing whether the conditions claimed for agreements and conferences are always fulfilled. A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods—such as fighting ships, deferred rebates, and threats to refuse shipping accommodations—used by some conference lines to meet the competition of nonconference lines. Unfortunately, the truth of many of these complaints could not be ascertained because of the confidential nature of the information furnished. As pointed out in the report (p. 306), it seemed to be the general impression among shippers who filed complaints with the committee that the conference lines 'so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines by openly giving particulars of their grievances.'

"While admitting their many advantages, the committee is not disposed to recognize steamship agreements and conferences, unless the same are brought under some form of effective Government supervision. To permit such agreements without Government supervision would mean giving the parties thereto unrestricted right of action. Abuses exist, and the numerous complaints received by the committee show that they must be recognized. In nearly all the trade routes to and from the United States the conference lines have virtually a monopoly of the line service.

"'All monopolies,' as pointed out in the foregoing report (p. 304), 'are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control. While carriers by land are supervised and must conform to statutory requirements in the matter of rates and treatment of shippers, steamship companies, through private arrangements, have secured for themselves monopolistic powers as effective in many instances as though they were statutory. Even granting the advantages claimed for steamship conferences and agreements, all may be withdrawn in the absence of supervisory control without the shippers having any redress or protection. The lines are under no legal obligation to continue these advantages. They exercise their powers as private combinations and are apt to abuse the same unless brought under effective Government control.'

"The committee believes that the disadvantages and abuses connected with steamship agreements and conferences as now conducted are inherent, and can only be eliminated by effective Government control; and it is such control that the committee recommends as the means of preserving to American exporters and importers the advantages enumerated, and of preventing the abuses complained of.

'The consensus of opinion (see pp. 307 to 308 of the report)," as expressed in the testimony of witnesses and in the numerous communications received by the committee from shippers, "is overwhelmingly in favor of some form of Government regulation of steamship carriers engaged in this country's foreign trade. Nearly all the steamship line representatives who appeared before the committee expressed themselves as not opposed to Government supervision which is reasonable and which is limited to the requirements of full publicity and approval of all agreements or arrangements which steamship lines may have entered into with other steamship lines, with shippers, or with other carriers and transportation agencies. On the other hand, the shippers who appeared as witnesses, or otherwise submitted recommendations for proposed legislation, were in the great majority of instances favorable to a comprehensive system of Government supervision, sufficiently broad to embrace the regulation of rates without actually fixing them, the approval of contracts, agreements, and arrangements, and the general supervision of all conditions of water transportation which vitally affect the interests of shippers. While few of the shippers who communicated with the committee by letter (and the same may be said of witnesses) attempted to specify the details of their recommendations, they are almost a unit in stating that they are convinced of the desirability of having the Interstate Commerce Commission, or a similar commission, exercise a general supervisory power over foreign water carriers and enforce among the conference lines at all times the various contentions which they have claimed for themselves during the hearings before the committee. It is noteworthy that only five of the many communications received by the committee, which were unfavorable to steamship agreements and conferences as now conducted, display an attitude of hostility toward Government regulation. In fact, many of the communications received from shippers make it clear that the writers regard the contentions of the conference line representatives as advantageous to shipper and shipowner if they are honestly and fairly carried out, but state that their experience has been to the effect that once the combination of lines is established it is apt to be used in an arbitrary and unfair way by favoring some large corporation or friend to the detriment of other shippers. Such discriminations and arbitrary treatment, it is believed, can only be eliminated by the establishment of some legally constituted authority which is empowered to hear complaints and to order the discontinuance of abuses."

"Relative to such supervisory control by the Government of steamship carriers in the foreign trade of the United States, the committee offers the following recommendations:

"1. That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads and other transportation agencies, and such other conditions of water transportation as affect the interest of the shippers. The committee has had under consideration the recommendation of a separate commission for this purpose, but believes that, in view of the close relations existing between rail and water transportation, it would be best to intrust the supervisory control to the Interstate Commerce Commission. If found necessary, in view of the added duties involved in the extension of the Interstate Commerce Commission's jurisdiction to water transportation in accordance with the recommendations to follow, the committee further recommends that the membership of the commission be enlarged.

"2. That all carriers engaged in the foreign trade of the United States, parties to any agreements, understandings, or conference arrangements hereinafter referred to, be required to file for approval with the Interstate Commerce Commission a copy of all written agreements (or a complete memorandum if the understanding or agreement is oral)

entered into (1) with any other steamship companies, firms, or lines engaged directly or indirectly in the American trade, or (2) with American shippers, railroads, or other transportation agencies. All modifications and cancellations of such agreements or understandings as may be made from time to time should also be promptly filed. The commission should be empowered to order canceled any such agreements, or any parts thereof, that it may find to be discriminating or unfair in character, or detrimental to the commercial interests of the United States.

"3. That the Interstate Commerce Commission be empowered to investigate fully complaints charging the unreasonable or unfairness of rates, or to institute proceedings on its own initiative, and to order such rates changed if convinced that the rate under consideration is unreasonably high, or discriminating in character as between shippers or ports, or between exporters of the United States and their foreign competitors; and to order restitution to shippers of all sums collected in excess of reasonable rates. This recommendation is also intended to extend to the supervision of freight classifications used by the lines, and the investigation of complaints charging refusal on the part of any carrier to properly adjust the rates between classes of commodities.

"The committee realizes that the steamship business differs essentially from that of the railroads (for those differences see pp. 309 to 311 of the report), and that it might prove injurious to both shipowners and American exporters to require the lines to file their rates and not be permitted to lower the same until after a stipulated period of notice to change rates had been given. On the other hand, the committee feels that in the absence of Government control steamship combinations may in many instances have it within their power to arbitrarily raise rates to an unreasonable degree both as regards the general level and in the case of particular commodities; or, if they so desire, to fail in maintaining rates from the United States to foreign markets on a parity with those from other countries. It is not the purpose of this recommendation to prevent steamship lines from promptly lowering their rates to meet competitive conditions and thus to favor American exporters, who, in competing with foreign markets, often find it necessary in order to close their contracts to have quoted an immediate and favorable rate; but the purpose of the law should be to protect the shipper against any unreasonably high rate which the combination lines may have within their power, by virtue of their agreements and conference arrangements, arbitrarily to impose in the absence of Government supervision and control.

"4. That rebating of freight rates to shippers be made illegal, and that, with due regard to the proper loading of the vessel and the tonnage available, discrimination between shippers or ports in the matter of rates and space accommodations be prohibited. In this connection it is the belief of the committee that water carriers should be required to charge equal rates to all shippers irrespective of the volume of freight offered for shipment.

"5. That the Interstate Commerce Commission be empowered to investigate fully all complaints (or to undertake such investigation on its own initiative) charging (1) failure on the part of any carrier to give reasonable notice of increase in rates, (2) unfair treatment of shippers in the matter of cargo space and other facilities, (3) the existence of discriminating or unfair contracts with certain shippers, and (4) unfairness in the settlement of claims and indifference to the landing of freight in proper condition. In this connection the commission should be empowered to order the discontinuance of all unfair or discriminating practices which it may find to exist and to adopt whatever measures it may deem necessary to protect the complainant against retaliation.

"6. That the use of 'fighting ships' and deferred rebates be prohibited in both the export and import trade of the United States. Moreover, all carriers should be prohibited from retaliating against any shipper by refusing space accommodations when such are available or by resorting to other unfair methods of discrimination, because such shipper has patronized an independent line or has filed a complaint charging unfair treatment or for any other reason.

"7. That adequate penalties be provided to correct and prevent the abuses hereinabove set forth.

RECOMMENDATIONS RELATING TO WATER CARRIERS ENGAGED IN THE DOMESTIC TRADE.

"Unlike the practice of water carriers in the foreign trade of the United States, agreements to divide the territory or charge certain rates in the domestic trade are few. Competition in rates between domestic water lines, however, has been quite as effectively eliminated as in the foreign trade, and this has been accomplished by the several lines through one or more of the numerous methods discussed in Part II of the foregoing report and summarized on pages 409 to 412. (Also see pp. 403 to 412, giving a 'summary of the extent and methods of control of competition between water carriers in the domestic trade.')

"The act of August 24, 1912, providing for the opening, maintenance, protection, and operation of the Panama Canal, contains provisions extending the jurisdiction of the Interstate Commerce Commission over interstate transportation which involves the carriage of property by rail and water, in the following particulars, viz. (1) to establish physical connection, where this is reasonably practicable and justifiable, between the rail carrier and the dock of the water carrier by directing either or both of the carriers to construct the connecting tracks; (2) 'to establish through routes and maximum joint rates over such rail and water lines, and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced'; and (3) 'to establish maximum proportional rates by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates will apply.' Section 11 of the act also provides for the divorcing of common carriers by water from the railroads under certain conditions. These legislative requirements go far toward eliminating some of the undesirable practices which were found by the committee to exist in the domestic commerce of the United States. The committee, however, believes, in view of the facts presented in Part II of the report, that additional legislation is required, and wishes to offer the following recommendations:

"1. That the jurisdiction of the Interstate Commerce Commission be extended to the interstate port-to-port traffic of domestic water carriers, with full power to require all such carriers to file their port-to-port rates and to submit reports of their financial and business operations. As regards interstate port-to-port traffic the commission should be given full power to regulate rates and to determine maximum charges.

"2. That water carriers be required to file for approval with the Interstate Commerce Commission all agreements or arrangements affecting interstate transportation, whether written or oral, and all modifications or cancellations thereof, with other water carriers, with railroads or other transportation agencies, or with shippers.

"3. That the carriers be prohibited from granting rebates of any kind to shippers and from discriminating between shippers in rates, in the giving of space accommodations and other facilities, and in the making of unfair contracts based on the volume of freight offered. Water carriers should also be prohibited from using fighting ships, or deferred rebates, or from threatening or resorting to retaliatory or other unfair measures against shippers or competitors. The Interstate Commerce Commission should be empowered to adopt whatever measures it may consider necessary to protect shippers or competitors against such retaliatory methods. Water carriers, if cutting rates with a view to driving out a competitor, should be denied the privilege of restoring rates; and jurisdiction should be conferred on the Interstate Commerce Commission to determine whether rates were cut with the object of crushing such competitor.

"4. That the Interstate Commerce Commission be empowered to investigate fully all complaints charging unfairness in the settlement of claims, and indifference to the loading and landing of freight in proper condition; and to adopt all necessary rules and regulations for the adjustment and settlement of claims.

"5. That as regards all matters relating to interstate transportation, all traffic associations or conferences, whether pertaining to through rail-and-water transportation or to port-to-port traffic only, be brought under the supervision of the Interstate Commerce Commission. The committee recommends that the conditions under which an outside water carrier is admitted to such associations or conferences should be approved by the commission, and that an outside line should not be denied membership for unfair reasons or simply because the unanimous consent of existing members of the association or conference to the admission of said line can not be obtained.

"6. That the railroads be prohibited from making the through rail-and-water route unprofitable as compared with the all-rail route by charging more for the same service on water-borne commodities than they charge for the proportionate share of the all-rail haul.

"7. That the Interstate Commerce Commission be empowered to compel railroads to allow competitive water carriers to apply effective differentials. The commission should also have full supervisory power over divisions between railroads and water carriers as regards through rail-and-water rates. The committee recommends that rate divisions on any trade route should be opened equally to all water carriers that comply with such conditions of quality and regularity of service as the commission may determine to be reasonable.

"8. That the railroads and water carriers be required to issue through bills of lading to all interstate water carriers that meet such conditions of quality and regularity of service as the Interstate Commerce Commission may consider reasonable.

"9. That railroads be required to account separately to the Interstate Commerce Commission for the income and expenditures of interstate water lines owned or controlled by them.

"10. That railroads be required to make their terminal facilities available to water carriers on equal terms and under such reasonable conditions as the Interstate Commerce Commission may prescribe. The committee also believes that the Federal Government should pursue a policy of not expending money in the interests of any port for harbor or channel improvements unless that port has efficient dock facilities available to all water carriers.

"11. That there should be legislation providing for equal treatment to all shippers and water carriers by transfer and lighterage concerns when forming a link in interstate or foreign commerce.

"12. That all interstate traffic on canals be placed under the supervision of the Interstate Commerce Commission; and that the railroads be prohibited in the future from acquiring, either directly or indirectly, ownership and control of or interest in canals, or water lines, forwarding companies, and other navigation facilities on such canals, when the same are used in interstate transportation."

It will be noted that the committee recommended that the powers of the Interstate Commerce Commission be extended to common carriers by water, or that some other tribunal should be created and vested with jurisdiction over common carriers by water.

The consensus of public opinion seems to favor the creation of a shipping board vested with such powers, rather than to add to the duties and responsibilities of the Interstate Commerce Commission.

The Interstate Commerce Commission is now vested with some of the powers covered by the recommendations of the committee, and to avoid any possible conflict of jurisdiction section 32 of the bill expressly provides: "That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission, nor to confer upon the board concurrent power or jurisdiction over any matter within the power of jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce."

ADMINISTRATIVE PROVISIONS.

SECTIONS 22 TO 34, INCLUSIVE.

While the part of the bill relating to the regulation of carriers by water differs necessarily and materially from the corresponding provisions of the interstate-commerce act, the difference is not so radical that the administration and enforcement provisions of the latter act and the nearly 30 years' experience of the Interstate Commerce Commission can not be adapted with slight modifications to the purposes of this bill.

Section 22, relating to the requiring of information, confers upon the board only a part of the power of the Interstate Commerce Commission under section 20 of the interstate-commerce act, by which the commission is empowered to prescribe a uniform system of accounts as well as the form of all accounts, records, and memoranda to be kept by carriers subject to the act, and its examiners given access to such accounts for the purpose of inspection and examination. While it is well within the power of Congress to impose similar requirements upon carriers by water in interstate commerce, the committee deems it neither advisable or necessary, at least at this time, to make the provisions of this bill any more burdensome in this respect upon carriers by water in interstate commerce than those imposed upon similar carriers operating under foreign flags and engaged in the foreign commerce of the United States.

Sections 23 to 31, inclusive, modeled very closely after the interstate-commerce act, in brief and concise manner confer upon the board power to make orders necessary for the enforcement of the act, and provide the means for the enforcement of such orders.

Under section 23 any person may file with the board a sworn complaint setting forth any violation of the act. The board, after due notice to the person complained of, shall investigate the matter and make such order as may be proper, including an award of reparation for any injury resulting from the violation. Similar powers are conferred upon the board to investigate and make orders upon its own

initiative, except that awards of reparation may be made only upon complaint. Provision is also made in section 24 that orders relating to a violation may be made only after a full hearing. While this secures to a person alleged to have violated the act a full opportunity to be heard in his own defense, it at the same time leaves free from unnecessary restrictions the action of the board in other matters.

The provisions of section 24 relating to the time during which orders of the board shall continue in effect are the same as those of the interstate-commerce act, but the provision of the latter act that orders shall not take effect for 30 days has been omitted, as the committee feels that this matter should properly be left to the discretion of the board

The provisions of section 27 relating to the power of the board to compel the attendance of witnesses and the production of documentary and other evidence are also substantially similar to those of the interstate-commerce act, except that the board may exercise such power only "for the purpose of investigating alleged violations of this act," instead of "for the purposes of this act," as in the interstate-commerce act Under this broad phrase in the latter act, as construed by the Supreme Court (Harriman v. United States, 211 U. S., 407 [1908]), the power of the board is limited to investigations of violations. The provision that testimony may be taken under the direction of the board by any person authorized to administer oaths has been substituted for the lengthy but little used provisions of the interstate-commerce act relating to depositions. Section 28 includes the essential provisions of the compulsory-testimony act of February 11, 1893, and the immunity-of-witnesses act of June 30, 1906.

In sections 29 and 30, providing the means for the enforcement of orders of the board, the provisions as to jurisdiction of the district courts have been slightly changed because of the difference between rail and water traffic.

The somewhat lengthy provisions of the district court jurisdiction act of October 22, 1913, as to the venue and procedure in suits to enforce suspend, or set aside orders of the Interstate Commerce Commission are extended by section 31 to apply to orders of the board. In view of the ambiguous provision of that act as to venue, the section provides that such suits may also be maintained in any district court having jurisdiction of the parties.

Section 32 is a general penalty provision, corresponding to section 10 of the interstate-commerce act, and making any violation, except where a different penalty is specifically provided, a misdemeanor punishable by a fine of not more than $5,000.

Section 33 provides that this act shall not affect the jurisdiction of the Interstate Commerce Commission nor confer upon the board concurrent jurisdiction over any matter within the jurisdiction of the commission. Its purpose is to obviate a conflict of jurisdiction if in some unforeseen manner any substantive provision of this bill inadvertently overlaps a corresponding provision of the interstate-commerce act. The last clause of this section—that the act shall not apply to intrastate commerce—corresponds to the similar provision of section 1 of the interstate-commerce act, both of which are rendered advisable in view of the decision of the Supreme Court in the first Employers' Liability cases (207 U. S., 463 (1908)).

Section 34 is merely a legislative declaration of the separableness of each provision of the act, so that in the very unlikely event of any provision being unconstitutional the remainder of the act would not be endangered thereby.

The active duties of the board will devolve on the commissioners appointed by the President; hence the committee thought it wise to increase the number from three, as proposed in the original bill, to five, as provided in this bill. The Secretaries of the Navy and Commerce are heads of great departments of the Government, and they will have little time to give to the duties of the board. In view of the fact that the vessels to be constructed or purchased by the board are to become naval auxiliaries and may be listed by the Secretary of the Navy as vessels of the United States Naval Auxiliary Reserve, and the officers and crews of such vessels may, under regulations prescribed by him, enlist as members of any Naval Reserve force established by law, it was thought that he should be made a member of the board. The reasons for making the Secretary of Commerce a member of the board are even more cogent, as the Bureaus of Navigation, Steamboat-Inspection Service, Lighthouses, and Coast and Geodetic Survey are under the jurisdiction of that department.

The committee fully recognizes that many of the duties of the board are quasi judicial in character, like those of the Interstate Commerce Commission, and the board should be removed, as far as possible, from partisan political influence; hence the bill provides that not more than three of the five commissioners shall belong to the same political party.

We have faith to believe that the President in naming the commissioners will have greater regard for their fitness to discharge the very grave and responsible duties that will devolve upon them than for their party affiliations.

We believe this board will become permanent and that its functions will in time become as important in the development and supervision of our mercantile marine as those of the British board of trade to the mercantile marine of Great Britain.

SHIPBUILDING.

It is generally conceded that at this time merchant vessels can be built in American shipyards at less cost than in foreign shipyards. The board has the power to have built or purchase vessels built in American shipyards or elsewhere, giving preference to American shipyards. Unless conditions change materially in Europe at the close of the war, all the vessels for the construction or purchase of which provision is made in the bill will be built in American shipyards. It is the earnest desire that all such vessels may be built in American shipyards, and we have good reason to believe that by utilizing improved methods in shipbuilding, and by standardizing the various types of vessels, not only the cost of construction may be very materially reduced, but the cost of operation as well.

In this connection the committee invites attention to the statements of Capt. Ellsworth P. Bertholf, captain commandant of the Coast Guard; Capt. C. A. McAllister, of the Coast Guard; and Mr. E. Platt Stratton, supervisor of the American Bureau of Shipping, in a letter to Hon. William C. Redfield, Secretary of Commerce, and referred to by the Secretary at the hearings, which is printed in the hearings, and on account of its importance is here reproduced:

"AMERICAN BUREAU OF SHIPPING,
"*New York, January 22, 1916.*

"Hon. WILLIAM C. REDFIELD,
"*Secretary Department of Commerce,*
"*Washington, D. C.*

"MY DEAR MR. SECRETARY: As you are not likely to be in this city prior to February 23, and knowing your sincere desire to facilitate the development of American commerce, I take the liberty of submitting the following for your kind consideration:

* * * * * * *

"The present type of construction has brought about a ship of a comparatively square bilge supported internally by margin plates of the double bottom, which in turn accommodates any accumulation of bilge water and concentrates its flow to whatever type the pumping system may be adapted.

"This class of construction requires the cutting of all frames at the bilge and uniting them with the floors by means of gusset plates, thus doing away with the expensive and cumbersome method of bending frames in one piece from keel to gunwale. All of the members, therefore, of the modern ship anticipates comparatively straight pieces, with the exception of the stem, cant frames, and stern frame.

"It is therefore now possible to readily ship on flat cars or by water transportation all the members ready for assembling of any vessel of the type herein referred to.

"The best method of construction now anticipates the punching of all rivet holes from one-sixteenth inch to one-eighth inch scant preparatory to the members being assembled when the punch holes of scant diameter are reamed with pneumatic tools after the plates and members are assembled and service bolted, all riveting being done with pneumatic holders-on and pneumatic riveters, preceding which all holes are reamed by pneumatic tools and are therefore made fair in position. Two men with one of these reamers will ream and make fair to standard sizes from 1,400 to 1,600 holes a day."

Secretary REDFIELD. The description follows closely the construction of steel-frame buildings.

"With these conditions before us, it seems to me that the time has arrived when great steel companies should undertake the preparation and fabrication of cargo ships complete, in batches of at least 10 of a kind, to be reassembled and riveted up on our river, lake, or seacoast in the same way and manner in which such companies are now supplying the members for elevated railroads and bridge construction, the plates for such vessels first to be approved by the classification society representing the underwriting interests, which in turn would insure the lowest rates of insurance on the vessel when constructed under superintendence and survey.

"Several shipyards in existence on the line of the Ohio and Mississippi Rivers could thus be utilized to great advantage in assembling vessels of the type referred to, which would insure the utilization of a type of labor of the greatest value at seasons when not properly employed in agriculture.

"I incline to the belief that the right type of man might take up this matter with some of the subordinate companies of the United States Steel Co. and carry it through to a very successful issue; and the time and circumstances seem to be opportune for such an undertaking.

"The model of such vessels should first be tested in the governmental tank at Washington, which would give lines of least resistance in specific displacement.

"Steam, reciprocating, turbine, or internal-combustion engines could be contracted for on specific lines suitable to the vessels during the progress of their construction, and in this way standard units of commerce of assured excellence could be produced which would offer the greatest facility to owners, merchants, or shippers on assured lines of efficiency.

"Should you kindly consider this brief outline worthy of consideration, it will furnish me great pleasure to facilitate any ideas which you may have upon the subject in the interest of all concerned.

"Very truly, yours,

"E. PLATT STRATTON."

Secretary REDFIELD. The suggestion was of such original character that I submitted it at once to the naval constructor, Bureau of Lighthouses, and he replied under date of January 29, "I beg to state that I have considered the proposition as outlined therein, and in my opinion it is entirely feasible, provided that a suitable type of design of vessel to meet the commercial demand be settled upon," and the report proceeds in approval.

I then returned the matter to the American Bureau of Shipping and asked them if they would be kind enough to reconsider it with a great deal of care and advise me finally what I could with some confidence lay before this committee as a statement showing the possibilities in it as a method of constructing vessels. You are all aware, gentlemen, that the structural-steel industry is an American industry. The buildings of Europe are not built of structural steel. They do not build steel-frame buildings, as we build them, in any other country. I say never, meaning very rarely, if ever. It is an American industry, which we have carried to a greater height of perfection than any other country, and if it is possible, as these practical gentlemen say, to utilize this method of constructing hulls, there is no country in the world prepared to compete with us in that way.

In response to my inquiry I received this letter, dated February 8, of which I will read a brief portion:

"If any one of the great steel companies of this country could be induced to start out on the plan herein enunciated for cargo ships, I think that within two years we could be launching vessels from one to five thousand tons cargo capacity in many sections of the country. There are many wooden-ship yards on our coast, bays, and tributaries where the assembling of ships could be very advantageously conducted with far less difficulty and much more expedition than our ocean-going fleet of a half century ago was hewn out and assembled from material existent within our forests."

And then follows his formal statement in detail of the method of constructing the vessels.

[By E. Platt Stratton, supervisor of the American Bureau of Shipping.]

"Signs multiply of a disposition in the United States so to standardize the construction of cargo types of steamships as greatly to reduce their cost This tendency is to be encouraged in every way possible, since its successful development will go a long way toward making the United States entirely independent of other countries in the construction of the ships in its foreign carrying, as the country always has been independent of foreign countries in the construction of ships for its domestic carrying.

"In the construction of ships for the carriage of passengers and freight and in the construction of the higher class swift leviathans that carry passengers, mails, and express standardization is not practicable, but in the construction of the higher types of ships the United States is not so far behind shipyards of other countries in the matter of cost as it is in the construction of the purely cargo type of ship.

"SOME CONSTRUCTION DETAILS.

"Cargo steamships of from 1,000 to 10,000 dead-weight capacity on a block coefficient of from 75 to 80 per cent of the cube of their length, breadth, and depth, and a standard rate of speed not to exceed 12 knots, is the trend and the type most useful for general trade. Such vessels are now built with double bottoms for water ballast, which have become more and more of a necessity to facilitate the handling of the ships when light or in motion without cargo. Double bottoms also offer great facility for the storage and use of any of the varieties of liquid fuel, which frequently are found to be more advantageous, if not more profitable, than coal, particularly when the cost of stowing it in the ship's bunkers and the cost of firing it with man power is considered.

"Vessels of this type of construction have brought about an arrangement to protect cargoes from bilge water, through flat floors, full or square bilges supported internally by the margin plates of the double bottoms, which in turn form gutters or bilges. This method of construction necessitates the breaking of the continuity of all ships' floors and frames at the turn of the bilge, properly flanged 'gusset plates' supplying the necessary strength at the points where they are reunited. This does away completely with the heretofore expensive and somewhat cumbersome method of rolling frames in great lengths and then reheating and bending them preparatory to their being assembled in position to receive the plating of the ship.

"The methods of metal-ship construction heretofore in use has involved the making of templates for each plate, angle, and shape used in the vessel's construction and a vast amount of work in the shipyard involving fitting, bending, punching, fairing, and riveting. In vessels of large dimensions many of these separate parts are of such weight and size as to require machinery and gangs of workmen to handle them in the different processes of assembling, fitting, and riveting them when in their proper positions in the ships.

"THE GREAT STEEL PLANTS SHOULD TAKE HOLD.

"In this connection, think what would be the cost, detention, and protracted delay if our elevated railroad structures, bridges, fireproof hotels, storehouses, and railroad depots were built after such a manner. The only condition that seems to justify such a method in ship construction is the necessity of constructing the vessel where and when as an assembled mass it may be launched where it will receive its equipment and fittings afloat, all of which go to make the complete and perfect cargo ship, or, as President Wilson has characterized it, 'a national shuttle of industry.' The opportunity is now open for some of our great steel plants to prepare models of a series of cargo steamships of standard designs and varying tonnage, submitting the models to tank experiments in advance, say, under the supervision of the Navy Department, in order to secure vessels with lines of least resistance; also having tables of scantlings approved by the national inspection service and the American underwriters, thus assuring the lowest rates of marine insurance on the vessels when completed. At the mills all parts, whether plates, angles, or shapes, would be of standard dimensions, sheared and punched to standard templates, all holes being punched and left from one-sixteenth to one-eighth of an inch scant to allow for reaming to standard gauge. When the parts shall have been assembled for service, bolting and riveting at the point or place of final fabrication, the reaming of holes, riveting, chipping, and calking, all then being done by pneumatic tools.

"Such methods would insure the prompt rehabilitation of many of the Nation's original shipbuilding plants for this assembling and fabrication of hundreds of ships of various sizes, which could not by any other method be dealt with. It can therefore be readily understood that the work at the coast or in the shipyard would only be one of assembling and riveting up the parts furnished by the steel mills to the railroads for delivery at the point of fabrication.

"DUPLICATION OF PARTS.

"The motive power for such standardized vessels for fixed rates of speed can be reliably furnished as specialties of manufacture in duplication in the same manner in which standard types of pumps, turbines, and internal-combustion engines are now manufactured and supplied by such establishments as the General Electric Co., the Westinghouse Co., William Cramp & Sons, W. & A. Fletcher Co., and the Babcock & Wilcox Co., as well as other boiler companies that now supply large installations of boiler equipment.

"Such methods of ship construction and equipment anticipate the utilization of many of our original wooden shipyards, since the chief requirements will be facilities for assembling the various parts of the ship and launching the hull when fully fabricated, for there are still many valuable shipbuilding locations along the water front of the Ohio and Mississippi Rivers, and the coast, bays, and tributaries, at points where labor is to be found in abundance and of a character that can be utilized to the greatest advantage.

"STEEL MILLS AS INITIAL SHIPBUILDING PLANTS.

"Our country's great steel works now possess the facilities in capacity, if not in detail, for furnishing the finest shipbuilding material at as low prices as that of any other country.

"The perfection of the various details in ship construction herein referred to in outline will doubtless quickly bring the United States to the front as the first shipbuilding nation of the earth in the production of standard cargo carriers unequalled by any other nation possessed of like commercial facilities, to which our unlimited quantities of cheap materials will greatly contribute. With cargo carriers thus under such good headway our shipyards will gradually become expert in the construction of all of the types of merchant ships that go to make up a general marine. The opportunity and all of the accessories necessary for success are now ours."

Secretary REDFIELD. It was not with any idea, Mr. Chairman, of this nature that we did what was done in the way of developing this bill. This has all come up since the matter was thought of, and is simply a very interesting illustration of what has been possible in other lines of work, and what new types of vessels may be possible hereafter.

(The memoranda submitted by Capts. Bertholf and McAllister are as follows:)

SHIPPING BILL—COSTS OF OPERATION—TYPICAL SHIPS, USING AVERAGE WAGE AND FREIGHT RATES WHICH OBTAINED BEFORE THE EUROPEAN WAR.

In the report of the discussion of the relative merits and costs of different types of ship-propelling machinery, which took place at successive meetings of the Northeast Coast Institute of Engineers and Shipbuilders in England, it was decided that the typical cargo ship of the world at the present time is one having the following dimensions, etc.:

Gross tonnage	4,665
Net registered tonnage	2,930
Dead-weight cargo capacity	7,880
Steaming radius	3,500
Average sea speed (knots)	10½
Indicated horsepower	2,500

A large proportion of the proposed naval auxiliary reserve fleet contemplated by the shipping bill will naturally be vessels of that size. In order to compare the relative costs of operation of an American vessel and of the average existing foreign competitor in the Pacific Ocean, this type of vessel will be used. The cost of wages and of fuel are the main items of expense in the operation of any vessel. This vessel will have a crew of 44 officers and men. From various sources it is found that the cost of wages per month on the Pacific Ocean for an American vessel with an American crew was $2,210 ($26,520 per annum), while for the average foreign competitor with Asiatic crew it was $1,150 per month ($13,800 per annum). The American vessel was thus handicapped in the Pacific trade with an additional cost of $1,060 per month on wages alone ($12,720 per annum), which it is claimed is the principal item in the difference in cost of operation.

Assuming that our typical new freighter is equipped with the modern type of Diesel engine, burning crude oils by internal combustion, there will be certain elements of economy of operation incident to this type of propulsion, as follows:

1. Less cost of wages of operating force, due to the smaller number of men required: There seems to be, in the opinion of experts, a question as to the economy of operation of a Diesel engine (excluding cost of fuel), due to higher initial cost, greater insurance rates, and possibly greater cost of repairs, although the preponderance of opinion points out that there is a tangible saving in cost of operation. For the purpose of this comparison this item will be ignored in order to be entirely conservative.

2. Less cost of fuel for operation: There is absolutely no question concerning the great saving in cost of fuel. To arrive at a comparison we will assume this typical freighter as operating between San Francisco, Cal., and Valparaiso, Chile, and that she makes only five round trips per annum. The distance between ports is 5,140 miles. On each voyage the average consumption of oil will be 231 tons; the same ship fitted with the average steam machinery using coal, will use 597 tons. The cost of coal on the Pacific coast may be taken at $6 per ton, and of oil at $7 per ton. Applying these factors we find a saving in cost of fuel each one-way voyage of $1,965, or $19,650 for five round trips.

3. Gain in freight-carrying capacity, owing to less space occupied by the propelling machinery and less space necessary for storing fuel, which, it has been demonstrated, can be carried in a ship's double bottom—a space in steam-propelled vessels heretofore utilized only for water ballast: The increased capacity incident to Diesel-engined ships is variously estimated by writers on the subject as from 5 to 10 per cent on the dead-weight cargo rating. To be well within conservative limits, the assumption is made in the typical ship that her dead-weight capacity is increased from 7,880 to 8,280 tons (400 tons), a trifle over 5 per cent. Prior to the existing war the freight rates between Chile and the United States, on the average of all bulk commodities, is shown by the Consular Reports to have been approximately $12 per ton. At the present time they have increased about 80 per cent over that figure, and in the case of nitrates, the principal article of export, the increase has been 100 per cent. Again, taking a conservative estimate, we will assume an average freight rate of but $8 per ton, weight or measurement. In a 400-ton increase in capacity this will amount to $3,200 per one-way voyage, or $32,000 per annum for five round trips, in favor of the typical ship having Diesel engines.

RÉSUMÉ—PACIFIC COAST.

Typical new American ship with Diesel engines, American crew, American wages, and American standard of food, versus typical existing foreign competitor with average efficiency of steam propulsion, Asiatic crew cheap wages, and poor food, both vessels making five round trips a year between the west coast of the United States and the west coast of South America, a distance of about 5,000 miles:

Increased annual cost for American ship:		
Wages of 44 officers and men	$12,720	
Food at 50 cents per day instead of 20 cents	4,752	
		$17,472
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		18,644
Net annual saving for American ship		1,172
Annual increase in earning capacity of American ship from 400 tons additional freight space		32,000
Operating returns in favor of American ship, per annum		33,172

ATLANTIC COAST.

For the typical bulk carrier on the Atlantic coast the conditions are somewhat different from those on the Pacific coast, as follows:

1. The difference in cost of crews was less, as competitive vessels in these waters do not operate with Asiatic crews, and their standard of food is higher than for Asiatic crews.

The American scale of wages for officers and crew can be taken as the same as those for corresponding vessels on the Pacific coast, but for foreign competitors with Caucasian crews on the Atlantic coast the average wage scale for the typical freighter will be approximately $1,500 per month ($18,000 per annum). Food cost, 30 cents per day at least.

2. Coal being more plentiful and the various seaports nearer to the mines, the cost is less than on the Pacific coast. The ports on the North Atlantic particularly are farther removed from the oil wells, and in consequence the average cost of oil is higher than on the Pacific coast.

The average cost of coal at various Atlantic ports will be $4 per ton, while the average cost of fuel oil should be taken at $8.75 per ton, a price somewhat above the normal average.

The average length of voyage will be assumed the same as from San Francisco to Valparaiso (5,140 miles), as the distance from New York to Rio Janeiro is 4,441 miles, and from New York to Montevideo is 5,497 miles. The freight rates are approximately the same as those on the Pacific coast, and for purposes of comparison we will assume it to be an average of only $8 per ton, weight or measurement freight.

Applying these modifications for the Atlantic coast to the typical freighter assumed we would have the following:

RÉSUMÉ—ATLANTIC COAST.

Typical new American ship with Diesel engines, American crew, American wages, and American standard of food versus typical existing foreign competitor with average efficiency of steam propulsion, European crew, fair wages, and fair food, both vessels making five round trips a year between the east coast of the United States and the east coast of South America, a distance of 5,000 miles.

Increased annual cost for American ship:		
Wages of 44 officers and men	$8,520	
Food at 50 cents per day instead of 30 cents	3,204	
		$11,724.00
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		7,672.00
Net annual loss for American ship		4,052.00
Annual increase in earning capacity of American ship from 400 tons additional freight space		32,000.00
Operating returns in favor of American ship per annum		27,948.00

SHIPS FOR PASSENGERS AND FREIGHT.

As has been stated, the larger number of the proposed naval auxiliary fleet will naturally be freight carriers, and, consequently, of slow and economical speed. While the internal-combustion engine is peculiarly adapted to this class of merchant vessel, there are limitations to the size of this engine. Under existing conditions it would be impracticable to use internal-combustion engines of above 5,000 horsepower (twin screw), and the use of the Diesel engine is therefore practically limited to slow freight ships of not exceeding 5,000 gross tons.

There would be in this fleet of board ships a number of vessels of about 6,500 gross tons and 18-knot maximum speed for passenger and high-class freight service, and such vessels would be utilized in time of war as transports. This class of vessel requires machinery of over 5,000 horsepower, which is beyond the limit of power for which internal-combustion engines may be used. However, such great progress has been made in steam machinery that a very pronounced saving in fuel can be made by modern installations. Upon certain routes, where American steamship lines are desirable, further economies may be made by burning oil instead of coal.

As illustrative of what can be accomplished in the South American trade we will make the following comparisons:

The steamship *Havana*, of the Ward Line, running to the West Indies, is of the typical size, and the following data are well authenticated. This ship was built in 1907, and, consequently, represents a vessel somewhat more efficient than the average of all passenger steamers of similar size and type:

Gross tonnage	6,391
Dead-weight capacity	5,084
Horsepower	5,000
Bunker capacity (tons)	1,010
Speed at sea (average knots)	16.6
Coal consumption per day (tons)	145
Number of crew (including 39 firemen and coal passers)	147
Monthly wage cost	$5,623
Cost of food ($12 per man)	$1,740

The same data would apply to the typical existing foreign vessel to be met in competition, with the exception of wages and food. The pay and cost of food for the foreign ship was practically 30 per cent less. Hence we would have for the operating expenses of the average existing coal-burning foreign steamer the following, taking a 3,200-mile 8-day voyage or one round trip per month:

Wages (70 per cent of $5,623)	$3,936
Food (70 per cent of $1,740)	1,218
Fuel (145 tons per day, at $4 per ton, 16 days)	9,280
Monthly operation charges, existing foreign steamer	14,434

In the proposed American steamer with up-to-date geared turbine, burning oil fuel, the crew would be reduced to 124 men by cutting out 21 men from the fireroom force and 2 from the steward's force. There would be also a decided decrease in fuel consumption, so that the operating expenses would be as follows for the same service:

Wages, 124 men at American rates ($5,623—$1,080)	$4,543
Food, 124 men at $12 per month	1,488
Fuel (65 tons of oil per day, at $8.75 per ton) for 16 steaming days	9,100
Monthly operation charges, new American steamer	15,131

In addition the oil-burning American vessel, by carrying this fuel oil in her double bottoms, will gain at least 10 per cent in her freight-carrying capacity, or, at a very conservative estimate, she can carry 500 tons additional revenue-producing freight.

NOTE.—The proportionate gain in freight-carrying space is greater in a faster vessel than in a slow one. The faster a vessel the greater must be her bunker space, which correspondingly reduces the freight space. Hence when bunkers are eliminated and oil carried in double bottoms there is a greater proportionate gain in freight-carrying capacity than in slower vessels, which do not have to carry so much fuel.

A very conservative freight-rate estimate for a 3,200-mile voyage is $4 per ton (weight or measurement). One round trip per month would give an increased earning capacity of $4,000 in favor of the American vessel (500 tons additional freight at $4 each way).

A further saving in oil-burning vessels is a marked reduction in the cost of upkeep of boilers, cost of painting the ship, etc., which items, however, are ignored in this comparison.

RÉSUMÉ—ATLANTIC COAST.

Typical new fuel-oil-burning ship, with geared turbines, American crew, American wages, and American standard of food, versus typical existing foreign competitor, with average efficiency of steam propulsion, European crew, fair wages, and fair food, both vessels making one round trip a month between the Atlantic coast of the United States and the east coast of South America on a route of 3,200 miles.

Increased annual cost for American ship:		
Wages	$7,284	
Food	3,240	
		$10,524
Decreased annual cost for American ship:		
Saving in cost of oil fuel over coal		2,160
Net annual loss for American ship		8,364
Annual increase in earning capacity of American ship from 500 tons additional freight space		$48,000
Operating returns in favor of American ship, per annum		39,636

To illustrate what actually has been done on the Pacific coast, the following data concerning the 5,218-ton American steamship *President* is quoted from "International Marine Engineering" of July, 1914 (p. 283–284):

"The *President*, which has just returned to service, has been converted at the Seattle yards on a contract working time of 35 days. Her capacity is 5,600 barrels of oil, and on her maiden run following the change this fast steamer added one knot to her steaming speed.

"In making the oil installation the vessel's double bottom was converted into fuel tanks to carry her capacity.

"Using coal, this vessel formerly filled her bunkers with about 1,350 tons upon each call at Seattle. The operation required nine working hours, which frequently meant from 12 to 15 hours, including waste time. Now the vessel can fill her tanks while working cargo, thereby having a considerable saving of time, which is no insignificant item, because these vessels are almost constantly moving and running on a schedule almost as good as that of an express train.

"Roughly estimating the value of coal at $3.30 per ton, and that of fuel oil at 80 cents per barrel ($5.60 per ton), it is figured that the *President* will effect a saving in fuel cost alone of between $800 and $1,000 per voyage. (She makes four voyages each month.)

"There are, however, other important features of oil burning which appeal to her owners. With the elimination of coal bunkers each vessel has approximately 600 tons of additional cargo space, which is of much value, considering the demand for such space, especially at certain seasons. Probably the most important economy effected, however, is that in crew. Formerly the *President* carried a total of 136 men, and now her roster is but 113. The reduction of 23 men is apportioned, 21 men in the engine department and 2 in the steward's department, the latter being eliminated following the reduction of the fireroom force. Whereas the engine-room crew formerly numbered 44, there are now but 23 required. In addition to the saving in wages and subsistence of these men, the quarters formerly occupied by them have been turned into added cargo space."

Of course it may be said that our foreign competitors can also build these modern ships, but the fact remains that they are handicapped by their existing fleet of coal-burning vessels with expensive types of steam machinery, which they can not afford to put into the scrap heap. This will give us an advantage for a period of at least six years before the competing fleets can be brought up to the same state of efficiency as this proposed American fleet of new ships.

The United States is peculiarly well endowed by its natural resources to enter into a world-wide competition in shipping, since it will be reduced to a battle for the supremacy in economical equipment. Oil will be the most vital factor in this competition on account of its many advantages, and, as is well known, 60 per cent of the world's supply is within the borders of the United States. It is a matter of common knowledge that American shipowners are deterred at present from equipping their new vessels for oil burning owing to the extreme fluctuations in the price of oil. Fortunately the Government has reserved large tracts of oil-producing lands from the public domains, and should the machinations of private producers tend to deter the development of our merchant marine, it is, of course, possible to resort to the Government's own oil supply.

NOTE.—While the foregoing comparisons were based on wage scales and freight rates as they existed prior to the war, it should not be overlooked that since the outbreak of war the wage scale on foreign ships has increased rapidly, until at the present time it approximates the American scale of wages. Freight rates have increased enormously, as is generally known.

GOVERNMENT OWNERSHIP AND OPERATION OF MERCHANT VESSELS.

Every reasonable objection to the ownership and operation of merchant vessels has been removed in the bill as reported by the committee. Those who favor such ownership and operation are of opinion that the committee has gone too far in limiting such ownership and operation.

The bill provides that the board may, if in its judgment such action is necessary to carry out the purposes of the act, through a corporation or corporations to be organized, in which the United States shall own the majority of the stock, own and operate such vessels. The time within which vessels may be so operated is limited to five years after the present war in Europe shall end. The committee regards this a necessary power to be vested in the board. Whether it may have occasion to exercise it or not will depend upon the readiness of private interests to take over either by purchase or charter of the vessels constructed or purchased by the board, and employ them in serving our foreign commerce, particularly with the east and west coasts of South America, and from our Pacific ports to the Far East. The board may, if that trade is not being adequately served, employ such vessels in the trade with Alaska, Hawaii, and Porto Rico, in addition to the Panama Canal Zone, the Philippine Islands, Guam, and Tutuila.

The American Hawaiian and Luckenbach steamship companies have withdrawn most of their vessels from the intercoastal trade, and they are now employed in the foreign trade, leaving the coastwise trade inadequately served. They justify themselves upon the ground that their earnings are much larger in the foreign than in the coastwise trade. This is no doubt true, yet they are not in a position to object to the board exercising the powers vested in it to see that that trade is adequately served to the limited extent provided in the bill.

The question resolves itself into this: Shall the great commercial interests of the United States be paramount to the interests of the vessel owners, who, under existing law, have the monopoly of the coastwise trade, and yet exercise the right to withdraw their vessels from that trade whenever it suits their convenience or profit?

In that connection it will be interesting to read the testimony of representatives of those companies at a hearing before the Interstate Commerce Commission in the city of Washington on April 24, 25, and 26, 1916.

OCEAN FREIGHT RATES.

Since the 1st of August, 1914, when the war in Europe began, ocean freight rates have increased enormously—in some cases as much as 1,000 per cent. This is true not only in our trade with Europe but in our trade with South America and the Far East, Australia, and South Africa.

In response to a request by the committee, Dr. E. E. Pratt, Chief of the Bureau of Foreign and Domestic Commerce, furnished the committee with very full and complete data on the subject of ocean freight

rates from the ports of New York, Boston, New Orleans, and Seattle. The tables may be found beginning on page 772 of the hearings, as here given.

OCEAN FREIGHT RATES FROM NEW YORK TO EUROPE—INCREASE FROM JANUARY 1, 1914, TO JANUARY 1, 1916.

The report prepared by the New York district office of the Bureau of Foreign and Domestic Commerce, referring to increases in (1) berth rates and (2) charter rates from New York, says:

1. INCREASE IN STEAMSHIP BERTH RATES.

The increase in the steamship berth rates from the port of New York to various European ports is shown in the accompanying tables, which show the rates on sack flour, compressed cotton, grain, provisions, and measurement goods. These tables afford, therefore, an excellent basis for the study of the general increase in freight rates resulting from the scarity of cargo tonnage and from other conditions.

The table showing rates for measurement goods covers the rates for practically all articles of general merchandise as well as for a large group of miscellaneous products, including steel products, machinery, and other manufactured articles.

The rates for cotton, grain, provisions, and sack flour furnish a sufficient basis also for deductions regarding the increase in freight rates on bulk commodities carried by regular-line steamships.

The increases between January 1, 1914, and December 31, 1915, in the steamship berth rates vary considerably for the specified commodities. The general increase during the period has been between 500 and 1,000 per cent. The increase in rates for grain has been particularly marked.

On January 31, 1914, the berth rate for grain from New York to Liverpool was $0.0607 per 100 pounds and on December 31, 1915, $0.67, an increase of 1,000 per cent. Moreover, on the latter date, with the exception of movement by Government arrangements, it was practically impossible to transport grain in regular-line steamships, the bulk of the grain movement having been turned over to independent vessels chartered for the purpose.

A similar increase is seen in the berth rates on cotton from New York. On January 3, 1914, the rate per 100 pounds on cotton from New York to Liverpool was 28 cents, and on December 31, 1915, $2.25.

The same general ratio of increase is also noticeable in the berth rates for provisions, sack flour, and measurement goods.

Berth rates for measurement goods during the period studied have also shown a marked increase. On January 3, 1914, the rate per 100 pounds for the carrying of manufactured articles from New York to Liverpool was 21 cents, and on December 31, 1915, 63 cents.

While the most noticeable increases in steamship berth rates have been in the rates from the United States to European ports, still the great demand for cargo space for trans-Atlantic tonnage has caused similar increases in the rates to other parts of the world. One very striking illustration of this fact is the rate on cement from New York to the River Plate. Previous to the war rates on cement from New York to the River Plate were very low, about $5 per ton, but to-day an export manager of a large cement manufacturing house in New York reports that he is in a position to quote a selling price for cement in New York of 68 cents per barrel or about $3.40 per ton, while the freight rate on cement from New York to River Plate ports is $16 per ton. The great discrepancy between the cost of the manufactured article and the ocean transportation rate is evident. Moreover, in this connection it should be remembered that the rates on cement from England to South American ports have not shown so great a relative increase as the rates from New York to South American ports. At the time the quoted rate from New York to the River Plate was $14 per ton the rate from Liverpool to the River Plate was approximately $9 per ton.

2. INCREASE IN CHARTER RATES.

The great increases in the steamship-berth rates is paralleled by the increases in the steamship charter rates for full cargoes from New York to European ports. The bulk of the freight tonnage in foreign trade is moved by tramp steamers which are owned by independent steamship companies and are chartered through steamship agents and brokers to individuals and firms desiring steamers for the movement of full cargoes.

No industry is more directly affected by conditions of the demand and supply than the steamship industry and the creation of a great demand for cargo space in any section of the world's markets has a direct effect upon steamship charter rates and berth rates in all parts of the world. Charter rates fluctuate directly in relation to the available cargo tonnage and the demand for cargo space. The great increase in charter rates, therefore, presents the best evidence of the scarcity of tonnage at the present time and the need of additional tonnage if any relief is to be expected.

Grain charters: Charters for grain are usually based on a charter of a steamship for the transportation of a certain number of quarters, each quarter consisting of approximately 480 pounds, or 8 bushels. On January 3, 1914, when the movement of grain was at a very low ebb, the charter rate from New York to English ports was 2 shillings 1½ pence ($0.52) per quarter. On December 31, 1915, the charter rate was about 13 shillings 6 pence ($3.29) per quarter. The charter rate on December 31, 1915, on grain from New York to Mediterranean ports was 18 shilings ($4.38), while the average rate for grain between the United States and other European ports was between 12 and 14 shillings ($2.92 to $3.41) per quarter.

One interesting feature in connection with the increase in charter rates for grain is the fact that it occurred largely during the late summer and fall of 1915. In the fall of 1914, although there was a very large demand for cargo space for grain movement, the charter rates ranged between 5 and 8 shillings ($1.22 to $1.95) per quarter. Even as late as April 3, 1915, the charter rates on grain from New York to European ports were about 9 shillings ($2.19), but during September, October, November, and December, 1915, there was a very great increase in the rates, showing not only a greater demand for cargo tonnage, but also a decrease in the available supply.

Coal charters. The movement of coal between the United States and foreign countries is carried on primarily on a charter basis, as full cargo shipments are made. The increase in the charter rates on coal therefore furnishes another criterion of the shipping situation. Previous to the outbreak of the European war there was very little movement of coal from the United States to European or other ports. On July 3, 1914, however, a schooner was chartered for the movement of coal from Philadelphia to Calais at $1.10 per ton. As a result of the conditions resulting in a scarcity of steamship tonnage a steamer was chartered on December 31, 1915, for the movement of coal from Norfolk to Boston at $3.25 per ton dead-weight.

Petroleum charters: In the foreign trade petroleum is carried largely in tank steamers. There is therefore a definite limit to the amount of steamship tonnage available for the handling of petroleum in bulk. Nevertheless the increase in the charter rates for petroleum has been marked, and it is practically impossible at the present time to secure charters for tank steamers at any rate on account of the great scarcity of tonnage.

On April 4, 1914, the charter rates for the movement of case oil from New York to the Far East was 17½ cents per case. On December 31, 1915, a steamer was chartered from New York to Australia at a charter rate of $1.50 per case, and a sailing vessel was chartered for the movement of petroleum in barrels from Philadelphia to the United Kingdom at 13 shillings 6 pence ($3.29) per ton.

Miscellaneous charters: A great part of the movement of freight by chartered vessels is carried on under different forms of charter. There has been a marked tendency in shipping circles to adopt the time charter, and the increase in the rates for time charters for steamships and sailing vessels has been remarkable. Time charters for individual steamships are usually based on (1) the payment of a lump sum covering the period of the voyage, (2) payment on a monthly basis, or (3) a payment of a lump sum per ton of dead-weight capacity of vessel.

A typical time charter in January, 1914, for a steamer in the trans-Atlantic trade, for one round trip, was made at the rate of 3 shillings 7½ pence ($0.88) per ton dead-weight. In December, 1915, a steamer of about the same tonnage was chartered for one round trip in the trans-Atlantic trade on a basis of 30 shillings ($7.30) per ton dead-weight.

This illustration is typical of a number of others of similar character. Thus, a steamer of about 2,500 tons was chartered for 12 months in April, 1914, on the basis of 2 shilling 10½ pence ($0.70) per ton dead-weight. In October, 1915, not only was it extremely difficult to secure a charter covering so long a period of time, but a steamer of approximately the same tonnage was chartered for one round trip from the United States to the Far East on the basis of 15 shillings ($3.65) per ton dead-weight. Time charters for larger vessels, especially for particular trades, have gone as high as $54,000 per month, as in the case of American vessels used in the cotton trade with Germany last fall when it was possible to ship raw cotton to Bremen direct.

Another striking illustration of the tremendous increase in charter rates is shown by the charter of a small steamship of 989 tons for the West Indian and coastwise trade, on December 31, 1915, for 12 months at the rate of $7,000 per month.

Charters to South America: The increase in charter rates for the movement of goods between the United States and South America is of particular interest. On January 3, 1914, a steamer of about 3,200 tons was chartered for the movement of coal from the United States to Rio de Janeiro at 15 shillings ($3.65) per ton. On December 31, 1915, a Norwegian steamer of only 2,400 tons was chartered for the movement of coal from Atlantic ports to Rio de Janeiro on a basis of 52 shillings 6 pence ($12.70), and a schooner of only 1,000 tons was chartered for the movement of coal from Norfolk to Para on the basis of $7.50 per ton. In view of the fact that the cost of the coal at Norfolk was approximately $2.85, the relation of the steamship rate to the cost of material was extremely noticeable.

One of the commodities that has been severely affected by the increase in the freight rates is lumber. On January 3, 1914, a Russian steamer of about 1,500 tons was chartered for the movement of lumber from one of the Gulf ports to the River plate at 105 shillings ($25.55) per standard (2,000 board feet). On December 31, 1915, a sailing bark of 1,500 tons registry was chartered for the movement of timber from the Gulf to British ports, a shorter voyage, at 320 shillings ($77.86) per standard.

Another striking illustration of the great increase in the freight rates during the last 12 months is shown by the fact that on January 3, 1914, a steamer of 2,200 tons register was chartered for the New York and South American trade at the rate of 4 shillings 7½ pence ($1.13) per ton dead-weight, and on December 31, 1915, a Norwegian bark of 1,500 tons register was chartered for the movement of nitrate from South America to the United States on a basis of 70 shillings ($17.03) per ton dead-weight.

General summary: The above tables and facts bring out four salient points:

1. A very steady and remarkable increase in steamship rates from New York to all parts of the world is noticeable. This has been particularly true of steamship berth rates, and even been more marked in the matter of charter rates.

2. A scarcity in steamship tonnage, which was noticeable at the outbreak of the war on account of the withdrawal of the German and Austrian merchant shipping and the requisition of a large part of the British marine under Admiralty orders have been instrumental in causing a decrease in the supply of steamship tonnage. The decrease of steamship tonnage has been accompanied by a steady growth in the demand for cargo space for the movement of goods from New York to Europe. As a result, steamship rates have continued and will continue to mount unless some changes can be brought about in the present situation.

2. The most important feature of the situation from the standpoint of the United States is the fact that the tremendous demand for cargo space, coupled with the scarcity of steamship tonnage in the trans-Atlantic trade, has seriously affected the trade of the United States with neutral and outlying countries, such as South America, Australia, South Africa, and the Far East. It is practically impossible to secure any tonnage, either sailing or steam, except at exorbitant rates for the transportation of goods from the United States to those countries. This is due to the length of the voyage and to the fact that greater profits can be secured in the shorter voyage at trans-Atlantic rates.

4. There is a general feeling among shippers of goods from the port of New York that the Government might be able to materially assist the situation by securing and operating vessels which would be entered into service for the purpose of moving American goods to such markets as Australia, the Far East, and South Africa, for which at the present time it is practically impossible to secure cargo space at a rate which will enable the customer to purchase the goods.

Ocean freight rates from New York to European ports.
GRAIN, PER BUSHEL.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Jan. 3	4.6	4.1	4.1	5.1	5.7	5.3	8.4	9.1	9.1	10.7
10	4.6	4.1	4.1	5.1	6.1	4.5	8.4	9.1	9.1	10.7
17	4.1	4.1	4.1	5.6	6.1	3.0	8.0	8.4	8.4	9.9
24	4.1	4.1	4.1	5.6	6.1	3.8	8.0	8.4	8.4	9.9
31	4.1	4.1	4.1	5.1	5.7	3.8	7.6	8.4	6.9	9.1
Feb. 7	4.1	4.1	4.1	4.6	5.7	4.0	7.6	7.6	7.2	9.1
14	4.1	3.5	4.1	4.6	5.7	4.3	7.6	7.6	7.2	9.1
21	4.1	3.5	4.1	4.6	5.7	4.3	7.6	7.6	7.2	9.1
28	4.1	3.0	4.1	4.1	5.7	4.3	7.6	8.0	6.1	9.1
Mar. 7	4.1	3.0	4.1	4.1	5.7	4.0	7.2	8.0	6.1	9.1
14	3.5	2.5	3.5	4.1	5.7	4.0	7.2	7.6	5.3	9.1
21	3.5	2.5	3.0	4.1	5.7	4.0	6.5	7.6	5.3	9.1
28	3.5	2.5	3.0	4.1	5.7	3.5	6.5	7.6	4.6	9.1
Apr. 11	3.5	2.5	3.0	4.1	5.7	3.5	6.5	6.1	4.2	9.1
18	3.5	2.5	3.0	4.1	5.7	3.5	6.5	6.5	4.2	9.1
25	3.5	2.5	4.1	4.1	5.7	3.5	7.2	6.9	4.2	9.1
May 2	3.5	2.5	3.0	3.5	5.7	3.5	6.5	6.5	6.1	9.1
9	3.5	2.5	3.0	3.5	5.7	3.8	6.5	6.5	6.1	9.1
16	3.0	3.0	3.0	3.5	5.7	3.8	6.5	7.6	5.3	6.1
23	3.0	3.0	3.0	3.5	5.7	3.5	6.1	7.6	5.3	6.1
29	3.0	3.0	.....	3.5	5.7	3.3	6.1	7.6	5.3	6.1
June 6	3.0	3.0	4.1	3.5	5.7	3.3	6.1	7.6	5.3	6.1
13	3.0	3.0	4.1	3.5	5.3	3.0	6.1	7.6	6.1	9.1
20	3.0	4.1	4.1	3.5	5.3	3.0	6.1	7.6	6.1	9.1
27	3.0	5.1	4.1	3.5	5.3	3.0	6.1	8.4	6.1	9.1
July 3	3.5	5.1	4.1	3.5	6.1	3.5	6.1	8.7	6.9	8.4
11	4.1	5.1	4.1	5.1	6.1	6.3	7.2	8.7	6.9	8.4
18	5.1	5.1	3.0	5.6	6.1	6.4	7.2	8.7	6.9	8.4
Aug. 1	5.1	5.1	3.0	5.6	6.1	6.0	7.6	9.5	8.4	8.4
8[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sept. 5	6.6	5.1	6.1	7.1	13.7	.....	7.6	.....	.....	.....
12	6.6	5.1	6.1	5.1	12.2	.....	7.6	.....	.....	.....
19	6.6	5.1	6.1	6.6	12.9	.....	8.4	9.9	10.7	12.2
26	7.1	7.1	.....	7.1	12.9	.....	8.4	9.9	12.2	13.7
Oct. 3	7.1	7.1	.....	8.1	15.2	11.0	8.4	9.9	12.2	13.7
10	7.1	8.1	.....	8.1	15.2	11.0	8.7	11.0	12.2	16.7
17	7.1	7.6	.....	8.1	15.2	.....	.....	12.2	.....	16.7
24	7.6	7.1	.....	8.1	16.7	.....	12.2	13.7	15.2	16.7
31	8.6	8.1	.....	8.1	15.3	.....	12.2	13.7	15.2	16.7
Nov. 7	13.2	12.2	.....	13.2	18.3	.....	12.2	16.7	17.5	17.5
14	14.2	13.2	.....	14.2	18.3	.....	12.2	19.0	17.5	19.0
21	14.2	13.2	.....	14.2	18.3	.....	12.2	19.8	17.5	19.0
28	15.2	13.2	.....	14.2	18.3	.....	12.2	19.8	19.8	20.5
Dec. 5	15.2	14.2	.....	15.2	25.9	27.4	.....	24.3	27.4	27.4
12	16.2	16.2	.....	16.2	.....	.....	.....	25.9	27.4	27.4
19	17.2	16.2	.....	17.2	.....	30.4	.....	.....	30.4	.....
24	18.3	17.2	.....	18.3	.....	.....	.....	30.4	.....	.....
1915.										
Jan. 2	18.3	18.3	.....	18.3	.....	.....	.....	30.4	.....	.....
9	19.3	18.3	.....	18.3	.....	.....	.....	30.4	36.5	.....
16	.....	20.3	.....	19.3	.....	.....	.....	28.9	.....	.....
23	24.3	22.3	.....	19.3	.....	36.0	.....	33.5	.....	.....
30	22.3	21.3	.....	20.3	.....	.....	.....	33.5	.....	.....
Feb. 6	22.3	21.3	.....	20.3	.....	.....	.....	30.4	.....	.....
13	22.3	22.3	.....	20.3	.....	.....	.....	30.4	.....	.....
20	24.3	24.3	.....	18.3	.....	.....	.....	30.4	.....	.....
27	24.3	24.3	.....	24.3	.....	.....	.....	33.5	.....	.....
Mar. 6	24.3	24.3	.....	24.3	.....	.....	.....	33.5	.....	.....
13	.....	24.3	.....	24.3	.....	.....	.....	.....	.....	.....
20	.....	24.3	.....	24.3	.....	.....	.....	.....	.....	.....
27	.....	24.3	.....	24.3	42.6	.....	.....	.....	.....	.....
Apr. 3	24.3	24.3	.....	24.3	42.6	.....	.....	36.5	.....	.....
10	24.3	24.3	.....	24.3	42.6	39.5	.....	36.5	.....	36.5
17	22.3	24.3	24.3	24.3	36.5	39.5	.....	30.4	.....	36.5
24	21.3	22.3	21.3	21.3	36.5	.....	.....	30.4	.....	.....
May 1	22.3	22.3	21.3	21.3	33.5	27.4	.....	30.4	.....	.....
8	22.3	22.3	21.3	22.3	33.5	.....	.....	30.4	.....	33.5
15	24.3	24.3	.....	24.3	33.5	.....	.....	30.4	.....	33.5
22	22.3	22.3	.....	22.3	27.4	.....	.....	30.4	33.5	33.5
29	24.3	24.3	.....	24.3	27.4	.....	.....	30.4	31.9	31.9
June 5	24.3	24.3	.....	24.3	28.1	.....	.....	30.4	31.9	31.9
12	24.3	24.3	.....	22.3	28.1	.....	.....	30.4	31.9	31.9
19	22.3	24.3	22.3	21.3	28.1	.....	.....	30.4	.....	.....
26	21.3	21.3	21.3	21.3	27.4	.....	.....	30.4	.....	.....
July 2	21.3	21.3	21.3	16.2	28.9	.....	.....	30.4	.....	.....
10	21.3	18.3	21.3	16.2	28.9	.....	.....	30.4	.....	.....
17	21.3	20.3	22.3	18.2	31.9	25.9	.....	30.4	.....	.....
24	21.3	21.3	22.3	21.3	31.9	27.4	.....	30.4	36.5	36.5
31	21.3	21.3	22.3	22.3	31.9	27.4	.....	30.4	36.5	36.5
Aug. 7	20.3	20.3	22.3	24.3	36.5	33.5	.....	33.5	36.5	36.5
14	20.3	20.3	24.3	24.3	36.5	36.5	.....	33.5	36.5	36.5
21	20.3	20.3	24.3	24.3	36.5	36.5	.....	35.0	36.5	36.5
28	22.3	21.3	24.3	30.4	36.5	36.5	.....	35.0	36.5	36.5
Sept. 4	24.3	24.3	24.3	30.4	36.5	36.5	.....	35.0	36.5	36.5
11	28.4	26.4	30.4	30.4	36.5	36.5	.....	35.0	36.5	36.5
18	28.4	28.4	30.4	30.4	36.5	36.5	.....	35.0	36.5	36.5
25	30.4	30.4	30.4	32.4	.....	35.0	.....	36.5	36.5	36.5
Oct. 2	36.5	36.5	36.5	36.5	.....	35.0	.....	36.5	36.5	36.5
9	40.6	40.6	40.6	48.7	45.0	35.0	.....	38.0	45.6	45.6
16	40.6	40.6	38.5	48.7	.....	35.0	.....	38.0	45.6	45.6
23	40.6	40.6	36.5	48.7	48.7	38.0	.....	39.5	45.6	45.6
30	40.6	40.6	40.6	48.7	.....	35.0	.....	39.5	45.6	45.6
Nov. 5	40.6	40.6	40.6	48.7	.....	37.5	.....	.....	45.6	45.6
13	40.6	40.6	40.6	48.7	54.8	37.5	.....	.....	45.6	45.6
20	40.6	40.6	40.6	48.7	54.8	37.5	.....	.....	51.7	51.7
27	38.5	38.6	40.6	48.7	60.8	.....	.....	.....	54.8	54.8
Dec. 4	38.5	38.6	38.5	48.7	60.8	37.0	.....	.....	57.8	57.8
11	40.6	40.6	38.5	48.7	60.8	.....	.....	.....	60.8	60.8

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

GRAIN, PER BUSHEL—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Dec. 18	40.6	40.6	40.6	48.7						79.1
24	40.6	40.6	40.6	48.7						79.1
31	40.6	40.6	40.6	48.7						
1916.										
Jan. 8	40.6	40.6	40.6	48.7						
15	42.6	42.6	40.6	48.7						
22	44.6	44.6	42.6	48.7				78.0		
29	44.6	44.6	44.6	48.7				78.0		
Feb. 5	44.6	44.6	44.6	48.7						
11	48.7	48.7	44.6	48.7						
19	50.7	50.7	48.7	50.7						
26	50.7	50.7	46.6	60.8						
Mar. 4	50.7	50.7	46.6	60.8						
11	50.7	50.7	46.6	60.8						

SACK FLOUR, PER 100 POUNDS.

1914.										
Jan. 3	15.0	14.0	17.0	18.0	18.0	13.0	22.5	20.0	19.0	19.0
10	15.0	14.0	17.0	18.0	17.0	13.0	22.5	20.0	19.0	19.0
17	13.0	12.0	15.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
24	13.0	12.0	15.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
31	13.0	12.0	15.0	17.0	17.0	13.0	22.5	20.0	19.0	19.0
Feb. 7	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
14	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
21	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
28	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
Mar. 7	13.0	12.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
14	12.0	11.0	15.0	17.0	17.0	12.0	22.5	20.0	19.0	19.0
21	12.0	11.0	15.0	17.0	17.0	12.0	22.5	18.0	19.0	19.0
28	12.0	11.0	15.0	17.0	17.0	12.0	22.5	18.0	19.0	19.0
Apr. 11	12.0	11.0	14.0	17.0	17.0	11.0	18.0	18.0	19.0	19.0
18	12.0	11.0	14.0	17.0	17.0	11.0	18.0	18.0	19.0	19.0
25	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
May 2	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
9	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
16	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
23	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
29	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
June 6	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
13	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
20	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
27	11.0	10.0	13.0	15.0	17.0	10.0	18.0	18.0	19.0	19.0
July 3	13.0	12.0	14.0	17.0	19.0	10.0	18.0	18.0	19.0	19.0
11	13.0	12.0	14.0	17.0	20.0	10.0	18.0	18.0	19.0	19.0
18	13.0	12.0	14.0	17.0	20.0	11.0	18.0	18.0	19.0	19.0
Aug. 1	13.0	12.0	14.0	17.0	20.0	11.0	18.0	18.0	19.0	19.0
8[1]										
15[1]										
22[1]										
29[1]										
Sept. 5	21.0	20.0	22.0	25.0	32.0	20.0	30.0	30.0	43.5	43.5
12	21.0	20.0	23.0	25.0	32.0	21.0	30.0	30.0	43.5	43.5
19	21.0	20.0	23.0	25.0	32.0	21.0	25.0	34.0	36.9	36.9
26	21.0	20.0	23.0	25.0	32.0	21.0	25.0	34.0	36.9	36.9
Oct. 3	22.0	21.0	24.0	26.0	32.0	25.0	25.0	35.0	34.0	34.0
10	22.0	21.0	24.0	26.0	32.0	25.0	25.0	35.0	34.0	34.0
17	22.0	21.0	24.0	26.0	35.0	25.0	26.3	35.0	34.0	34.0
24	22.0	21.0	24.0	26.0	35.0	25.0	26.3	35.0	34.0	34.0
31	22.0	21.0	25.0	26.0	35.0	25.0	29.0	35.0	34.0	34.0
Nov. 7	25.0	24.0	26.0	28.0	35.0	27.0	36.0	37.5	35.0	35.0
14	25.0	24.0	27.0	28.0	40.0	30.0	40.0	42.5	40.0	40.0
21	27.0	26.0	29.0	30.0	45.0	32.0	40.0	45.0	45.0	45.0
28	27.0	26.0	29.0	30.0	55.0	32.0	40.0	45.0	50.0	50.0
Dec. 5	27.0	26.0	29.0	30.0	60.0	40.0	42.0	50.0	55.0	55.0
12	30.0	26.0	29.0	30.0	60.0	55.0	47.0	55.0	60.0	60.0
19	35.0	26.0	29.0	30.0	65.0	55.0	47.0	55.0	65.0	65.0
24	35.0	35.0	30.0	35.0	65.0	55.0	47.0	55.0	65.0	65.0
1915.										
Jan. 2	40.0	40.0	35.0	35.0	60.0	55.0	47.0	50.0	65.0	65.0
9	40.0	40.0	40.0	40.0	65.0	60.0	52.5	55.0	70.0	70.0
16	40.0	40.0	40.0	40.0	70.0	60.0	100.0	55.0	70.0	70.0
23	40.0	40.0	40.0	40.0	70.0	60.0	100.0	55.0	70.0	70.0
30	40.0	40.0	40.0	40.0	70.0	60.0	75.0	55.0	75.0	75.0
Feb. 6	40.0	40.0	40.0	40.0	70.0	60.0	75.0	55.0	75.0	75.0
13	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
20	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
27	40.0	40.0	40.0	40.0	75.0	70.0	75.0	55.0	75.0	75.0
Mar. 6		40.0	40.0	40.0	75.0	70.0	63.0	60.0	75.0	75.0
13		40.0	40.0	40.0	85.0	70.0	63.0	65.0	75.0	75.0
20	40.0	40.0	40.0	40.0	75.0	80.0	75.0	75.0	75.0	75.0
27	40.0	40.0	40.0	40.0	75.0	80.0	63.0	60.0	75.0	75.0
Apr. 3	45.0	45.0	45.0	45.0	75.0	80.0	63.0	60.0	75.0	75.0
10	45.0	45.0	45.0	45.0	75.0	80.0	63.0	60.0	75.0	75.0
17	45.0	45.0	40.0	45.0	75.0	80.0	58.0	55.0	75.0	75.0
24	45.0	40.0	40.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
May 1	45.0	40.0	45.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
8	45.0	40.0	45.0	45.0	75.0	80.0	58.0	50.0	75.0	75.0
15	50.0	50.0	45.0	45.0	60.0	75.0	58.0	50.0	75.0	75.0
22	45.0	40.0		45.0	60.0	65.0	58.0	50.0	75.0	75.0
29	50.0	45.0	50.0	45.0	60.0	65.0	58.0	45.0	75.0	75.0
June 5	50.0	45.0	50.0	45.0	60.0	65.0	50.0	42.0	75.0	75.0
12	50.0	45.0	50.0	45.0	55.0	65.0	50.0	42.0	75.0	75.0
19	45.0	45.0	50.0	45.0	55.0	50.0	50.0	42.0	75.0	75.0
26	45.0	45.0	50.0	45.0	55.0	50.0	50.0	45.0	75.0	75.0
July 2	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0
10	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

SACK FLOUR, PER 100 POUNDS—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
July 17	45.0	40.0	50.0	45.0	50.0	50.0	50.0	45.0	75.0	75.0
24	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
31	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
Aug. 7	45.0	45.0	50.0	45.0	50.0	50.0	55.0	45.0	68.0	68.0
14	45.0	45.0	50.0	45.0	60.0	50.0	65.0	50.0	65.0	65.0
21	50.0	45.0	55.0	50.0	70.0	60.0	65.0	55.0	65.0	65.0
28	50.0	45.0	55.0	50.0	70.0	60.0	65.0	60.0	65.0	65.0
Sept. 4	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
11	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
18	50.0	45.0	55.0	55.0	70.0	60.0	65.0	65.0	65.0	65.0
25	60.0	55.0	60.0	60.0	70.0	60.0	70.0	65.0	70.0	70.0
Oct. 2	65.0	65.0	65.0	65.0	75.0	65.0	80.0	70.0	75.0	75.0
9	70.0	65.0	70.0	70.0	75.0	70.0	90.0	70.0	80.0	80.0
16	70.0	65.0	70.0	70.0	75.0	70.0	90.0	80.0	80.0	80.0
23	75.0	70.0	70.0	70.0	75.0	70.0	90.0	80.0	80.0	80.0
30	75.0	70.0	70.0	70.0	75.0	70.0	100.0	80.0	80.0	80.0
Nov. 5	75.0	70.0	75.0	75.0	80.0	70.0	100.0	90.0	80.0	80.0
13	75.0	75.0	75.0	75.0	80.0	70.0	100.0	90.0	80.0	80.0
20	80.0	75.0	75.0	75.0	85.0	90.0	100.0	100.0	90.0	90.0
27	80.0	75.0	75.0	75.0	85.0	90.0	100.0	100.0	90.0	90.0
Dec. 4	80.0	75.0	75.0	75.0	100.0	100.0	100.0	100.0	100.0	100.0
11	80.0	75.0	75.0	75.0	100.0	100.0	110.0	120.0	110.0	110.0
18	80.0	80.0	75.0	75.0	100.0	100.0	110.0	120.0	110.0	110.0
24	90.0	80.0	75.0	75.0	110.0	100.0	110.0	120.0	110.0	110.0
31	90.0	85.0	80.0	80.0	110.0	100.0	120.0	120.0	120.0	120.0
1916.										
Jan. 8	90.0	85.0	81.0	80.0	110.0	100.0	120.0	120.0	120.0	120.0
15	90.0	85.0	81.0	80.0	110.0	100.0	125.0	125.0	125.0	125.0
22	90.0	90.0	85.0	90.0	115.0	110.0	135.0	135.0	135.0	135.0
29	90.0	90.0	90.0	90.0	115.0	110.0	135.0	135.0	150.0	150.0
Feb. 5	90.0	90.0	90.0	100.0	115.0	110.0	135.0	135.0	150.0	150.0
11	90.0	90.0	90.0	100.0	115.0	110.0	135.0	135.0	150.0	150.0
19	100.0	90.0	90.0	100.0	125.0	140.0	150.0	150.0	200.0	200.0
26	100.0	90.0	95.0	100.0	125.0	140.0	150.0	150.0	175.0	175.0
Mar. 4	100.0	100.0	95.0	100.0	125.0	140.0	150.0	150.0	175.0	175.0
11	100.0	100.0	100.0	100.0	140.0	140.0	150.0	150.0	175.0	175.0

PROVISIONS, PER 100 POUNDS.

1914.										
Jan. 3	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
10	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
17	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
24	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
31	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Feb. 7	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
14	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
21	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
28	24.4	21.7	24.4	21.7	33.9	29.0	30.0	32.6	32.6	32.6
Mar. 7	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
14	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
21	24.4	21.7	24.4	21.7	33.9	28.0	30 0	32.6	32.6	32.6
28	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Apr. 4	24.4	21.7	24.4	21.7	33.9	28.0	30 0	32.6	32.6	32.6
11	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
18	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
25	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
May 2	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
9	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
16	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
23	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
29	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
June 6	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
13	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
20	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
27	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
July 3	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
11	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
18	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
25	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
Aug. 1	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
8[1]										
15[1]										
22[1]										
29[1]										
Sept. 5	24.4	21.7	24.4	21.7	33.9	28.0	30.0	32.6	32.6	32.6
12	32.6	32.6	35.3	32.6	50.2	38.0	40.0		43.5	43.5
19	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
26	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
Oct. 3	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
10	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
17	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
24	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
31	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
Nov. 7	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
14	32.6	32.6	35.3	32.6	50.2	38.0	40.0	38.0	43.5	43.5
21	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
28	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
Dec. 5	32.6	32.6	35.3	32.6	50.2	38.0	40.0	43.5	54.3	54.3
12	32.6	32.6	38.0	32.6	50.2	38.0	50.0	65.2	65.2	65.2
19	32.6	32.6	38.0	32.6	50.2	38.0	50.0	65.2	65.2	65.2
24	38.0	38.0	40.7	38.0	108.6	50.0	50.0	70.6	86.9	86.9
1915.										
Jan. 2	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
9	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
16	38.0	38.0	40.7	38.0	108.6	60.0	60.0	70.6	108.6	108.6
23	38.0	38.0	43.5	43.5	162.9	75.0	85.0	70.6	108.6	108.6
30	38.0	38.0	43.5	43.5	162.9	75.0	85.0	81.5	108.6	108.6

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

PROVISIONS, PER 100 POUNDS—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Feb. 6	48.9	48.9	48.9	43.5	162.9	125.0	85.0	81.5	108.6	108.6
13	48.9	48.9	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
20	48.9	54.3	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
27	65.2	65.2	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
Mar. 6	65.2	65.2	48.9	43.5	162.9	125.0	125.0	81.5	108.6	108.6
13	65.2	65.2	65.2	54.3	162.9	150.0	125.0	81.5	108.6	108.6
20	65.2	65.2	65.2	65.2	195.5	175.0	125.0	86.9	108.6	108.6
27	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
Apr. 3	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
10	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
17	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
24	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
May 1	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
8	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
15	65.2	65.2	65.2	65.2	195.5	175.0	125.0	108.6	108.6	108.6
22	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
29	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
June 5	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
12	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
19	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
26	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
July 2	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
10	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
17	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
24	65.2	65.2	65.2	65.2	135.8	100.0	125.0	108.6	108.6	108.6
31	65.2	65.2	65.2	65.2	135.8	80.0	125.0	108.6	108.6	108.6
Aug. 7	65.2	65.2	65.2	65.2	124.9	80.0	125.0	108.6	108.6	108.6
14	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
21	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
28	65.2	65.2	65.2	65.2	124.9	90.0	125.0	108.6	108.6	108.6
Sept. 4	65.2	65.2	65.2	65.2	150.0	110.0	125.0	89.3	108.6	108.6
11	68.0	68.0	68.0	68.0	158.0	125.0	125.0	89.3	108.6	108.6
18	68.0	68.0	68.0	68.0	158.0	125.0	125.0	89.3	108.6	108.6
25	80.0	80.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
Oct. 2	80.0	80.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
9	90.0	100.0	80.0	80.0	150.0	125.0	125.0	89.3	112.5	112.5
16	90.0	90.0	80.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
23	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
30	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
Nov. 5	90.0	90.0	90.0	80.0	175.0	125.0	125.0	111.6	112.5	112.5
13	90.0	90.0	90.0	90.0	190.0	125.0	125.0	133.9	112.5	112.5
20	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
27	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
Dec. 4	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
11	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
18	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	112.5
24	90.0	90.0	90.0	90.0	190.0	150.0	125.0	133.9	112.5	125.5
31	100.0	100.0	100.0	90.0	200.0	175.0	125.0	156.3	125.0	125.0
1916.										
Jan. 8	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
15	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
22	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
29	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
Feb. 5	125.0	125.0	125.0	125.0	225.0	175.0	200.0	200.0	150.0	150.0
11	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
19	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
26	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
Mar. 4	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0
11	125.0	125.0	125.0	125.0	225.0	175.0	200.0	250.0	175.0	175.0

COTTON, COMPRESSED, PER 100 POUNDS.

Date.	British port, Liverpool.	Danish port, Copenhagen.	Dutch port, Rotterdam.	French port, Havre.	Italian ports.	
					Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Jan. 3	28.0	40.0	35.0	30.0	40.0	40.0
10	28.0	40.0	35.0	30.0	40.0	40.0
17	28.0	40.0	35.0	30.0	40.0	40.0
24	25.0	40.0	25.0	25.0	30.0	40.0
31	25.0	40.0	25.0	25.0	30.0	40.0
Feb. 7	25.0	40.0	25.0	25.0	30.0	40.0
14	25.0	40.0	25.0	25.0	30.0	40.0
21	25.0	40.0	25.0	25.0	30.0	40.0
28	25.0	40.0	25.0	25.0	30.0	40.0
Mar. 7	25.0	40.0	25.0	25.0	30.0	40.0
14	20.0	40.0	25.0	25.0	25.0	30.0
21	20.0	40.0	25.0	25.0	25.0	30.0
28	20.0	40.0	25.0	25.0	25.0	30.0
Apr. 4	20.0	40.0	25.0	25.0	25.0	30.0
11	20.0	40.0	25.0	25.0	25.0	30.0
18	20.0	40.0	25.0	25.0	25.0	30.0
25	20.0	40.0	25.0	25.0	25.0	30.0
May 2	20.0	40.0	25.0	25.0	25.0	30.0
9	20.0	40.0	25.0	25.0	25.0	30.0
16	20.0	40.0	25.0	21.0	22.5	30.0
23	20.0	40.0	25.0	21.0	22.5	30.0
29	20.0	40.0	25.0	21.0	22.5	30.0
June 6	20.0	40.0	25.0	21.0	22.5	30.0
13	20.0	40.0	25.0	21.0	22.5	30.0
20	20.0	40.0	25.0	21.0	22.5	30.0
27	20.0	40.0	25.0	21.0	22.5	30.0
July 3	20.0	40.0	25.0	21.0	22.5	30.0
11	20.0	40.0	25.0	21.0	22.5	30.0
18	20.0	40.0	25.0	21.0	22.5	30.0

Ocean freight rates from New York to European ports—Continued.

COTTON, COMPRESSED, PER 100 POUNDS—continued.

Date.	British port, Liverpool.	Danish port, Copenhagen.	Dutch port, Rotterdam.	French port, Havre.	Italian ports.	
					Genoa.	Naples.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Aug. 1	20.0	40.0	25.0	21.0	22.5	30.0
8[1]	.....	.....	.....	.....	.....	.....
15[1]	.....	.....	.....	.....	.....	.....
22[1]	.....	.....	.....	.....	.....	.....
29[1]	.....	.....	.....	.....	.....	.....
Sept. 5	20.0	40.0	25.0	21.0	22.5	30.0
12	40.0	.....	.....	45.0	75.0	65.0
19	35.0	.....	.....	45.0	75.0	65.0
26	35.0	.....	.....	45.0	75.0	65.0
Oct. 3	35.0	.....	.....	45.0	75.0	65.0
10	35.0	.....	.....	45.0	75.0	65.0
17	35.0	.....	.....	45.0	75.0	65.0
24	35.0	.....	.....	45.0	75.0	65.0
31	35.0	.....	.....	45.0	75.0	65.0
Nov. 7	50.0	.....	.....	60.0	80.0	80.0
14	50.0	.....	.....	60.0	80.0	80.0
21	60.0	.....	100.0	100.0	100.0	100.0
28	60.0	.....	100.0	100.0	100.0	100.0
Dec. 5	75.0	.....	120.0	100.0	100.0	100.0
12	75.0	.....	120.0	100.0	100.0	100.0
19	75.0	.....	120.0	100.0	100.0	100.0
24	75.0	.....	120.0	100.0	100.0	100.0
1915.						
Jan. 2	75.0	.....	120.0	100.0	100.0	100.0
9	75.0	.....	200.0	100.0	100.0	100.0
16	100.0	.....	200.0	200.0	125.0	100.0
23	100.0	250.0	250.0	200.0	125.0	100.0
30	100.0	250.0	250.0	200.0	125.0	100.0
Feb. 6	100.0	250.0	250.0	200.0	125.0	100.0
13	100.0	250.0	250.0	200.0	125.0	100.0
20	125.0	250.0	225.0	200.0	125.0	100.0
27	125.0	250.0	225.0	200.0	125.0	100.0
Mar. 6	125.0	250.0	225.0	200.0	125.0	100.0
13	125.0	250.0	225.0	200.0	125.0	100.0
20	125.0	250.0	225.0	200.0	125.0	100.0
27	200.0	250.0	225.0	300.0	150.0	100.0
Apr. 3	200.0	250.0	225.0	300.0	150.0	100.0
10	200.0	250.0	225.0	300.0	150.0	100.0
17	200.0	250.0	225.0	300.0	150.0	100.0
24	200.0	250.0	225.0	300.0	150.0	100.0
May 1	200.0	250.0	225.0	300.0	150.0	100.0
8	200.0	250.0	225.0	300.0	150.0	100.0
15	200.0	250.0	225.0	300.0	150.0	100.0
22	125.0	200.0	200.0	150.0	125.0	225.0
29	125.0	200.0	200.0	150.0	125.0	225.0
June 5	125.0	200.0	200.0	150.0	125.0	225.0
12	125.0	200.0	200.0	150.0	125.0	225.0
19	100.0	200.0	200.0	150.0	125.0	125.0
26	100.0	200.0	200.0	150.0	125.0	125.0
July 2	100.0	200.0	130.0	125.0	100.0	160.0
10	100.0	200.0	130.0	125.0	100.0	160.0
17	100.0	200.0	130.0	125.0	100.0	160.0
24	100.0	200.0	130.0	125.0	100.0	160.0
31	100.0	200.0	130.0	125.0	100.0	160.0
Aug. 7	100.0	200.0	130.0	150.0	125.0	160.0
14	100.0	200.0	130.0	150.0	125.0	160.0
21	100.0	200.0	150.0	150.0	135.0	160.0
28	100.0	200.0	150.0	150.0	135.0	160.0
Sept. 4	125.0	200.0	160.0	150.0	135.0	160.0
11	125.0	200.0	160.0	150.0	135.0	160.0
18	125.0	200.0	160.0	150.0	135.0	160.0
25	125.0	200.0	160.0	150.0	135.0	160.0
Oct. 2	125.0	200.0	160.0	150.0	135.0	160.0
9	125.0	200.0	160.0	150.0	135.0	160.0
16	125.0	200.0	160.0	150.0	135.0	160.0
23	125.0	200.0	160.0	150.0	135.0	160.0
30	125.0	200.0	160.0	150.0	135.0	160.0
Nov 5	125.0	200.0	160.0	150.0	135.0	160.0
12	125.0	200.0	160.0	150.0	135.0	160.0
20	125.0	225.0	225.0	150.0	150.0	160.0
27	125.0	225.0	225.0	150.0	135.0	160.0
Dec. 4	150.0	225.0	225.0	150.0	135.0	160.0
11	150.0	225.0	225.0	150.0	135.0	160.0
18	150.0	225.0	225.0	150.0	135.0	160.0
24	200.0	225.0	225.0	150.0	135.0	160.0
31	225.0	275.0	250.0	150.0	135.0	160.0
1916.						
Jan. 8	225.0	275.0	250.0	150.0	135.0	160.0
15	250.0	275.0	250.0	300.0	135.0	160.0
22	250.0	275.0	250.0	300.0	135.0	160.0
29	250.0	275.0	250.0	300.0	135.0	160.0
Feb. 5	250.0	275.0	250.0	300.0	135.0	160.0
11	250.0	275.0	250.0	300.0	135.0	160.0
19	250.0	275.0	250.0	300.0	135.0	160.0
26	250.0	275.0	250.0	300.0	135.0	160.0
Mar. 4	275.0	300.0	300.0	300.0	135.0	160.0
11	275.0	300.0	300.0	300.0	135.0	160.0

[1] Owing to conditions abroad, no rates are quoted on freight of any kind to any European ports.

Ocean freight rates from New York to European ports—Continued.

MEASUREMENT GOODS, PER TON OR 40 CUBIC FEET.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1914.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Jan. 3	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
10	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
17	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
24	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
31	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Feb. 7	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
14	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
21	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
28	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Mar. 7	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
14	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
21	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
28	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Apr. 11	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
18	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
25	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
May 2	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
9	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
16	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
23	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
29	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
June 6	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
13	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
20	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
27	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
July 3	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
11	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
18	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
Aug. 1	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
8[1]										
15[1]										
22[1]										
29[1]										
Sept. 5	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
12	4.25	4.25	4.25	3.65	5.17	4.00	5.00	4.86	6.08	6.08
19	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
26	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
Oct. 3	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
10	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
17	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
24	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
31	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
Nov. 7	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
14	4.86	4.86	6.08	4.86	11.25	6.00	6.00	8.51	9.73	9.73
21	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
28	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
Dec. 5	4.86	4.86	6.08	4.86	11.25	6.00	10.00	8.51	9.73	9.73
12	7.30	7.30	8.51	6.08	14.60	6.00	10.00	12.17	12.17	12.17
19	7.30	7.30	8.51	6.08	14.60	6.00	10.00	12.17	12.17	12.17
24	7.30	7.30	8.51	6.08	14.60	8.00	12.00	12.17	17.03	17.03
1915.										
Jan. 2	7.30	7.30	8.57	6.08	14.60	8.00	12.00	12.17	24.33	24.33
9	7.30	7.30	8.51	6.08	14.60	8.00	12.00	12.17	24.33	24.33
16	7.30	7.30	8.51	6.08	17.03	8.00	12.00	12.17	24.33	24.33
23	9.73	9.73	8.51	6.08	17.03	12.00	20.00	15.81	24.33	24.33
30	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
Feb. 6	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
13	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
20	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
27	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
Mar. 6	9.73	9.73	8.51	6.08	17.03	12.00	20.00	18.24	24.33	24.33
13	9.73	9.73	9.73	6.08	19.47	12.00	20.00	18.24	24.33	24.33
20	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
27	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
Apr. 3	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
10	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
17	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
24	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
May 1	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	24.33	24.33
8	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	19.47	24.33
15	24.33	24.33	9.73	9.73	19.47	12.00	25.00	19.47	19.47	19.47
22	14.60	24.33	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
29	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
June 5	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
12	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
19	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
26	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
July 2	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
10	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
17	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
24	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
31	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
Aug. 7	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
14	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
21	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
28	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
Sept. 4	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
11	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	19.47	19.47
18	14.60	14.60	.....	12.17	19.47	16.00	20.00	18.24	20.00	19.47
25	12.80	12.80	.....	12.80	20.00	18.00	20.00	20.00	20.00	20.00
Oct. 2	12.80	12.80	.....	12.80	20.00	18.00	20.00	20.00	20.00	20.00
9	15.20	15.20	.....	15.20	20.00	18.00	20.00	20.00	20.00	20.00
16	15.20	15.20	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
23	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
30	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
Nov. 5	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
13	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
20	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
27	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00

[1] Owing to condtions abroad, no rates are quoted on freight of any kind to any European port.

Ocean freight rates from New York to European ports—Continued.

MEASUREMENT GOODS, PER TON OR 40 CUBIC FEET—continued.

Date.	British ports.				Danish port, Copenhagen.	Dutch port, Rotterdam.	French ports.		Italian ports.	
	London.	Liverpool.	Glasgow.	Hull.			Havre.	Marseille.	Genoa.	Naples.
1915.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Dec. 4	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
11	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
18	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
24	15.20	18.80	.....	15.20	20.00	18.00	25.00	25.00	20.00	20.00
31	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
1916.										
Jan. 8	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
15	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
22	25.20	25.20	.....	18.80	20.00	18.00	25.00	35.00	20.00	20.00
29	25.20	25.20	.....	18.80	20.00	18.00	25.00	40.00	20.00	20.00
Feb. 5	25.20	25.20	.....	18.80	20.00	18.00	25.00	40.00	20.00	20.00
11	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
19	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
26	25.20	25.20	.....	18.80	25.20	20.00	25.00	50.00	30.00	30.00
Mar. 4	25.20	25.20	.....	18.80	30.00	20.00	35.00	50.00	30.00	30.00
11	25.20	25.20	.....	18.80	30.00	20.00	35.00	50.00	30.00	30.00

Boston: Increase in ocean freight rates from January 1, 1914, to January 1, 1916, to London, Liverpool, Genoa, Naples, Copenhagen; and from Liverpool and Buenos Aires to Boston.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Boston, March 10, 1916.

In regard to the ocean freight rate investigation I beg to inclose herewith some material as follows:

(1) Data furnished by Mr. J. M. McLachland, of the International Mercantile Marine Co., 84 State Street, Boston, Mass., for the White Star and Leland Lines, as follows:

Freight rates from Boston to London.
Freight rates from Boston to Genoa.
Freight rates from Boston to Naples.
Freight rates from Boston to Liverpool.
Freight rates from Liverpool to Boston.

(2) Data furnished by Mr. Porter, of Furness, Withy & Co., 4 Liberty Square, Boston, Mass., agents for the Warren Line, Furness Line, etc., as follows:

Freight rates from Boston to Liverpool.

(3) Data furnished by Mr. F. H. Ryan, of A. C. Lombard's Sons, 110 State Street, Boston, Mass., agents for the Scandinavian-American Line and for the Houston Line, as follows:

Freight rates from Boston to Copenhagen.
Freight rates from Buenos Aires to Boston.

(4) Data furnished by Mr. L. H. Peters, foreign freight agent of the New York Central and Boston & Albany Railroads, as per post-card circulars they issue regularly, as to freight rates from Boston to various points.

Letters sent out to a hundred or more private firms produced no results, probably because these firms did not wish to divulge their rates or else had not kept a record of same for the dates wanted.

Very truly, yours,
W. A. GRAHAM CLARK,
Commercial Agent.

Ocean freight rates from Boston to British ports.

GRAIN, FLOUR, PROVISIONS, AND APPLES.

[Published by Boston & Maine R. R. Co., foreign freight department.]

Date	Grain (per bushel).			Sack flour (per 100 pounds).			Provisions (per 100 pounds).			Apples (per barrel).		
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Jan. 9	$0.046	$0.051	$0.051	$0.14	$0.15	$0.17	$0.217	$0.217	$0.244	$0.669	$0.669	$0.73
16	.041	.046	.041	.12	.13	.15	.217	.244	.244	.669	.669	.73
23	.035	.046	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
30	.035	.041	.051	.12	13	.15	.217	.217	.244	.669	.669	.73
Feb. 6	.03	.041	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
13	.03	.041	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
20	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
27	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
Mar. 6	.03	.035	.051	.12	.13	.15	.217	.217	.244	.669	.669	.73
13	.03	.035	.051	.11	.13	.15	.217	.217	.244	.669	.669	.73
20	.03	.035	.051	11	.12	.15	.217	.217	.244	.669	.669	.73
27		.03	.051	.11	.12	.14	.217	.217	.244	.669	.669	.73
Apr. [1]												
10	.03	.03	.041	.11	.12	.14	.217	.217	.244	.669	.669	.73
17	.03	.03	.041	.11	.12	.14	.217	.217	.244	.669	.669	.73
24	.03	.03	.041	.10	.11	.13	.217	.217	.244	.669	.669	.73
May 1	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
8	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
15	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
22	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
29	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
June 5	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
12	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
19	.03	.03	.03	.10	.11	.13	.217	.217	.244	.669	.669	.73
26	.035	.035	.03	.10	.13	.13	.217	.217	.244	.669	.669	.73
July 3	.041	.041	.03	.10	.13	.14	.217	.217	.244	.669	.669	.73
10	.046	.051	.03	.12	.13	.14	.217	.217	.244	.669	.669	.73
17	.046	.051	.03	.12	.13	.14	.217	.217	.244	.669	.669	.73
24 [1]												
31	.051	.051	.03	.15	.16	.15	.217	.217	.244	.669	.669	.73
Aug. 7 [2]												
14 [2]												
21 [2]												
18	.071	.081	.041	.20	.21	.23	.326	.326	.353	.973	.973	1.034
Sept. 4	.061	.061	.041	.20	.21	.23	.326	.326	.353	.973	.973	1.034
11	.061	.061	.041	.20	.21	.23	.326	.326	.353	.791	.791	.852
18	.061	.071	.041	.20	.21	.23	.326	.326	.353	.791	.791	.852
25	.071	.071	.041	.20	.22	.23	.326	.326	.353	.791	.791	.852
Oct. 2	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
9	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
16	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
23	.071	.081	.041	.21	.22	.24	.326	.326	.353	.791	.791	.852
30	.081	.101	.081	.21	.22	.24	.326	.326	.353	.791	.791	.852
Nov. 6	.111	.132	.081	.24	.25	.27	.326	.326	.353	.791	.791	.852
13	.122	.132	.122	.24	.25	.27	.326	.326	.353	.791	.791	.852
20	.132	.142	.122	.24	.25	.27	.326	.326	.353	.791	.791	.852
27	.132	.142	.122	.26	.27	.27	.326	.326	.353	.791	.791	.852

[1] No data available.

[2] No quotations on account of war.

Ocean freight rates from Boston to British ports—Continued.

GRAIN, FLOUR, PROVISIONS, AND APPLES—continued..

Date	Grain (per bushel).			Sack flour (per 100 pounds).			Provisions (per 100 pounds).			Apples (per barrel).		
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Dec. 4	$0.132	$0.142	$0.122	$0.26	$0.27	$0.29	$0.326	$0.326	$0.353	$0.791	$0.791	$0.852
11	.132	.152	.122	.26	.27	.29	.326	.326	.353	.791	.791	.852
18	.152	.172	.142	.26	.35	.31	.326	.326	.407	.791	.791	.852
24	.162	.172	.142	.40	.40	.31	.38	.38	.407	.791	.791	.852
1915.												
Jan. 1	.162	.172	.152	.40	.40	.35	.38	.38	.407	.791	.791	.852
8	.172	.182	.178	.40	.40	.40	.38	.38	.407	.791	.791	.852
15	.203	.....	.183	.40	.....	.40	.38	.....	.407	.791	.....	.852
22	.203	.....	.203	.40	.....	.40	.38	.....	.435	.791	.....	.913
29	.203	.....	.203	.40	.....	.40	.38	.....	.435	.791	.....	.913
Feb. 5	.203	.....	.203	.40	.....	.40	.489	.....	.489	.791	.....	.913
12	.223	.....	.203	.40	.....	.40	.489	.....	.489	.791	.....	.973
19	.243	.....	.203	.40	.....	.40	.543	.....	.516	.791	.....	.973
26	.243	.....	.203	.40	.....	.40	.652	.....	.543	.791	.....	.973
Mar. 5	.243	.....	.223	.40	.....	.40	.652	.....	.652	.791	.....	.973
12	.264	.....	.223	.45	.....	.40	.652	.....	.652	.791	.....	.973
19	.264	.....	.223	.50	.....	.40	.652	.....	.652	.791	.....	.973
26	.264	.....	.223	.40	.....	.40	.652	.....	.652	.791	.....	.973
Apr. 2	.264	.264	.223	.40	.50	.40	.652	.652	.652	.791	.791	.973
16	.243	.243	.223	.40	.50	.40	.652	.652	.652	1.034	1.034	.973
23	.243	.223	.223	.40	.45	.45	.652	.652	.652	1.095	1.034	.973
30	.223	.223	.223	.40	.45	.40	.652	.652	.652	1.217	1.034	.973
May 7	.223	.223	.223	.40	.45	.46	.652	.652	.652	1.217	1.034	.973
14	.223	.223	.223	.45	.50	.46	.652	.652	.652	1.217	1.034	.973
21	.243	.223	.223	.45	.50	.46	.652	.652	.652	1.217	1.034	.973
28	.243	.223	.223	.45	.50	.45	.652	.652	.652	1.217	1.034	.973
June 4	.243	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.034	.973
11	.243	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.....
18	.223	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
25	.223	.223	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
July 2	.203	.203	.223	.45	.50	.50	.652	.652	.652	1.217	1.217	.973
9	.203	.203	.223	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
16	.183	.203	.223	.40	.50	.50	.652	.652	.652	1.25	1.25	1.25
23	.203	.203	.223	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
30	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
Aug. 6	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
13	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
20	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
27	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
Sept. 3	.203	.203	.243	.45	.50	.50	.652	.652	.652	1.25	1.25	1.25
10	.264	.264	.243	.45	.50	.55	.68	.68	.80	1.25	1.25	1.25
17	.264	.264	.243	.48	.50	.55	.68	.50	.80	1.25	1.25	1.25
24	.304	.304	.284	.50	.55	.60	.68	.80	.80	1.25	1.25	1.50
Oct. 1	.365	.365	.365	.60	.65	.60	.80	.80	.80	1.25	1.25	1.50
8	.406	.406	.365	.65	.75	.65	.80	.90	.80	1.25	1.25	1.50
15	.406	.406	.365	.70	.75	.70	.90	.90	.90	1.25	1.25	1.50
22	.365	.365	.365	.70	.70	.70	.90	.90	.90	1.25	1.25	1.50
29	.385	.385	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
Nov. 5	.406	.406	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
12	.406	.406	.406	.70	.75	.75	.90	.90	.90	1.25	1.25	1.50
19	.385	.385	.406	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
26	.385	.365	.385	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
Dec. 3	.385	.365	.365	.70	.80	.75	.90	.90	.90	1.25	1.25	1.75
10	.385	.385	.385	.70	.80	.80	.90	.90	.90	1.25	1.25	1.75
17	.385	.406	.385	.80	.80	.80	.90	.90	.95	1.25	1.25	1.75
24	.385	.406	.406	.80	.80	.85	1.00	1.00	.95	1.25	1.25	1.75
31	.385	.406	.406	.80	.80	.85	1.00	1.00	1.00	1.25	1.25	1.75
1916.												
Jan. 7	.406	.406	.406	.80	.85	.85	1.25	1.25	1.10	1.25	1.25	1.75
14	.406	.406	.406	.80	.80	.85	1.25	1.25	1.10	1.25	1.25	1.75
21	.406	.406	.406	.80	.80	1.00	1.25	1.25	1.25	1.25	1.25	1.75

LUMBER (HARD AND SOFT), TOBACCO, AND COTTON.

[Published by Boston & Maine R. R. Co., foreign freight department.]

Date.	Lumber (per 100 pounds).						Tobacco (per 100 pounds).			Cotton (per 100 pounds).		
	Hard.			Soft.								
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
Jan. 9	$0.18½	$0.21	$0.17	$0.24	$0.27	$0.24	$0.37	$0.35	$0.35	$0.20	$0.25	$0.30
16	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
23	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
30	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.18	.25	.30
Feb. 6	.18½	.21	.17	.24	.27	.24	.37	.35	.35	.16	.25	.30
13	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.16	.25	.30
20	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.16	.25	.30
27	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
Mar. 6	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
13	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
20	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
27	.18½	.21	.17	.24	.27	.24	.31	.35	.35	.12	.25	.30
Apr. 3[1]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10	.18½	.21	.17	.24	.27	.26	.31	.35	.35	.12	.25	.30
17	.18½	.21	.17	.24	.27	.26	.31	.35	.35	.12	.25	.30
24	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30

[1] No report at hand.

Ocean freight rates from Boston to British ports—Continued.

LUMBER (HARD AND SOFT) TOBACCO, AND COTTON—continued.

Date.	Lumber (per 100 pounds).						Tobacco (per 100 pounds).			Cotton (per 100 pounds).		
	Hard.			Soft.								
	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.	Liverpool.	London.	Glasgow.
1914.												
May 1	$0.16½	$0.21	$0.17	$0.22	$0.27	$0.26	$0.31	$0.35	$0.35	$0.12	$0.25	$0.30
8	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
15	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
22	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
29	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
June 5	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
12	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
19	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
26	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
July 3	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
10	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.12	.25	.30
17	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.15	.25	.30
24[1]												
31	.16½	.21	.17	.22	.27	.26	.31	.35	.35	.25	.25	.30
Aug. 7[2]												
14[2]												
21[2]												
28	.23½	.26		.29	.32		.31	.45		.25		
Sept. 4	.23½	.26	.20	.29	.32	.27	.31	.45		.25		
11	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.25		.30
18	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.25		.30
25	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
Oct. 2	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
9	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
16	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
23	.23½	.26	.20	.29	.32	.27	.31	.45	.45	.30		.30
30	.23½	.26	.20	.29	.32	.27	.40	.38	.45	.35		.30
Nov. 6	.26½	.28	.20	.32	.33	.27	.40	.38	.45	.45		.30
13	.25	.30	.20	.30	.35	.27	.40	.38	.45	.45		.30
20	.25	.30	.20	.30	.35	.27	.45	.38	.45	.45		.30
27	.26	.30	.20	.32	.35	.27	.50	.38	.45	.50		.30
Dec. 4	.26	.30	.20	.32	.35	.27	.50	.38	.50	.50		.50
11	.30	.30	.20	.35	.35	.27	.60	.62	.50	.60		.50
18	.30	.30	.20	.35	.35	.27	.60	.62	.50	.60		.50
24	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.75		.50
1915.												
Jan. 1	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.75		.50
8	.38	.38	.20	.435	.435	.27	1.00	1.00	.50	.85		.50
15	.435			.543			1.25		1.00	1.00		
22	.40			.543			1.25		1.00	1.00		
29	.40		.35	.543		.40	1.25		1.00	1.00		1.00
Feb. 5	.50		.50	.543		.40	1.25		1.00	1.00		1.00
12	.45		.35	.543		.40	1.25		1.00	1.00		1.00
19	.45		.35	.543		.40	1.25		1.00	1.00		1.00
26	.543		.40	.652		.45	1.50		1.00	1.00		1.00
Mar. 5	.543		.40			.45	1.25		1.00	1.00		1.00
12	.543		.45	.652		.50	1.25		1.00	1.00		1.00
19	.543		.475	.652		.54	1.50		1.00	1.00		1.00
26	.543		.475	.652		.54	1.50		1.00	1.25		1.00
Apr. 2	.543	.60	.475	.652	.65	.54	1.50	1.50	1.00	1.25		1.00
9[3]												
16	.652	.61	.575	.76	.67	.64	1.50	1.50	1.00	1.25		1.00
23	.652	.61	.575	.76	.67	.64	1.50	1.50	1.00	1.25		1.00
30	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
May 7	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
14	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
21	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
28	.652	.652	.575	.76	.76	.64	1.25	1.50	1.00	1.00		1.00
June 4	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
11	.652	.652	.60	.76	.76	.65	1.25	1.50	1.00	1.00		1.00
18	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
25	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
July 2	.652	.652	.60	.76	.76	.66	1.25	1.50	1.00	1.00		1.00
9	.652	.652	.60	.76	.76	.66	1.15	1.50	1.00	1.00		1.00
16	.598	.652	.60	.706	.76	.66	1.15	1.50		1.00		
23	.598	.652	.60	.706	.76	.66	1.15	1.50		1.00		
30	.598	.652	.60	.706	.76	.66	1.15	1.50	1.25	1.00		1.00
Aug. 6	.598	.652	.60	.706	.679	.66	1.15	1.40	1.25	1.00		1.00
13	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
20	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
27	.598	.652	.575	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
Sept. 3	.598	.652	.60	.706	.679	.64	1.15	1.40	1.25	1.00		1.00
10	.65	.70	.60	.70	.75	.66	1.15	1.17	1.25	1.00		1.00
17	.65	.70	.60	.70	.75	.66	1.15	1.20	1.25	1.15		1.00
24	.65	.70	.65	.70	.75	.70	1.15	1.20	1.25	1.25		1.00
Oct. 1	.70	.75	.68	.75	.80	.73	1.25	1.30	1.25	1.25		1.00
8	.70	.80	.75	.75	.85	.83	1.25	1.50	1.25	1.25		1.00
15	.70	.85	.70	.75	.90	.75	1.25	1.50	1.25	1.25		1.25
22	.70	.90	.70	.75	.95	.75	1.25	1.50	1.25	1.00		1.25
29	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25		1.25
Nov. 5	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25		1.25
12	.70	.95	.70	.80	1.00	.75	1.25	1.50	1.25	1.25	1.25	1.25
19	.70	.95	.725	.80	1.00	.78	1.25	1.50	1.25	1.25		1.25
26	.75	.95	.725	.85	1.00	.79	1.25	1.50	1.25	1.25		1.25
Dec. 3	.85	.95	.775	1.00	1.00	.84	1.35	1.50	1.25	1.50		1.25
10	.85	.95	.775	1.00	1.00	.84	1.35	1.50	1.50	1.75		1.50
17	.95	.95	.78	1.20	1.00	.84	1.50	2.00	1.50	2.00	2.00	1.50
24	.95	.95	.80	1.20	1.00	.84	1.75	2.00	1.50	2.00	2.00	2.00
31	.95	.95	.78	1.20	1.00	.84	2.00	2.00	1.50	2.25	2.25	1.50
1916.												
Jan. 7	1.10	1.10	.80	1.20	1.20	.84	3.00		2.00	2.75	3.00	2.00
14	1.10	1.10	.83	1.20	1.20	.89	3.00		2.25	2.75	3.00	
21	1.10	1.10	.83	1.20	1.20	.89	3.00		2.25	2.75	3.00	

[1] No report at hand.

[2] Unsettled conditions on account of war.

[3] No data available.

Import freight rates.

FROM LIVERPOOL TO BOSTON.

Commodity.	Unit.	1914			
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.
Cotton goods	40 cubic feet	$9.13	$9.13	$9.13	$9.13
Cotton, raw	2,240 pounds	4.26	4.26	4.26	4.26
Ear henware and china	40 cubic feet	$2.43–4.26	$2.43–4.26	$2.43–4.26	$2.43–4.26
Hides and skins	2,240 pounds	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29
India rubber	40 cubic feet	9.13	9.13	9.13	13.38
Iron, ferromanganese	2,240 pounds	3.04	3.04	3.04	3.04
Tin, in bars	do	9.13	9.13	9.13	9.13
Vegetable oils	do	10.34	10.34	10.34	10.34
Wool, raw	do	4.26	4.26	4.26	4.26
	40 cubic feet	6.08	6.08	6.08	6.08
Measurement goods	do	18.25	18.25	18.25	18.25
		9.13–18.25	9.13–18.25	9.13–18.25	9.13–18.25

Commodity.	Unit.	1915				Jan. 1, 1916.
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Cotton goods	40 cubic feet	$13.38	$13.38	$13.38	$13.38	$13.38
Cotton, raw	2,240 pounds	5.47	5.47	6.08	6.08	6.08
Earthenware and china	40 cubic feet	$3.04–4.26	$3.04–4.26	$3.65–6.08	$3.65–6.08	$3.65–6.08
Hides and skins	2,240 pounds	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29	8.21–21.29
India rubber	40 cubic feet	13.38	13.38	13.38	13.38	13.38
Iron, ferromanganese	2,240 pounds	3.04	3.04	3.04	3.65	3.65
Tin, in bars	do	9.13	9.13	9.13	9.13	9.13
Vegetable oils	do	10.34	10.34	10.34	10.34	10.34
Wool, raw	do	5.47	5.47	5.47	5.47	5.47
	40 cubic feet	9.13	9.13	9.13	9.13	9.13
Measurement goods	do	18.25	18.25	18.25	18.25	18.25
		13.38–21.90	13.38–21.90	13.38–21.90	13.38–21.90	13.38–21.90

FROM BUENOS AIRES TO BOSTON.

Commodity.	Unit.	1914			
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.
Hides, salt	Per ton	$6.50	$6.50	$6.50	$6.50
Hides, dry	100 pounds	.70	.70	.70	.70
Wool, raw	40 cubic feet	4.50	4.50	4.50	4.50

Commodity.	Unit.	1915				Jan. 1, 1916.
		Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Hides, salt	Per ton	$14.00	$14.00	$14.00	$14.00	$14.00
Hides, dry	100 pounds	1.50	1.50	1.50	1.50	1.50
Wool, raw	40 cubic feet	12.00	12.00	12.00	12.00	12.00

New Orleans: Increase in ocean freight rates from January 1, 1914, to January 1, 1916.

[Report prepared by the New Orleans district office of the Bureau of Foreign and Domestic Commerce.]

NEW ORLEANS, *March 10, 1916.*

In compliance with the instructions given in your letter of February 2, dictated by Commercial Agent Jones, there are inclosed herewith ocean freight-rate schedules covering the traffic between New Orleans and European ports. These schedules are as complete as it has been possible to make them from the data available. New Orleans ships very little outside of the first two classifications on the prepared schedule, and it has been impossible to obtain rates that would be of any value for comparative purposes on steel products, machinery, mineral and petroleum products, and miscellaneous manufactured goods. A large amount of oil is credited to the export figures of this port, but this moves in full cargo lots chiefly from Baton Rouge.

The figures supplied in the inclosed statements are taken from the books of the New Orleans Cotton Exchange, the files of the Lumber Trade Journal, files of the rate sheets issued by the Texas Transport & Terminal Co., A. H. Clement & Co., Ross & Heyn, and George Gerdes & Co., supplemented by figures taken from the actual manifests of the Leyland, Vogemann, Head, Pinillos, Gans, Norway-Mexico Gulf, Swedish-American-Mexico, Maclay-Prentice Co., and Pierce Cotonlera lines.

I am giving on these sheets the rates as quoted in the various sources of information, with footnotes indicating any variation in the unit of quantity. It would be misleading to the compiler of any report from this data for me to make any attempt at reducing these rates to a common basis. The fluctuation in sterling exchange has forced a good many changes in the methods of quoting during the last six months. For example, the cottonseed oil rate has ordinarily been quoted in shillings per barrel, but since the 1st of October a number of lines have changed their quotations to cents per hundred pounds to avoid the uncertainty of exchange fluctuations. To bring the shilling rates down to a dollar and cents basis due consideration must be given to the various exchange rates ruling at the time these quotations were made. In other cases the unit of quantity on which quotation is made has been changed. For instance, pine quotations are in some cases in shillings per standard and in others in dollars per thousand feet. This can readily be brought down to a common unit of quantity, but I believe such conversion should be done by the person making use of the figures rather than by the compiler of these charts, as he will then know exactly what has been done.

Yours, very truly,

E. E. JUDD,
Commercial Agent in Charge.

Another communication from the commercial agent in charge of the New Orleans district office of the Bureau of Foreign and Domestic Commerce may also be of interest in connection with the shipping situation at the Gulf ports. This letter was in answer to a request from the bureau that the agent look into the possibilities of securing a vessel for the movement of mahogany from Central America to New Orleans for a large plant in Cincinnati:

NEW ORLEANS, *March 8, 1916.*

I have your letter of March 6, dictated by Commercial Agent Jones, inclosing copy of a letter from the Freiberg Lumber Co. to the Cincinnati Chamber of Commerce, asking for advice as to the conditions in shipping between Central America and the Gulf ports. I can say, in general, that charters for Central American business have been practically unobtainable for the past several months, charter rates being way above what this traffic can bear. Steamers are absolutely out of the question, as they have all gone into the European trade with the exception of the regular line vessels carrying general cargo down and bringing bananas and other fruit back. There have been a few small sailing vessels on the market from time to time at high rates. The regular liners are not available for mahogany business, as they will accept such cargo only in small quantities and at their regular shipping points. Most of the mahogany is loaded at small ports not regularly touched by these ships.

The abnormal prices asked for tonnage in the Central American trade are only a logical result of the European situation. With cotton rates at $2.90 per hundred pounds to Liverpool, $3.15 to Havre, $3 to Barcelona, and $3.60 to Gothenberg, and pig iron bringing $25 a ton, it is only natural that shipowners have thrown their vessels into the European trade. Shippers to Europe are literally begging for space at these prices. There has been a great deal of speculating in tonnage, but the rates are traceable directly to the enormous outbound traffic. I just heard to-day of one speculator who paid 170 shillings per deadweight ton for a vessel with a capacity of sixteen to eighteen hundred tons. The market has dropped a little since then, so that the ship is

only worth about 140 shillings now. This man stands to lose several thousand dollars on the venture in spite of the high rates prevailing.

I am going further into this subject in the next day or so and will report if I find anything further of interest. I shall also do a little scouting around in shipping circles here and see if I can't pick up something for the Freiberg Co. I think I know where there is an 1,800-ton sailing vessel which might be glad to make a contract for mahogany business.

Very truly, yours,

E. E. JUDD,
Commercial Agent in Charge.

P. S.—In talking over the shipping situation with Mr. De Witt to-day I mentioned that a mahogany company wanted a 2,000-ton steamer. He said if he could find any such craft he would like to buy three of them at a good, fat figure, and pay a fine commission to the wizard who produced them. He said, "I don't care about age, beauty, or flag, if they will float and can sail without danger of being shot to pieces. And I can load them with something more profitable than mahogany."

E. E. J.

Ocean freight rates from New Orleans to European ports.

COTTON (COMPRESSED), PER 100 POUNDS.

Port of destination.	1914				1915				1916, Jan. 1.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
British ports:									
London	$0.48				$1.15				
Liverpool	.31	$0.30	$0.28	$0.50	1.00	$1.40	$1.00	$1.10	$3.00
Manchester	.38	.33	.31	.50	1.00	1.60	1.10	1.15	
Glasgow	.34	.38	.35	.45	.65	1.15	1.25		2.25
Dublin	.48	.38	.35						
Belfast	.48	.38	.35	.45	.65				
Scandinavian ports:									
Gothenburg	.53	.43	.40			2.25	1.75	1.75	2.75
Christiania	.53	.43	.40	.85	1.20 / 2.00	2.25	1.75	1.75	2.75
Dutch ports:									
Amsterdam	.40	.32	.27	.72	2.52	2.17	1.52	2.02	2.77
Rotterdam	.36	.34	.28	.35	2.50	2.15	1.50	2.00	2.75
Havre, France	.38	.34	.35	.50	1.20 / 1.35	1.55	1.20	1.60	2.50
Barcelona, Spain	.60	.40	.40	.85	1.40	1.40	1.40	1.50	2.00
Italian ports:									
Genoa	.45	.40	.38	.60	1.35	1.75	1.25	1.75	2.25
Naples	.47½	.42½	.40½	.72½	1.52½	1.75	1.25	1.75	2.30

COTTONSEED OIL, PER BARREL OF 450 POUNDS.

British ports:									
Liverpool	$1.22	$1.22	$1.10	$4.87			$2.43	$2.92	
Glasgow	1.35	1.26	1.17	1.40	$2.03	$2.93	3.60	3.60	$5.40
Dublin	1.53	1.30	1.22			3.02	3.69	3.69	5.63
Belfast	1.35	1.26	1.17	1.62	2.03	2.93	3.60	3.60	5.40
Scandinavian ports:									
Gothenburg	1.70	1.70	1.70			6.33	8.52	5.40	8.55
Christiania	1.70	1.70	1.70	1.58	7.30	8.52	4.26		5.63
Dutch ports:									
Amsterdam			1.10	1.95	4.38	4.99		6.04	7.29
Rotterdam	1.46	1.46	.97	1.83	4.26	4.87	4.31	5.85	7.20
Havre, France	1.46	1.46	1.40	1.46	2.92	4.87	3.89	4.73	12.60
Genoa, Italy	1.70	1.64	1.64	2.19	3.65	5.84	4.87	5.40	6.53

COTTONSEED CAKE, PER LONG TON.

British ports:									
Liverpool	$3.65	$2.92	$2.43		$10.34		$10.34	$12.17	
Manchester	3.65	2.92	2.43				10.34	10.95	
Glasgow	4.62	4.14	3.89	$6.08	8.03	$12.17	13.39	14.60	$21.90
Dublin	5.11	4.38	4.14			12.66	13.87	15.09	22.39
Belfast	4.62	4.14	3.89	6.08	8.03	12.17	13.39	14.60	21.90
Scandinavian ports:									
Gothenburg	5.11	3.89	3.89			18.25	14.60	15.68	33.60
Christiania	4.87	3.89	3.89			15.82	14.60	15.68	33.60
Dutch ports:									
Amsterdam	3.89	3.65	3.29	6.33	14.83	19.96	14.83	22.85	28.45
Rotterdam	3.65	3.41	3.04	6.08	14.60	19.70	14.60	22.40	28.00
Havre, France	4.02	3.77	3.16	5.35	11.31	17.03	12.17	16.80	33.60
Genoa, Italy	5.35	5.35	5.35	7.30	10.95	20.08	14.60	18.37	30.24

WHEAT, PER BUSHEL OF 60 POUNDS.

British ports:									
Liverpool	$0.07	$0.061	$0.061	$0.061	$0.152	$0.264		$0.243	
Manchester	.07	.066	.061	.132	.233	.264			
Glasgow	.101	.101		.091				.35	$0.548
Scandinavian ports:									
Gothenburg	.101	.091	.087				$0.365	.38	.589
Christiania	.101	.091	.084		.213		.365	.38	.589

FLOUR, PER 100 POUNDS.

British ports:									
Liverpool	$0.20	$0.18	$0.18		$0.23	$0.40	$0.55	$0.55	
Glasgow	.25	.20	.20	$0.28	.35	.45	.60	.60	$1.01
Dublin	.26	.21	.21			.47	.61	.61	1.06
Belfast	.25	.20	.20	.28	.35	.45	.60	.60	1.01
Scandinavian ports:									
Gothenburg	.26	.23	.23			.75	.61	.70	1.25
Christiania	.26	.23	.23	.35	.60	.75	.61	.70	1.25
Dutch ports:									
Amsterdam	.21	.18	.17	.29	.63	.88	.53	.70	1.11
Rotterdam	.20	.17	.16	.28	.62	.87	.52	.69	1.10
Havre, France	.22	.19	.18	.24	.50	.75	.55	.75	1.50
Genoa, Italy	.24	.22	.22	.30	.56	.85	.62	.82	1.35

Ocean freight rates from New Orleans to European ports—Continued.

TOBACCO, PER 100 POUNDS.

Port of destination.	1914				1915				1916, Jan. 1.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
British ports:									
Liverpool	.....	$0.425	$0.455	$0.465	.....	$1.15	$1.15	$1.15	.....
Glasgow	$0.415	.415	.45	.60	$0.70	1.50	1.00	.....	.....
Belfast	.48	.....	.45	.60	.70	1.50	.....	.....	.....
Christiania, Norway	.49	.40	.70	.75	1.25	2.50	2.00	2.00	$3.00
Dutch ports:									
Amsterdam	.50	.50	.50	.72	2.57	2.12	1.77	2.02	3.01
Rotterdam	.48	.48	.48	.70	2.55	2.10	1.75	2.00	3.00
Havre, France	.48	.48	.43	.50	1.40	1.62	1.40	1.60	2.50
Genoa, Italy	.50	.43	.43	.63	1.55	1.80	1.30	1.80	2.35

MEAT PRODUCTS, PER 100 POUNDS.

British ports:									
Glasgow	$0.35	.....	$0.26	$0.30	$0.45	$0.70	.....	$0.80	.....
Belfast	.35	.....	.36	.34	.45	.75	.....	.....	.....
Dutch ports:									
Amsterdam	.36	$0.31	.31	.46	.97	1.77	$1.02	1.32	$1.52
Rotterdam	.35	.30	.30	.45	.95	1.75	1.00	1.30	1.50
Havre, France	.33	.33	.33	.35	.70	1.10	.90	1.10	2.75
Genoa, Italy	.36	.34	.34	.40	.82	1.30	1.10	1.20	1.50

LUMBER (SOFT), PER 2,000 FEET.

British ports:									
Liverpool	$19.47	$15.82	$14.60	$21.90	.....	$38.93	$41.37	$54.75	.....
Manchester	19.47	15.82	14.60	.....	.....	.....	41.37	.....	.....
Glasgow	24.00	20.00	13.00	20.00	$32.00	50.00	11.56	48.67	$24.33
Belfast	24.00	20.00	16.00	24.00	32.00	50.00	.....	60.00	.....
Christiania, Norway	27.00	24.33	19.47	.....	.....	43.80	.....	49.00	.....
Dutch ports:									
Amsterdam	18.86	15.82	13.39	28.22	76.65	79.84	52.32	158.00	188.00
Rotterdam	17.03 / 19.47	14.00	12.78	28.11	73.00	75.43	48.67	150.00	180.00
Havre, France	23.00	17.03	14.60	24.33	46.23	75.43	66.91	140.00	230.00
Barcelona, Spain	24.00	20.00	14.00	14.00	24.00	34.00	34.00	40.00	50.00
Genoa, Italy	21.90	18.25	17.64	24.33	54.75	97.30	73.00	160.00	200.00
Buenos Aires, Argentina	32.00	32.00	32.00	.....	.....	.....	66.00	66.00	.....

LUMBER (HARD), PER 100 POUNDS.

British ports:									
Liverpool	$0.28	$0.25	$0.23	$0.30	.....	$1.50	$0.70	$0.80	.....
Manchester	.30	.25	.23	.45	$0.50	.....	.70	.75	$0.80
Glasgow	.30	.28	.26	.30	.45	.65	.80	.80	1.20
Dublin	.34	.29	.29	.37	.....	.67	.82	.81	1.25
Belfast	.30	.28	.28	.34	.45	.65	.80	.80	1.20
Scandinavian ports:									
Gothenburg	.40	.40	.35	.50	.....	1.50	.95	.90	1.25
Christiania	.40	.40	.35	.50	.....	1.50	.95	.90	1.25
Dutch ports:									
Amsterdam	.32	.26	.22	.40	.97	1.02	.82	1.22	1.32
Rotterdam	.28	.24	.20	.38	.95	1.00	.80	1.20	1.30
Havre, France	.33	.26	.26	.33	.70	1.10	.85	.90	1.50
Genoa, Italy	.36	.34	.26	.40	.83	1.30	1.00	1.20	1.40

PIG IRON, PER LONG TON.

British ports:									
Glasgow	$4.87	$3.04	$3.04	$5.47	$6.08	$8.52	.....	.....	.....
Belfast	.....	3.04	3.04	5.47	6.08	8.52	.....	.....	.....
Dutch ports:									
Amsterdam	2.92	2.92	2.43	.....	7.79	7.79	.....	.....	.....
Rotterdam	2.43	2.43	1.95	.....	7.30	7.30	.....	.....	.....
Havre, France	2.43	2.43	2.43	3.16	4.87	7.30	$7.30	$8.96	.....
Genoa, Italy	2.68	2.43	2.43	3.65	6.08	8.03	9.73	9.75	.....

ROSIN, PER LONG TON.

British ports:									
Liverpool	$4.62	$3.89	$3.41	.....	.....	$13.39	$13.39	$14.60	.....
Glasgow	5.11	4.62	4.14	$5.84	$8.76	13.39	.....	.....	$24.33
Belfast	5.11	4.62	4.62	6.33	8.76	13.39	.....	.....	.....
Christiania, Norway	5.35	5.47	5.47	9.13	12.17	30.42	19.47	24.64	39.20
Dutch ports:									
Amsterdam	5.11	3.77	3.77	5.60	17.52	19.96	16.30	24.42	34.05
Rotterdam	6.27	5.38	4.48	8.51	21.28	22.40	17.92	26.88	29.12
Havre, France	5.11	3.89	3.65	4.87	10.95	17.03	15.82	16.80	49.28
Genoa, Italy	[1] 6.60	[1] 5.93	[1] 5.50	[1] 7.91	[1] 13.19	[1] 22.85	[1] 20.22	22.40	30.24

[1] Plus 5 per cent primage.

Seattle: Increase in ocean freight rates to the Far East from January 1, 1914, to January 1, 1916.

[Report prepared by the Seattle district office of the Bureau of Foreign and Domestic Commerce.]

The following statement regarding the ocean freight situation at Seattle on March 2, 1916, was prepared by Mr. W. B. Henderson, commercial agent in charge of the Seattle district office of the Bureau of Foreign and Domestic Commerce:

SEATTLE, WASH., *March 2, 1916.*

Referring again to your communication of February 2, in which you requested a detailed report on ocean freight rates for specified commodities and periods between Seattle and foreign ports, I have the honor to submit herewith the result of the investigation on the sheets that were furnished by the bureau.

In connection with this report I am submitting herewith, I have to state my utter inability to cover all commodities, all periods, and all destinations. However, the report is as complete as it could possibly be, owing to the unsettled conditions in shipping facilities and the entire absence of published tariff schedules since the breaking out of the European war.

My investigation necessitated about 35 calls for interviews with managers of ocean steamship companies, commercial organizations, and transportation companies. In most every case on first presenting the

matter to a steamship line or the manager of a transportation bureau I was met with the blunt announcement "there is no such thing now as an ocean freight tariff." They also said that old schedules had been destroyed. Nevertheless, by persistence I secured copies of the 1914 tariff schedules for most lines operating in and out of this port. As to rate quotations for the latter part of 1915 and for January, 1916, there are none, or practically none. Most of the ships are working for all they can get or what they think they can get. There are, however, exceptions to this state of affairs. These exceptions are in the case of the Osaka Shosen Kaisha and the Nippon Yusen Kaisha, the two regular Japanese lines. The rates published by these companies in the tariff schedules for 1914 are more nearly in conformity with the charges they made for freight during the whole of 1915. For 1916 (January), their rates were perceptibly higher, but in nowise to be likened to the enormous increases asked and obtained by others—notably the chartered lines.

This investigation brought out some anomalous conditions bordering onto a paradoxical aspect, inasmuch as there are a greater number of lines in the trade, a large increase in the number of vessels entering and clearing from this port and Tacoma, while at the same time freight in these ports was never so congested and exporters so hard put to secure tonnage space. Yet at the same time, also, this section is manufacturing and producing but a small proportion more than it was at this time two years ago.

This condition, with its peculiar aspects, is accounted for by the arrangements that the transcontinental railroads have with the regular steamship companies plying to Orient ports. The Chicago, Milwaukee & St. Paul and the Northern Pacific Railroads have an understanding, or a contract, as it were, with the two regular Japanese steamship companies for practically their entire space. They apportion this space so much to New York, so much to Chicago, to St. Louis, or Kansas City, as the case may be, and get the benefit of the rail charges on the long haul. This practically leaves the local exporter out of the deal, and as a consequence he must stay out of the business or else fall back on the chartered lines and tramp vessels with their advance in ocean freight rates of from 100 to 1,000 per cent.

This situation applies to a large extent to the native products of this section, such as lumber, box shooks, wheat and flour, and canned salmon. Then, too, there appears to be a discrimination on the part of the Japanese lines on certain commodities, as, for instance, a representative of one of the largest manufacturers and exporters of flour told me that the Japanese lines had allotted so much space for flour from Puget Sound ports to China. The amount of space which he mentioned is about two-fifths of the product for export by the mills of this section. This, he inferred, was to the advantage of Japan, which country is supplying the other three-fifths to China from her own mills.

Another large export firm here claims that it can not get space promised at any rates for the next five months. He stated a specific case where he had for export a product which is now being booked by the steamship companies at the rate of $35 per ton. He tried for space some months ago and finally secured space from San Francisco on the condition, however, that the shipment be transported from Seattle over the lines of a certain railroad named. It so happens that in order to transport the goods over the particular line named that he must ship from Seattle to Denver and thence to San Francisco, thus making the freight rates prohibitive. He is now in the market for the same commodity on the lines of the specified railroads at a point nearer San Francisco, while his consignment is lying in the Seattle warehouse.

No living man could make a complete analysis of the ocean freight rates here as they present themselves now, and only a very poor comparison can be had. So far as securing space is concerned for ships booked to sail in the near future, it is out of the question. A few orders are being booked for four or five months ahead and it would appear that unless the exporter received enormous profits on commodities exported a year ago, when ocean freight rates were comparatively normal, it is hard to see where he can get any profit now (even if he secures space) at the abnormally high rates. Yet they are all in the market for tonnage space, and as a consequence new shipping agencies are daily springing up, old lines are adding extra vessels, and contracts are being let for building new ships. Besides the Frank Waterhouse Co. and the H. F. Ostrander Co., who are both chartering a large number of vessels, Griffiths & Sons, old-time shippers, have chartered several tramp vessels and impressed them into the trade, and recently a local concern has received a contract to build immediately a million-dollar ship.

I am herewith inclosing the sheets filled out as fully as the figures can be obtained. I have also supplemented it by a statement showing the present rates that have been secured on tonnage from Seattle to Vladivostok, and I am also submitting a partial list of the parties interviewed in obtaining these rates

Very truly, yours,

W. B. HENDERSON, *Commercial Agent.*

I interviewed the following concerns here re the ocean freight rates:

Mr. B. J. Orvinsck, of W. R. Grace & Co., as to the import rates from Chilean points (Valparaiso, as specified in the report). He could only give me rates on copper.

Mr. Fawkner, of Fawkner-Currie Co., who operate a steamship line between here and South America, as to import rates on nitrates from Valparaiso.

Mr. W. A. Mears, of the transportation bureau of the Seattle Chamber of Commerce, on rates generally. No particular information.

Mr. W. D. Benson, manager of the Pacific Coast-Oriental Tariff Bureau, who is also connected with Frank Waterhouse & Co., as to rates generally. He supplied me with the greater portion of the rates for 1914 and part of 1915, and furnished me with a number of schedules.

Mr. F. M. Studley, manager of the Nippon Yusen Kaisha, on rates generally to the Orient. He supplied me with rates on several commodities to Hongkong and Shanghai.

Mr. Manion, of the Blue Funnel Line, supplied me with rates to London.

Mr. D. W. Burchard, of the Hamburg-American Line. No information. His line is interned and out of business, and the documents were burned at a recent fire.

Mr. T. Stuart, recently connected with Robinson & Morrison, furnished some information regarding import rates to Sydney.

Mr. Pettibone, formerly of the Canadian Trading Co., now of the American Trading Co., furnished me with rates on lumber to Hongkong and Shanghai. Mr. Hodge, of the Northwest Trading Co., furnished rates on flour, bar iron, sheet iron, wire, and some commodity rates to Shanghai and Hongkong.

Mr. Parrott, of the firm of Parrott & Co., brokers, furnished general information.

Mr. Erickson, of the American Express Co., gave me considerable information regarding rates, especially on the old schedules of 1914.

Mr. W. S. Allen, assistant manager of the Fisher Flouring Mills, furnished me valuable information regarding export rates to the Orient on flour.

Mr. Robert Hill, manager of the Merchants' Exchange, gave me valuable assistance regarding rates on flour and wheat to London.

Mr. H. F. Ostrander furnished valuable information as to rates on a number of commodities to Shanghai and Hongkong.

The following shipping agencies and exporters were visited in Tacoma, in connection with the investigation of ocean freight rates:

Mr. McKune, chairman transportation bureau, Tacoma Commercial Club and Chamber of Commerce.

Mr. Giles Smith, acting secretary, Tacoma Commercial Club and Chamber of Commerce.

Mr. Hans Heidner, importer and exporter.

Mr. J. B. Van Fossen, agent for Osaka Shosen Kaisha.

Mr. J. T. Steeb, customhouse broker.

Others interviewed in Seattle are as follows:

A representative of M. Furuya & Co.

Northwest Trading Co.

Mr. Pettibone, of the American Trading Co.

The agent of the Norwegian-American Line, for information re freight rates to Scandinavian ports.

A representative of W. R. Grace & Co., who are agents for the Johnson Line, regarding rates to Copenhagen.

The vice consul for Norway.

A representative of Fawkner-Currie Co., shipping agents.

Ocean freight rates from Seattle to the Far East and London.

Commodity and port.	1914				1915				Jan. 1, 1916.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Cotton (compressed), per 100 pounds:									
Hongkong	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$0.40	$1.00
Manila	.40	.40	.40	.40	.40	.40	.60	.75	1.00
Wheat, per ton of 2,000 pounds:									
Hongkong	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	[1]10.00
Manila	5.00	5.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00
Sydney	6.52	6.52	6.52–6.63	6.79	7.61–8.14	13.04	17.39	17.39	21.73
London	4.89–8.69	4.89–8.69	4.89–8.69	4.89–8.69	10.87	10.87	10.87	11.41	29.33
Flour, per ton of 2,000 pounds:									
Hongkong	4.00–5.00	3.50–4.00	3.00–4.00	4.00	5.00	5.00–6.00	5.00–8.00	6.00–8.00	9.00
Manila	5.00	5.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00
Meat products, per ton of 2,000 pounds:									
Hongkong	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Manila	8.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	.....
Shanghai	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Lard, per ton of 2,000 pounds:									
Hongkong	6.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00	[1]8.00
Manila	6.00	6.00	6.00	6.00	6.00	6.00	7.50	10.00	10.00
Tobacco, per ton of 2,000 pounds:									
Hongkong	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Manila	10.00	10.00	10.00	10.00	10.00	10.00	.....	.....	.....
Shanghai	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Lumber, per thousand feet b. m.:									
Hongkong	10.00	10.00	10.00	10.00	12.00	12.00	12.00	15.00	17.00
Manila	10.00	10.00	10.00	10.00	12.00	12.00	12.00	15.00	17.00
Sydney	9.73–10.22	9.12–9.73	9.12–9.73	.....	.....	14.60	21.90	21.90	23.72–24.33
London	19.47	19.47	19.47	24.33	21.90	21.90	24.33	30.42	54.75
Steel products (bar iron, sheet iron, wire), per ton of 2,000 pounds:									
Hongkong	3.60	3.60	3.60	3.60	3.60	5.00	10.00	16.00	30.00
Manila	6.00	6.00	6.00	6.00	6.00	8.00	10.00	8.00	10.00
Shanghai	3.60	3.60	3.60	3.60	3.60	5.00	10.00	16.00	30.00

[1] And up.

Ocean freight rates from Seattle to the Far East and London—Continued.

Commodity and port.	1914				1915				Jan. 1, 1916.
	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	Jan. 1.	Apr. 1.	July 1.	Oct. 1.	
Agricultural machinery, per ton of 2,000 pounds:									
Hongkong	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$8.80–11.00	$13.00–35.00
Manila [1]	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00
Textile machinery, per ton of 2,000 pounds:									
Hongkong	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Manila [1]	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	10.00
Copper, per ton of 2,000 pounds:									
Hongkong	5.00	5.00	5.00	5.00	5.00	8.00	10.00	8.00	10.00
Manila	5.00	5.00	5.00	5.00	5.00	8.00	10.00	8.00	20.00
London	6.52	6.52	6.52	6.52	6.52	6.52	6.52	6.52	27.17
Cotton and woolen goods, per ton of 2,000 pounds:									
Hongkong	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	.....
Manila [1]	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Boots and shoes, per ton of 2,000 pounds:									
Hongkong	12.00	12.00	12.00	12.00	13.72	13.72	13.72	13.72	15.00
Manila [1]	12.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00	10.00
Leather, per ton of 2,000 pounds:									
Hongkong	15.00	15.00	15.00	15.00	35.00	35.00	35.00	35.00	35.00
Manila [1]	15.00	15.00	15.00	15.00	15.00	15.00	10.00	10.00	10.00
Sewing machines, per ton of 2,000 pounds:									
Hongkong	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	20.00
Manila [1]	8.00	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00
Canned salmon, per ton of 2,000 pounds:									
Hongkong	6.00	6.00	6.00	6.00	6.00	6.50	8.00	10.00	12.00
Shanghai	6.00	6.00	6.00	6.00	6.00	6.50	8.00	10.00	12.00
London	9.78	9.78	9.78	9.78	10.87	10.87	21.73	21.73	21.73
OCEAN FREIGHT RATES FROM SEATTLE ON IMPORTS OF COPPER ORE, PER TON OF 2,000 POUNDS.									
Callao	$3.50	$3.50	$4.75	$4.75	$6.00	$6.00	$7.00	$7.00	$7.00
Valparaiso	4.02	4.02	4.02	4.02	3.93	3.93	4.02	6.25	6.25

[1] Indicates that quotations were on a basis of 40 cubic feet or 2,000 pounds, ship's option.

SAN FRANCISCO—OCEAN FREIGHT RATES.

The committee was unable to get full report of ocean freight rates from San Francisco for reasons stated by the commercial agent of the Department of Commerce in that city in the following communication:

MARCH 11, 1916.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE:

Referring to bureau letter of February 2, calling for data on ocean freight rates, and telegram of the 10th instant, stating that such data should be mailed to-day, there is inclosed such meager material as it has been possible to collect to date.

Partial information is given as to rates to Hongkong, Manila, and Shanghai, furnished by the Toyo Kisen Kaisha; to Sydney, Australia, furnished by the Union Steamship Co. of New Zealand (Ltd.); to Copenhagen, Denmark, furnished by the East Asiatic Co. (Ltd.).

There has been no particular disposition to withhold information, except in one case, where the company did not care to go on record at all, but there has been a disposition to promise and not fulfill; parties on whom I had particularly depended failed to supply the desired information, though personal calls were made in addition to written requests. Calls made yesterday, after receipt of telegram from the bureau, brought forth renewed promises of data within a day or so from some of the concerns, but in other cases I was informed that it was simply impossible to get out the information, the general excuse being that it required too much work for an overburdened staff. This is borne out by the fact that several steamship companies are working evenings. Mr. H. E. Moore, traffic manager of W. R. Grace & Co., advised me yesterday that he had been obliged to neglect the ordinary correspondence for the past two weeks because of the great number of telegrams, cables, and conferences claiming his attention.

I had been particularly depending on W. R. Grace & Co. for information as to rates to the west coast of South America. Mr. Moore stated that rates in that direction had not advanced to the extent that they had in other trade routes—that, for example, the old rate of $12 on general merchandise had risen to but $14 per ton.

The Toyo Kisen Kaisha is unable to raise its rates on boats subsidized by the Japanese Government, though seeking authority to do so; on its chartered boats, however, the rates are considerably higher and are quoted only from boat to boat. This applies to the Java-Pacific Line and casual sailings, rates running anywhere from $30 to $60 per ton.

The closing of the Panama Canal is to some extent responsible for the present high rates, as prior to its closing there were more ships available for the oriental trade; the early opening of the canal will undoubtedly supply more carriers and place rates on a more stable basis, though they will probably remain high for some time to come. Mr. Otto Jelstrup, general agent of the East Asiatic Co. (Ltd.), advises that with the reopening of the canal a fleet of Danish motor ships will touch at San Francisco every three weeks westbound.

Mr. Back, of the Union Steam Ship Co. of New Zealand (Ltd.), in speaking of the difficulty of supplying data for this report, stated that they had offered $115,000 per month for the charter of one steamer and it had been refused, $140,000 being asked. Even at the lower rate it would be necessary for them to get $35 to $40 per ton for freight in order to make any profit.

If the data on charters and rates promised "as soon as we can get at it" and "in a day or so" is received shortly it will be forwarded, though it may be too late for any particular use of the bureau.

The various concerns from whom information is sought will, however, be visited again with hope of results.

E. G. BABBITT, *Commercial Agent.*

TRANSFER OF MERCHANT VESSELS FROM UNITED STATES TO FOREIGN REGISTRY.

The bill provides that vessels purchased, chartered, or leased from the board may not, without the approval of the board, be transferred to foreign registry or flag or sold. As these vessels will be purchased or constructed with funds furnished by the Government, with the view of increasing the facilities for the extension of our foreign commerce and to provide naval auxiliaries in time of war, they should be under the control of the board, as far as may be necessary to carry out that object. The bill does not place any limitations on the right of the owners of other vessels under the American flag to dispose of them as they please in time of peace. The bill does provide, however, that transfer from American registry to foreign registry when the United States is at war, or during national emergency, shall not be made without the approval of the board.

In the 11 months prior to January 22, 1916, the leading maritime nations, possessing over three-fourths of the world's merchant shipping under foreign flags, have passed laws or issued decrees forbidding their citizens or subjects to sell and transfer to the flag of another nation any merchant ship under their respective flags except by a special permit from the Government. Great Britain enacted such a law on February 12, Austria-Hungary issued such a decree on August 27, Denmark on October 8, Germany enacted such a law on October 21, France on November 11, Norway issued a decree on December 6, Brazil on December 9, and Spain promulgated a law on January 9, 1916. The merchant shipping of these countries aggregates 33,900,000 gross tons, out of a total of 43,370,000 gross tons of all foreign nations. Other nations may promulgate similar laws or decrees for the duration of the war, and notice of such laws or decrees may not be received in this country until after they have taken effect.

The imperative need of the creation of a board vested with powers to regulate common carriers by water is given expression in the following letters from the Chamber of Commerce of Porto Rico:

[Camara de Comercio de Puerto Rico, fundada en 1875 y reformada en abril de 1899; San Juan, P. R.; presidente, Don Benito Zaiduondo; vice presidentes, Don Eudosio de la Cuetara, Mr. John M. Turner; secretario-tesorero, Don Arturo Carreras.]

DECEMBER 8, 1915.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: We confirm the letter which we had the honor of addressing you on November 19 last, and now take the liberty of inclosing copy of a communication we wrote on the 3d idem to Gen. Frank McIntyre, Chief of the Bureau of Insular Affairs, Washington, D. C.

We are desirous that you become thoroughly cognizant of the serious injury which the steamship monopoly plying out of here is causing our commerce and the export trade of the United States proper, the last exemplification being an arbitrary increase of 150 per cent on Porto Rico sugar destined to the United States.

In addition to this the steamship companies, and more particularly the New York & Porto Rico Steamship Co., have announced publicly that beginning with January 3, 1916, they purpose making changes in other freights between the United States and Porto Rico. They do not specify the tendency of such changes, but we have received information from private but reliable sources that the same will consist of an increase of 25 to 30 per cent over the already high rates charged.

The most adverse feature from the viewpoint of our trade interests is the fact that having developed a plan—the outgrowth of one year's study and labor—to start our own steamship line at this time, the combine has threatened to wage a relentless and ruinous rate war if we venture to carry our plan into execution.

This is why we feel emboldened to crave the protection of the United States Government, so that our interests may not be left open to the attacks of the steamship monopoly, which, actuated by inordinate greed, seeks to sweep aside all attempts to establish reasonable freights, and why we respectfully petition that a recommendation be made to the Congress to enact legislation regulating the freight rates between Porto Rico and the United States under the supervision of the national Executive.

Such an act of Congress would be the greatest boon that could be conferred upon the trade element and people of Porto Rico, and the chamber of commerce therefore prays that you will interpose your valuable influence to such end.

We ask you, Mr. McAdoo, kindly to pardon our insistence, but you will admit that in order to procure justice it must be sought through the proper channel.

Please accept our thanks in advance for all that you may do in our behalf.

Respectfully,

[SEAL.] CHAMBER OF COMMERCE OF PORTO RICO,
By B. ZALDUONDO, *President*.

—

DECEMBER 3, 1915.

Gen. FRANK MCINTYRE, *Washington, D. C.*

MY DEAR GENERAL: Having heard of your return from the Philippines, I gladly avail myself of the present opportunity to convey to you the most respectful and cordial greetings of the above chamber of commerce.

On different occasions we have written Secretary of Commerce Redfield asking him to bear in mind the urgent necessity of recommending to the present Congress the passage of a legislative measure providing for Government regulation of ocean freight rates between this island and the United States. A promise to the desired effect was made by Secretary Redfield to the committee of the undersigned chamber of commerce, which had the honor of calling on him during February last, and we have no doubt that he will comply therewith.

You will remember the complaints which we filed with the said functionary in Washington at that time. Subsequently we have forwarded considerable corroborative evidence anent the inexplicable rise in ocean freights between here and there for want of regulative legislation.

We are now constrained to submit a new datum, which will undoubtedly sway the national administration in our favor and induce the Secretary of Commerce to include in the Government legislative program a measure governing traffic changes as prayed for.

We have reference to the following:

The agencies of the steamship companies which are operating a carrying service between Porto Rico and the United States have received instructions from their respective head offices in New York to charge 30 cents for every 100 pounds of sugar shipped from this island to the United States. The freight charged up to this time is 12 cents, and in corroboration of our statement we are prepared to furnish the United States Government signed contracts entered into by and in the possession of several shippers of sugar, based on a consideration of 12 cents for every 100 pounds.

The island of Porto Rico will produce during the present crop at least 3,000,000 sacks of sugar containing 250 pounds each. Of this output about 2,000,000 sacks will go to the United States. With the freight at 30 cents per 100 pounds, the carriage of each sack will cost 75 cents as against 30 cents paid at present. So that, reckoning the increase of 45 cents a sack on 2,000,000 sacks, we find our trade balance will be reduced by $900,000, which will go to swell the coffers of the monopolizing steamship companies plying out of here, to the grave detriment of this unfortunate island.

This chamber of commerce submits that it is neither equitable nor lawful that ocean carriers should be allowed to raise the freight of a staple product like sugar 150 per cent at 24 hours' notice, and such high procedure on their part is made possible only by the lack of adequate and necessary legislation for the regulation of freights.

The commerce of the United States is safeguarded by the interstate-commerce act, which provides for and creates a commission to enforce the regulation of interstate freights. But Porto Rico, which is included under the coastwise regulations, does not enjoy the benefits of this or any other analogous act, and, on the other hand, is deprived of the advantages accruing to freight carried in foreign bottoms. It is thus left naked to the machinations of the steamship combine which controls our traffic and divested of means to neutralize the disastrous effects resulting therefrom.

In view of the foregoing, this chamber of commerce respectfully and earnestly petitions Gen. McIntyre and the Secretary of Commerce, as well as the other officials of the national administration, to recommend to the present Congress the passage of appropriate legislation authorizing Government regulation of freight rates and of other conditions affecting transportation trade between this island and the United States.

For the past 12 months we have been urgently petitioning your bureau and the Secretary of Commerce to recommend the adoption of such legislation, and we refuse to believe that compliance with our just request will be longer deferred.

You are at liberty to refer this letter to Secretary of Commerce Redfield or to any other Government official, and we respectfully invite and confidently hope for your valuable cooperation in support of the petition of this chamber of commerce in furtherance of the general interests of the island of Porto Rico.

Respectfully,

CHAMBER OF COMMERCE OF PORTO RICO,
By B. ZALDUONDO.

NAVAL RESERVE FORCE.

The committee regard the provision for a naval reserve force of very great importance from the standpoint of national defense.

The officers and crews of vessels listed by the Secretary of the Navy as vessels of the United States naval auxiliary reserve, who volunteer for that purpose, may be enrolled as such naval reserve force under regulations prescribed by the Secretary of the Navy.

This provision is intended to articulate with a provision in a bill which we understand is now being considered by the Committee on Naval Affairs, providing for a United States naval auxiliary reserve.

In the event of any public emergency not only the vessels provided for in the bill may be taken over as naval auxiliaries, but provision will be made for crews for such vessels.

THE NEED OF A MERCHANT MARINE IN OUR FOREIGN TRADE.

It is not claimed for this bill that it provides for an adequate merchant marine in the foreign trade. That need will not be adequately supplied until we have not less than seven to ten million tons of shipping under the American flag engaged in the overseas trade. It will take years of intelligently directed effort to provide such a fleet of merchant ships.

If we would provide foreign markets for the surplus of our factories, mines, and farms and would compete on equal terms with foreign nations for such markets we must provide our own transportation facilities. The warehouse and railroad terminals on our seaboards are congested with commodities for export. Ocean freight rates have increased in many cases to a prohibitive degree, and in other cases vessels are not available at even the enormous rates shippers are willing to pay to move their commodities.

WAR LOSSES OF SHIPPING.

The following tabulation is compiled from the report of Commercial Attaché A. H. Baldwin at London from a statement of Mr. Archibald Hurd on the world shipping losses, published in daily Commerce Reports of March 20, and covers losses down to January 22, 1916; and from the report of the French Society of Shipbuilders (Société des Armateurs des France), covering the merchant vessels of belligerent nations held in ports of the world to avoid capture. The heavy tonnage destroyed by submarines, of course, is due to the number of very large passenger ships thus destroyed. The submarine attacks have been very destructive within the past few weeks and the total tonnage destroyed accordingly would probably now equal fully 2,250,000 gross tons. Following is a summary of actual losses up to January 22:

Destroyed or seriously damaged.

	Gross tons.
By submarine torpedoes, 431	1,212,785
By other war causes, 347	915,663
Grand total, 805	2,128,448

Following are condensed statements of the effects of the war upon the shipping of the two belligerent groups and the neutral group of nations:

MERCHANT SHIPS OF THE ALLIES.

On June 30, 1914 (Lloyd's Register), the merchant shipping of the allies comprised the following:

	Number.	Gross tons.
British	11,328	21,045,049
Belgian	182	352,124
French	1,576	2,319,438
Italian	1,160	1,668,296
Japanese	1,103	1,708,386
Russian	1,254	1,053,818
Total	16,603	28,147,111

Merchant ships of the allies in German, Austrian, and Turkish ports number 143, of 225,802 gross tons.

The Germans and Austrians have sunk or seriously damaged by submarine attacks 330 merchant ships of the allies, of 1,065,869 gross tons. German cruisers, mines, and explosions have sunk or seriously damaged 179 merchant ships of the allies, of 495,922 gross tons; total casualties, 509 ships, of 1,561,791 gross tons.

GERMAN AND AUSTRIAN MERCHANT SHIPS.

On June 30, 1914 (Lloyd's Register), the merchant shipping of Germany and Austria-Hungary comprised the following:

	Number.	Gross tons.
Austro-Hungarian	445	1,055,719
German	2,388	5,459,296
Total	2,833	6,515,015

On account of the war German and Austrian ships are now in port to avoid capture, and except to a small extent on the Baltic are not engaged in trade as German ships. Their location is—

	Number.	Gross tons.
In neutral ports	763	2,877,244
In allied ports	627	1,420,236
Total	1,390	4,297,480

A considerable number of those in allied ports are in trade under allied flags, either having been condemned as prizes or being requisitioned by the allied powers.

The allies have sunk very few German and Austrian merchant ships (54 of 124,018 gross tons, not including a few converted commerce destroyers, cruisers, e. g., *Cape Trafalgar* and *Kaiser Wilhelm der Grosse*).

The remainder, aggregating about 2,000,000 gross tons, are in German or Austrian harbors (no account, of course, is taken of Turkish or Bulgarian merchant ships).

Of the German and Austrian ships lying in neutral ports to avoid risk of capture, 95 such ships, of 628,837 gross tons, are in American ports, and 44, of 217,061 gross tons, in Brazil.

NEUTRAL MERCHANT SHIPS.

On June 30 the merchant shipping of neutral nations numbered 11,400, of 14,427,426 gross tons. Of this number, 101, of 146,916 gross tons, have been sunk or seriously damaged by submarines, and 114, of 295,723 gross tons, sunk or seriously damaged by other war causes. The allied navies have captured 52, of 98,833 gross tons, and the Germany Navy has captured 469, of a tonnage not stated, mainly small vessels in the Baltic and along the German coast. Many neutral vessels captured by both belligerents have been released and some condemned as prizes, but the figures are not at hand.

UNITED STATES VESSELS REGISTERED FOR FOREIGN TRADE AND BUILDING FOR SUCH TRADE.

The number of vessels registered for foreign trade January 1, 1916, was 2,913, of 2,000,778 gross tons.

The number of vessels admitted to American registry under act of August 18, 1914, up to May 8, 1916, was 180 vessels, of 617,183 gross tons.

The number of vessels of all kinds now being built in American shipyards, May 1, 1916, is 363 vessels of about 1,125,000 gross tons. It is not known how many of these vessels will be registered for the foreign trade, but probably more than 50 per cent.

The Washington Post of May 2, in a very able editorial, entitled "The foreign trade suffering for lack of an American merchant marine," reviews the situation in forceful language, from which we quote the following:

"The falling off in value of exports from the United States, as evidenced during the past three weeks, is directly chargeable to lack of available ocean tonnage to transport the freights offered.

"The prolongation of the congestion of freights at our railway terminals is likewise largely owing to the same shortage of vessels.

"The farmers lose in prices of their products through this embargo upon shipments of the grain and other commodities derived from the lands.

"The planters lose by reason of the limitations upon shipments of cotton, sugar, and rice.

"The miners and the mine owners would be doing far better if the vessels could be provided to transport the coal, the iron, the steel, the copper, the zinc, the lead, and other metals and minerals of the United States.

"The merchants, the bankers, and the manufacturers would all be benefited by the placing of additional vessels upon the trade routes over which the foreign trade of the United States is transported.

"The masses of the people, the industrial workers of the skilled and unskilled labor of this Republic, would all be benefited by expansion in volume and value of our exports, and that expansion would be enormous if the country had its merchant marine and the administration firmly demanded and strenuously maintained the freedom of the seas for our commerce.

"The foreign commerce of the United States is contracted, limited, narrowed, compressed, and the administration fails to clear the seas to our flag and our trade and the Congress fails to provide the country with the merchant marine that the Republic absolutely needs, and every Member of the Senate and every Member of the House is fully aware of the injury being done by the want of vessels.

"It is not a partisan question, and yet the country is permitted to suffer by reason of the inaction of certain elements in both of the leading parties.

"Private capital has not provided that marine; it will never provide such a marine as the huge trade of this Nation requires with its own cash. Private capital should be fairly treated, reasonably treated, encouraged by concessions to engage in this establishment of a merchant marine, paid for engaging in, if necessary; but when it receives the cash of the people of the United States for that purpose it should agree to the regulation of routes and rates by the United States Government, through which the people will pay these vessel owners and vessel controllers the cash for serving the people. The central idea, the vital point, that this marine is to be established for the benefit of the great commercial, industrial, and producing interests, for the benefit of the great majority of the people of the United States, should not for one moment be overlooked by the legislators of the Nation.

"The shipping interests are but the means through which these benefits must be made to accrue to the people. They are to be benefited, too, and should be guaranteed from loss while under governmental control of routes and rates, but they should be regarded as public utilities to serve the people of the United States, and when recipients of governmental aid they should be under governmental control of rates and routes."

Recently Admiral Baron Charles Beresford is quoted in the press as calling the attention of the House of Lords to the depletion in the tonnage of British ships needed for trade purposes, asserting that unless it were remedied it would endanger the supply of food, and asking the Government to consult the labor leaders with a view of obtaining more labor for shipbuilding.

In reply Earl Curzon said, "The Government is now administering the whole British mercantile marine amounting to half of the gross tonnage of the world. Forty-three per cent of the British tonnage [he added] has been requisitioned for naval and military purposes. 14 per cent is occupied in carrying foodstuffs and raw material in behalf of the Government and its allies, and the remaining 43 per cent is being operated by British shipowners under State regulations."

In this connection it may be interesting to call attention to an excerpt from the London Economist of November 13, 1915:

"In future the Government may requisition for the carriage of grain and other merchandise any ship registered in the United Kingdom, and after December 1 no British ship of over 500 tons may carry cargo from one foreign port to another without first obtaining a license from a committee in London. All British shipping is liable to be requisitioned for commercial purposes. All trade in British bottoms between foreign ports is to be under direct Government control."

The provisions of the bill creating a Federal shipping board with power to investigate and report to Congress regarding our navigation laws and their effect on the development of our merchant marine, and to have full jurisdiction under the law in all matters pertaining to overseas transportation, including the provisions abolishing deferred rebates, and providing for supervision of rates by such board, with the requirements for filing with the board schedules of rates and all agreements among over-seas commerce, have the approval of the Chamber of Commerce of the United States.

While this distinguished body of business men favor some form of subsidy or subvention to American shipping in the overseas trade, and particularly subventions to mail lines, such legislation is not pressed at this time for the good and sufficient reason that ocean rates are now almost prohibitive and all vessels at all suitable to our overseas trade are earning enormous dividends on their investments.

Representatives of the National Grange and Farmers Unions appeared before the committee and approved this legislation. The Federation of Labor and seamen's union have by resolutions in national convention approved this legislation.

We believe this bill should speedily be enacted into law, as it will create a shipping board charged with the duty of supervising and fostering our merchant marine. It will provide from 500,000 to 700,000 tons of merchant vessels to serve in the development of our foreign trade; in the event of war, a naval auxiliary manned by a naval auxiliary force. It provides for the reasonable regulation of common carriers by water in foreign and interstate commerce. It has been framed with the view of encouraging, not to discourage, private enterprise in construction and operation of vessels under the American flag. While shipyards are now busy in new construction, we have good reason to believe their facilities will be increased and a new record set in speed and skill in shipbuilding in American shipyards.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask for the yeas and nays on the amendments to section 9.

The SPEAKER. Under the agreement the vote is to be taken on the amendments to section 9 and the previous question is considered as ordered. The gentleman from Massachusetts demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 82, answered "present" 6, not voting 190, as follows:

YEAS—154.

Abercrombie	Dies	Jones	Rouse
Adamson	Dixon	Keating	Rubey
Aiken	Doolittle	Key, Ohio	Rucker
Alexander	Doremus	Kincheloe	Russell, Mo.
Allen	Doughton	Kitchin	Scully
Almon	Dupré	Lesher	Sears
Ashbrook	Eagan	Lewis	Shallenberger
Aswell	Eagle	Lieb	Sherley
Ayres	Edwards	Liebel	Sherwood
Bailey	Evans	Linthicum	Sims
Barkley	Farley	Littlepage	Sisson
Black	Fields	Lloyd	Small
Booher	Fitzgerald	Lobeck	Smith, N. Y.
Borland	Gallagher	London	Smith, Tex.
Bruckner	Gallivan	McAndrews	Sparkman
Brumbaugh	Gandy	McClintic	Steagall
Buchanan, Ill.	Gard	McLemore	Steele, Iowa
Buchanan, Tex.	Garrett	Mays	Steele, Pa.
Burnett	Glass	Montague	Stephens, Tex.
Byrns, Tenn.	Godwin, N. C.	Moon	Stone
Caldwell	Goodwin, Ark.	Moss	Taggart
Candler, Miss.	Gordon	Neely	Tague
Caraway	Gray, Ind.	Oldfield	Tavenner
Carlin	Hamlin	Oliver	Taylor, Ark.
Casey	Hardy	O'Shaunessy	Thompson
Cline	Harrison	Overmyer	Tillman
Coady	Hastings	Padgett	Van Dyke
Collier	Hayden	Page, N. C.	Venable
Connelly	Heflin	Patten	Vinson
Conry	Hilliard	Phelan	Watkins
Cox	Holland	Price	Watson, Va.
Crosser	Hood	Quin	Webb
Cullop	Houston	Rainey	Williams, W. E.
Dale, N. Y.	Huddleston	Raker	Wilson, La.
Davenport	Hulbert	Randall	Wingo
Davis, Tex.	Hull, Tenn.	Rauch	Wise
Dent	Humphreys, Miss.	Rayburn	Young, Tex.
Dewalt	Igoe	Reilly	
Dickinson	Johnson, Ky.	Riordan	

NAYS—82.

Bacharach	Garland	Lehlbach	Rowe
Barchfeld	Glynn	Lenroot	Rowland
Bennet	Green, Iowa	McArthur	Sanford
Bowers	Greene, Mass.	McKinley	Siegel
Britt	Greene, Vt.	Mann	Sinnott
Britten	Griest	Matthews	Smith, Idaho
Cannon	Hadley	Miller, Del.	Stafford
Carter, Mass.	Haskell	Mondell	Sterling
Chandler, N. Y.	Haugen	Mooney	Sutherland
Coleman	Helgesen	Moore, Pa.	Switzer
Cooper, Ohio	Hicks	Moores, Ind.	Timberlake
Cooper, Wis.	Hill	Morgan, Okla.	Towner
Cramton	Hopwood	Oakey	Treadway
Curry	Hull, Iowa	Parker, N. J.	Vare
Dale, Vt.	Johnson, S. Dak.	Platt	Volstead
Denison	Kahn	Porter	Watson, Pa.
Dillon	Kelster	Powers	Wheeler
Dowell	Kennedy, Iowa	Ramseyer	Williams, Ohio
Edmonds	King	Reavis	Woods, Iowa
Focht	Kinkaid	Ricketts	
Fordney	Kreider	Rodenberg	

ANSWERED "PRESENT"—6.

Estopinal	Morrison	Sloan	Steenerson
Hawley	Slayden		

NOT VOTING—190.

Adair	Darrow	Gray, N. J.	Konop
Anderson	Davis, Minn.	Gregg	Lafean
Anthony	Decker	Griffin	La Follette
Austin	Dempsey	Guernsey	Langley
Barnhart	Dill	Hamill	Lazaro
Beakes	Dooling	Hamilton, Mich.	Lee
Beales	Driscoll	Hamilton, N. Y.	Lever
Bell	Drukker	Hart	Lindbergh
Blackmon	Dunn	Hay	Loft
Browne	Dyer	Hayes	Longworth
Browning	Ellsworth	Heaton	Loud
Burgess	Elston	Helm	McCracken
Burke	Emerson	Helvering	McCulloch
Butler	Esch	Henry	McDermott
Byrnes, S. C.	Fairchild	Heaney	McFadden
Callaway	Farr	Hernandez	McGillicuddy
Campbell	Ferris	Hinds	McKellar
Cantrill	Fess	Hollingsworth	McKenzie
Capstick	Finley	Howard	McLaughlin
Carew	Flood	Howell	Madden
Carter, Okla.	Flynn	Hughes	Magee
Cary	Foss	Humphrey, Wash.	Maher
Charles	Foster	Husted	Mapes
Chiperfield	Frear	Hutchinson	Martin
Church	Freeman	Jacoway	Meeker
Clark, Fla.	Fuller	James	Miller, Minn.
Cooper, W. Va.	Gardner	Johnson, Wash.	Miller, Pa.
Copley	Garner	Kearns	Morgan, La.
Costello	Gillett	Kelley	Morin
Crago	Good	Kennedy, R. I.	Mott
Crisp	Gould	Kent	Mudd
Dallinger	Graham	Kettner	Murray
Danforth	Gray, Ala.	Kiess, Pa.	Nelson

Nicholls, S. C.	Roberts, Nev.	Snyder	Tinkham
Nichols, Mich.	Rogers	Stedman	Tribble
Nolan	Russell, Ohio	Stephens, Miss.	Walker
North	Sabath	Stephens, Nebr.	Walsh
Norton	Saunders	Stiness	Ward
Oglesby	Schall	Stout	Wason
Olney	Scott, Mich.	Sulloway	Whaley
Paige, Mass.	Scott, Pa.	Sumners	Williams, T. S.
Park	Sells	Sweet	Wilson, Fla.
Parker, N. Y.	Shackleford	Swift	Wilson, Ill
Peters	Shouse	Talbott	Winslow
Pou	Slemp	Taylor, Colo.	Wood, Ind.
Pratt	Smith, Mich.	Temple	Young, N. Dak.
Ragsdale	Smith, Minn.	Thomas	
Roberts, Mass.	Snell	Tilson	

So the amendments to section 9 were concurred in.

The Clerk announced the following pairs:

Until further notice:

Mr. CLARK of Florida with Mr. FULLER.
Mr. SLAYDEN with Mr. CAMPBELL.
Mr. ANTHONY with Mr. SHOUSE.
Mr. MCGILLICUDDY with Mr. GUERNSEY.
Mr. CALLAWAY with Mr. PETERS.
Mr. MCDERMOTT with Mr. CHARLES.
Mr. STEPHENS of Nebraska with Mr. SLOAN.
Mr. GREGG with Mr. STEENERSON.
Mr. THOMAS S. WILLIAMS with Mr. WALKER.
Mr. CRISP with Mr. HINDS.
Mr. FINLEY with Mr. NORTH.
Mr. FOSTER with Mr. CHIPERFIELD.
Mr. BURKE with Mr. WASON.
Mr. CANTRILL with Mr. LANGLEY.
Mr. LEVER with Mr. HAWLEY.
Mr. THOMAS with Mr. MAGEE.
Mr. TAYLOR of Colorado with Mr. SNYDER.
Mr. HAMILL with Mr. WARD.
Mr. HART with Mr. WILSON of Illinois.
Mr. RAGSDALE with Mr. SWIFT.
Mr. SHACKLEFORD with Mr. NOLAN.
Mr. STEDMAN with Mr. PARKER of New York.
Mr. OGLESBY with Mr. MADDEN.
Mr. SABATH with Mr. PAIGE of Massachusetts.
Mr. HELM with Mr. LONGWORTH.
Mr. BEAKES with Mr. HOWELL.
Mr. BURGESS with Mr. MCCRACKEN.
Mr. HOWARD with Mr. LOUD.
Mr. DOOLING with Mr. GILLETT.
Mr. PARK with Mr. HAMILTON of New York.
Mr. BARNHART with Mr. GRAY of New Jersey.
Mr. MAHER with Mr. MCLAUGHLIN.
Mr. POU with Mr. MCFADDEN.
Mr. MURRAY with Mr. MUDD.
Mr. SUMNERS with Mr. SLEMP.
Mr. BARNHART with Mr. CARY.
Mr. HENSLEY with Mr. DEMPSEY.
Mr. TRIBBLE with Mr. AUSTIN.
Mr. STOUT with Mr. COPLEY.
Mr. CAREW with Mr. DALLINGER.
Mr. CHURCH with Mr. DANFORTH.
Mr. KONOP with Mr. HUSTED.
Mr. HENRY with Mr. HAYES.
Mr. KETTNER with Mr. MCCULLOCH.
Mr. DRISCOLL with Mr. BUTLER.
Mr. GRIFFIN with Mr. FESS.
Mr. FLOOD with Mr. FAIRCHILD.
Mr. LOFT with Mr. KELLEY.
Mr. GRAY of Alabama with Mr. HAMILTON of Michigan.
Mr. SAUNDERS with Mr. MILLER of Minnesota.
Mr. NICHOLLS of South Carolina with Mr. MCKENZIE.
Mr. WILSON of Florida with Mr. SNELL.
Mr. ADAIR with Mr. COSTELLO.
Mr. DECKER with Mr. CRAGO.
Mr. FLYNN with Mr. DRUKKER.
Mr. DILL with Mr. COOPER of West Virginia.
Mr. WHALEY with Mr. SWEET.
Mr. OLNEY with Mr. WINSLOW.

On the vote:

Mr. GARNER (for) with Mr. DAVIS of Minnesota (against).
Mr. JACOWAY (for) with Mr. ROBERTS of Nevada (against).
Mr. HUGHES (for) with Mr. KIESS of Pennsylvania (against).
Mr. STEPHENS of Mississippi (for) with Mr. ROGERS (against).
Mr. MCKELLAR (for) with Mr. TINKHAM (against).
Mr. LEE (for) with Mr. ROBERTS of Massachusetts (against).
Mr. FERRIS (for) with Mr. DUNN (against).
Mr. BELL (for) with Mr. MAPES (against).
Mr. MORGAN of Louisiana (for) with Mr. HUTCHINSON (against).
Mr. BYRNES of South Carolina (for) with Mr. MOTT (against).
Mr. MORRISON (for) with Mr. HUMPHREY of Washington (against).
Mr. CARTER of Oklahoma (for) with Mr. GOULD (against).
Mr. TALBOTT (for) with Mr. BROWNING (against).
Mr. LAZARO (for) with Mr. CAPSTICK (against).
Mr. ESTOPINAL (for) with Mr. GRAHAM (against).
Mr. BLACKMON (for) with Mr. KENNEDY of Rhode Island (against).
Mr. HELVERING (for) with Mr. STINESS (against).

Mr. ESTOPINAL. Mr. Speaker, I am paired with the gentleman from Pennsylvania, Mr. GRAHAM. I understand that he did not vote. I therefore withdraw my vote of "yea" and answer "present."

The name of Mr. ESTOPINAL was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. Under the agreement there is an hour of debate on amendment No. 48. The gentleman from Missouri is recognized for 30 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask to have amendment No. 48 reported.

The SPEAKER. The Clerk will report amendment No. 48.

The Clerk read as follows:

SEC. 36. The Secretary of the Treasury is authorized to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo in good condition tendered for such port of destination or for some intermediate port of call, together with the proper freight or transportation charges therefor, by any citizen of the United States, unless the same is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless such freight or cargo consists of merchandise for which such vessel or vehicle is not adaptable.

Mr. CANNON. Mr. Speaker, will the gentleman from Missouri yield?

Mr. ALEXANDER. Certainly.

Mr. CANNON. Are there any amendments pending to this Senate amendment?

Mr. ALEXANDER. I understand there will be an amendment, and possibly two amendments, offered. There are none pending at the present time.

Mr. CANNON. Amendments are to be offered, to be voted upon?

Mr. ALEXANDER. Yes; they will be offered later and voted upon. Mr. Speaker, as I understood the gentleman from Iowa [Mr. TOWNER], he stated that the Senate amendment now under consideration would not apply to foreign ships as well as to American ships.

Mr. TOWNER. Mr. Speaker, I will state to the gentleman that I think I was mistaken in regard to my interpretation of the meaning of that amendment. I think it is proper that I should say that. I intended to say it, in view of the criticism that I made of the amendment.

Mr. ALEXANDER. Mr. Speaker, I am of opinion that the amendment applies to foreign ships as well as to American ships. The purpose of this amendment is to prevent the blacklisting of American firms engaged in foreign trade, and I am in entire sympathy with it. On the 16th of June, under leave to extend my remarks in the RECORD, I incorporated therein the British trading-with-the-enemy act and also the various British orders in council carrying into effect the provisions of that act, as well as a carefully prepared statement showing the effect of that act and the orders in council upon our commerce in the Far East. Hence this is a question to which I have given some thought, and I am deeply interested in having legislation along the line proposed in the Senate amendment No. 48, now under consideration.

The section as drawn is not just in the form that I would have drawn it. Two or three amendments have been suggested, to which I have no substantial objection, but I think it wise for the House to agree to the Senate amendment in the form in which it comes to us because it is late in the session, and to have the bill go back to the Senate again involves delay and we will be compelled to maintain a quorum here from day to day to take further action, if the Senate should not concur in the amendment to the Senate amendment that might better express our views. Therefore, out of an abundance of caution and in the exercise of wise discretion I think we should accept the Senate amendment in the form in which it comes to us.

Mr. BURNETT. May I ask my colleague one question in regard to the word "citizen"? Is the gentleman sure where it is tendered by any citizen of the United States that would embrace corporations or associations? Ordinarily that is true. I

have some doubt whether by that amendment it would embrace freight tendered by an association or a corporation possibly.

That is in line 7 of page 31.

Mr. ALEXANDER. Section 1 of the bill defines the term "person" to include corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, and so forth, and section 2 provides:

SEC. 2. That within the meaning of this act no corporation, partnership, or association shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and, in the case of geographical divisions of the country, Not more than three of the commissioners shall be appointed from the same political party No commissioner shall be in the employ of or hold any official relation to any common carrier by water or——

Mr. BURNETT. I think that covers it.

Mr. ALEXANDER. The Senate amendment provides that the Secretary of the Treasury is authorized to refuse clearance to any vessel or other vehicle laden with merchandise destined to a foreign port, if the vessel undertakes to clear in violation of the terms and conditions imposed thereby. The specific penalty under existing law on a vessel for leaving an American port without a clearance is $500. I called up the Commissioner of Navigation this morning to know if the law in that regard had been violated in the past. He has been Commissioner of Navigation since the early nineties and he said he could not recall a specific instance where the law had been violated by a vessel clearing without papers except recently a Russian ship had left some southern port and the captain after leaving recalled he did not have his clearance papers and returned to the port and secured his papers and then proceeded on his voyage.

Mr. BENNET. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman.

Mr. BENNET. Right in line with that, I think the gentleman agrees with those on this side who have spoken that a provision denying clearance would be a very effective provision?

Mr. ALEXANDER. I think so.

Mr. BENNET. I agree with the gentleman; and I want to ask the gentleman, in line with the question of the gentleman from Alabama [Mr. BURNETT], if the language on page 31, to which the gentleman from Alabama called the attention of the chairman, is "any citizen of the United States." The definition on page 2, line 19, is—

The term "person."

Now, if the phrase on page 31 read "By any person a citizen of the United States," then it would cover a corporation. As long as the word "person" is left out it does not cover a corporation, does it?

Mr. ALEXANDER. I think it does. I am not sure, but the Federal statutes so defines the word. I think our courts have held that a corporation organized under the laws of the United States is a citizen of the United States.

Mr. BENNET. But under the Sutherland amendment, where the description adheres to the port and not to the citizenship, there would not be any question about it.

Mr. ALEXANDER. I think not; but I think the word "citizen" in the Senate amendment includes corporations, for the reasons already stated.

Mr. BENNET. It is one more reason for adopting the Sutherland amendment, to clear up this doubt.

Mr. ALEXANDER. The gentleman from New Jersey [Mr. PARKER] had suggested an amendment, and, as I say, if it were not for the delay involved, if it were not for the fact it would compel us to send this bill back to the Senate for further action, if it were an original proposition to be worked out here, I would have no serious objection to such an amendment; but the penalty imposed by this act on a vessel clearing from an American port is a very drastic penalty, because if the vessel should undertake to leave one of our ports without clearance papers and in violation of this act clear, not only the power of the Revenue-Cutter Service but the Navy as well might be invoked to arrest and return that vessel to the port. Such a vessel on the high seas has no standing under maritime law, and no captain, in my opinion, would care to clear from an American port without his papers, and especially in troublous times like these.

Mr. LENROOT. Will the gentleman yield for a question?

Mr. ALEXANDER. I will.

Mr. LENROOT. The effect of the Senate amendment would compel the shipowner to accept contraband of war. Does not the gentleman think that requiring the accepting of contraband of war and making the ship liable to capture, for that reason the option should be left to a shipowner whether he would accept contraband of war? Ought he be compelled to accept it and thus put his ship in jeopardy?

Mr. ALEXANDER. Here is the language of the section:

The Secretary of the Treasury is authorized to refuse clearance to any vessel—

And so forth. The gentleman will see it is not mandatory.

Mr. LENROOT. Yes; but is it not true that wherever Congress uses the word "authorized" in a case like this it is construed as being directory and not discretionary?

Mr. ALEXANDER. Well, I would think not. I would think it would be discretionary with the Secretary of the Treasury in the matter.

Mr. LENROOT. Is not the practice of the departments to the contrary?

Mr. HARDY. Will the gentleman yield?

Mr. HILL. Should not the Secretary have discretion? Ought we be compelled to submit to the changing of the contraband list every day or every week, as has been done during the year? Ought we be compelled to submit to the dictation of foreign powers in our own commerce?

Mr. ALEXANDER. I think not absolutely.

Mr. HILL. Therefore it ought to be left discretionary with the Secretary.

Mr. ALEXANDER. I agree with you, and I think it is left discretionary with the Secretary of the Treasury under the provisions of the Senate amendment.

Mr. STERLING and Mr. HARDY rose.

The SPEAKER. To whom does the gentleman yield, if to anybody?

Mr. ALEXANDER. I yield to my colleague.

Mr. HARDY. I would like to say to the gentleman who last interrogated the gentleman from Missouri that if we should adopt the amendment proposed by the gentleman from West Virginia I think it would be directory.

Mr. HILL. I do not know; I just came in. It seems to me it is perfectly unthinkable that this Nation should be subject to the dictation of other nations as to what is contraband and what is not on the mere whim of the moment, without any international agreement in regard to it.

Mr. HARDY. For that very reason, so as to leave discretion, I think the amendment of the gentleman from West Virginia ought not to be adopted.

Mr. HILL. I am in favor of anything that will give the United States control of the situation.

Mr. ALEXANDER. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman reserves 10 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. SUTHERLAND] five minutes.

Mr. SUTHERLAND. Mr. Speaker, I desire to offer the following amendment.

The SPEAKER. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered as a substitute for amendment No. 48, proposed by Mr. SUTHERLAND:

"That from and after the passage of this resolution, and during the existence of a war to which the United States is not a party, and in order to protect the commerce of the United States, the Secretary of the Treasury be, and hereby is, authorized, directed, and empowered to direct any collector of customs to refuse a clearance to any vessel or other vehicle laden with merchandise destined for a foreign or domestic port whenever he shall have satisfactory reason to believe that the master, owner, or other officer of such vessel or other vehicle refuses or declines to accept or receive freight or cargo tendered for such port of destination, or for some intermediate port of call, together with the proper freight or transportation charges therefor, from any port of the United States, unless the same is so declined or refused because such vessel or other vehicle is fully laden and has no space accommodations for the freight or cargo so tendered, due regard being had for the proper loading of such vessel or vehicle, or unless the acceptance of such merchandise will put the vessel or the cargo, or any part thereof, in danger of capture or seizure on the high seas."

Mr. SUTHERLAND. Mr. Speaker, the circumstances calling for the adoption of some measure of this kind are briefly these: That shippers of this country desiring to ship merchandise to ports of South America or other countries, upon applying for space in ships plying to those ports, are frequently at this time being refused the privilege of shipping such merchandise by the agents or owners of vessels, for the sole and only reason that if they take these cargoes or portions of cargoes they are boycotted at various coaling ports and are unable to get coal. It is even stated that at this time a vessel of the United States is practically interned at Bermuda because a portion of its cargo was consigned to a blacklisted firm. It has been denied the privilege of getting coal there at the coaling port, and is thus unable to proceed further on its voyage.

There seems to be no objection to this amendment on the part of the chairman of the committee having this bill in charge, except that it makes a change in the bill as reported back by

the conferees, and he is therefore afraid that the passage of the bill might be delayed or endangered. Apparently he concurs in the purpose of this amendment. There is every reason, as he stated, that some definite, even drastic, action should be taken to meet these circumstances, and that action is accomplished by this amendment in providing that unless these vessels take these cargoes or portions of cargoes that are offered to them, the vessels shall not be cleared from our ports. It is almost inconceivable to American citizens that the commerce of this country should be interfered with in this manner by a foreign nation, whether belligerent or not.

Mr. STERLING. Will the gentleman yield for a question?

Mr. SUTHERLAND. Yes.

Mr. STERLING. I do not see how this bill is going to remedy the situation. If this bill becomes a law, the result of it will be that all of our ships will be tied up in some of these foreign ports. How does the gentleman propose by this bill to compel the British Government to change its orders?

Mr. SUTHERLAND. Mr. Speaker, I conferred with some of those connected with the departments having these matters in charge, and the opinion was informally expressed to me that Great Britain or the other countries which would be affected, and which are unwarrantably interfering with legitimate American commerce, realize that there is no statute at this time under which the President of the United States can act. They are as well aware of the limitations of our statutes as we are on this side. It is believed that the mere enactment of legislation with the power given to the President to take immediate and drastic action, as provided by the amendment I have offered, would cause Great Britain and other countries which are guilty of these practices to change their orders in that respect.

Mr. Speaker, the amendment I have offered as a substitute for the Thomas amendment differs from the latter in several important particulars, and in my judgment more fully accomplishes the purposes of the Thomas amendment. In the first place it limits the application of the remedy to the period of time only during which a war is in progress to which the United States is not a party. The practices complained of could not conceivably be carried on or endured by this Government or its people during a time of general peace. Its sole justification is that it is a war measure, and we are expected to submit to this and other unjustifiable interferences with our rights under this pretext while our diplomatic protests are unavailing.

In the second place, my amendment is broader in its effect than the Thomas amendment, because it provides that clearance may be denied ships refusing freight offered by *any* shipper at our ports, and surely those who may not have actually gained citizenship here, but who are doing business in this country under the protection of our laws and our treaties with foreign powers, should receive the same protection in this matter as our own citizens receive.

In the third place, my amendment includes a provision suggested by the gentleman from New Jersey, Judge PARKER, which allows the refusal of freight the carrying of which would subject the vessel to capture on the high seas.

It is alleged, Mr. Speaker and gentlemen, that our mails enroute to neutral ports have been illegally seized and unreasonably delayed. That vessels that have usually plied directly between ports of this country and the ports of neutral countries have by devious ways been induced or compelled to change their routes so that they now stop at ports of one of the belligerent nations, and are there held to be under the jurisdiction of such nation and the mails carried on them subjected to stoppage and censorship, without warrant of international law.

These practices continue notwithstanding our protests. Particularly is this practice carried on at the ports of Kirkwall and Falmouth, in Great Britain, with reference to vessels carrying mails between this country and Scandinavia and Holland. Shall we allow these practices to continue, or shall we now effectually place in the hands of the executive branch of the Government an instrument which will enable it to stop at once the interference with our commerce, and let us hope that later some effective means may be found to reform the practices now being carried on with reference to our mails?

Is it sufficient for us that it is explained that these freights are declined because the consignee or consignor is blacklisted? Or shall we unhesitatingly protect the rights of every American citizen, whether nearly or remotely of foreign parentage, as well as any who have not become citizens, but who nevertheless are entitled to our protection and consideration as long as they conform to our laws? I hope my amendment may be adopted.

Mr. ALEXANDER. Will the gentleman yield?

Mr. SUTHERLAND. I will.

Mr. ALEXANDER. I will say to the gentleman from Illinois [Mr. STERLING], suppose Great Britan has absolute power to determine what commodities shall be shipped in British ships; we have the power to provide if those vessels come into American ports they shall comply with our laws. Now, for that reason this Senate amendment is intended to prevent an unreasonable exercise of that power by the British Government, and if it is exercised reasonably and within the reasonable laws of trade we will have no right to object.

The SPEAKER. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Indiana [Mr. COX] five minutes.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I am for this bill. I do not believe that any of the direful effects will befall this country if it is enacted into law which some have prophesied would happen to us this evening. For 29 years, or nearly so, the Congress of the United States has undertaken to regulate rates upon the railroads. It took a long time to get that proposition down to a solid, intelligent basis, but finally Congress through various laws from time to time enlarging the powers of the Interstate Commerce Commission has solved the problem. Down to this time there never has been any regulation of water rates or traffic, and if there was not a single thing in this bill except the establishment of a board and the giving to that board of power to regulate water traffic and transportation, in my opinion, it would be a splendid measure. This bill will never be repealed in its essential provisions, no matter which party gets control of this country, because out of it will eventually come splendid benefits to our people.

Every thoughtful American citizen recognizes that something must be done for our merchant marine. On this proposition there is a unanimity of expression between both of the leading parties in this country to-day. The difference arises as to how it shall be revived. The Democratic Party presents this bill to the country as its method of building up an American merchant marine. I heartily indorse the method pursued by my party. The Republican Party proposes a straight ship subsidy, discredited and discarded by its own party for many years and only revived in the Chicago convention.

Mr. Speaker, I undertake to say that this country will never stand for a ship subsidy. It is erroneous in principle, economically unsound in practice. The idea of paying shipowners a tremendous subsidy to haul American mail and American goods to foreign markets and permitting the American shipowner to own the vessel is not in accord with the spirit of the times. We have progressed on beyond that idea. We not only need but we must have a merchant marine to carry our goods to foreign markets. We have reached a point in the production of American goods far beyond American consumption. This year our export trade, consisting of American goods produced in our mines, factories, mills, and on the farms, reached the stupendous figure of six and a half billions of dollars. We are now in a fair way to get the South American trade; in fact, we have got it, and we must hold it. We can only hold it by being prepared to get our goods to South America. We would be derelict in our duty as legislators if we failed to make provision to get our goods to the Republics of South America. Our cities have grown to abnormal size, and the toilers and workers in our cities must keep their jobs; and they can only keep their jobs on condition that we extend our foreign trade, and our foreign trade can only be extended when we have vessels to carry American goods to foreign markets.

The $50,000,000 carried in this bill for buying or constructing American ships is a mere bagatelle as compared to what we should have. But it is a beginning. It is a start, and a good start at that. I am unalterably opposed to the Republican policy of a ship subsidy, because it is unsound in principle. We must have water regulation of rates, and the terms of this bill give to the commissioners power to regulate water rates similar to the power given to the Interstate Commerce Commission to fix freight rates on railroads. In my opinion and in my judgment, it will meet with universal approval from the masses of the people. It will only be condemned by the owners of vessels on water who heretofore have practically fixed their own rates.

But I want to briefly mention amendment No. 48. This amendment gives the Secretary of the Treasury power to refuse clear-

ance papers for all vessels sailing to foreign ports on refusing to carry American-manufactured goods unless the vessel is loaded at the time the goods are offered. I am heartily in favor of this amendment. I am in favor of any drastic law which will make the nations of the earth realize that the United States is still on the map. [Applause.] The very idea that almost from the time when the first shot rang out in the great European war the Republic of the United States has been doing business "by the grace of King George of England," if you please, is absurd, unbelievable; and yet that is the way we have been doing business since the outbreak of the war.

The American business man from October 1, 1914, down to the present hour has scarcely known from one day to the next what England's contraband list is or what it is going to be the next day; and at last, adding insult to injury, England has deliberately placed a large number of American firms upon a black list, refusing to trade with them, refusing to ship and transport their goods. For one, as an American citizen, I am tired of this brutal force of England. [Applause.] Never since the day that a little band of American citizens dumped English tea overboard from an English ship into the Boston Harbor have American business men done business through the will or by the consent of Great Britain or any other foreign prince, king, or potentate. The American business man until the present time has done business in an honorable, upright way with his foreign competitors without asking the consent of any foreign power.

I sent to the State Department a month ago and got what I supposed was the then list of American firms blacklisted by England. It consisted of eighty-odd different firms in the United States doing business legitimate and lawful under the Stars and Stripes; and whether native born or naturalized citizens of the United States, they at least are doing business on American soil, protected by American treaties with England, and all the other Governments which have blacklisted American firms.

I am not acquainted with any of the firms whose names are blacklisted, but I undertake to say from the names of every firm upon that list, with one exception, they are German firms. One of these firms carries an English name, but every one of the rest of them, without exception, contains a German name. I am not talking for politics at all. I may be saying things that I had better not say. From a political viewpoint, discretion may be the better part of valor, and valor in this instance may suggest to me to keep silent. But when the time comes that any great foreign power undertakes to stigmatize the Germans in this country as being unloyal, unfaithful, unpatriotic, I resent it, and I resent it with all the power and force within me. [Applause.] I live with 9,000 of them in my district, and a more loyal set of men never walked this earth. They are industrious, frugal, and energetic. Their patriotism has never been questioned; they have fought for the flag of our country on every battle field at home or abroad, and they stand ready and willing to do so again should our country ever be assailed by any foreign foe, no matter who it may be.

The English Government has blacklisted, or substantially so, a firm in my own district, because this is the effect of what England is doing to this little firm to-day.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. COX. Mr. Speaker, will the gentleman from Massachusetts give me three minutes more?

Mr. GREENE of Massachusetts. I yield to the gentleman three minutes, Mr. Speaker.

The SPEAKER. The gentleman from Indiana is recognized for three minutes more.

Mr. SLOAN. Mr. Speaker, will the gentleman yield for a brief question there?

Mr. COX. For a brief question; yes.

Mr. SLOAN. What, if anything, has our State Department done to meet this injustice which the gentleman has so emphatically and clearly portrayed?

Mr. COX. I do not know. I can not discuss that; but I am in favor of doing this: I am in favor of giving to the Treasury Department a club, a bludgeon, and then I will risk public opinion in this country to enforce the statute, knowing that if the statute is enforced England will soon be compelled to lift her tyrannical, unlawful, and unwarranted blacklist. [Applause.] I know the concern in my own district personally. I know the men at the head of it. They are unable to get their goods in English vessels and unloaded on English docks, because their goods are on England's blacklist. Why these goods are on the blacklist, I do not know, except as I am informed that the same commodity which is made in my district is made in Germany, and England seems to be laboring under the delusion that these goods are made in Germany when the God's truth is they are made in Floyd County, Ind.

For nearly two years England has seized our mails, opened our letters, refused to let anything in the way of letters or parcel-post matter reach the central powers of Germany and Austria. Our Government has always regarded American mail with a sacredness, so much so that it refuses to permit any of its own citizens to interfere with mail, to prevent its transportation, or in any way to reach its proper destination. Yet patiently the people of our country have waited for nearly two years upon the good will of England to stop the interference with our mails—until patience has almost ceased to be a virtue.

Mr. Speaker, I am a man of peace; I deplore war as few men deplore it; but for one, by the Eternal God, I would send American mail to its proper destination if I had to send it backed and supported by the power of the American Navy. [Applause.] England receded, shortly after the outbreak of the war, from her London declaration of 1909, fixing contraband of war; and how many times she has enlarged this list, from the time the war broke out to this hour, I do not know. She has thrown a wall of mines around the British Isles; she has compelled American vessels to enter her ports for the sake of procuring pilots to safely pilot them through the wall of mines.

In this way she has taken American trade destined absolutely to neutral countries; she has denied the truth of American manifests and thrown American manufactured goods, produced in our mines, factories, and on our farms, into her own ports, condemned them as prizes, or, at her own good will, finally allowed them to reach their destination. This is un-American. How long are we going to submit to this overawing domination of Great Britain? How long is it going to last? How much longer must we crawl upon our hands and knees and crave the indulgence of King George, France, Russia, or any of the other belligerent powers, I care not who they be? [Applause.]

I am for amendment 48, and I am going to vote for any amendment that is offered on the floor of this House by any Member, upon either side of the aisle, that will strengthen it. [Applause.] I have been besieged not to do it. I have been told that if any amendment is agreed to in the bill, that this might defeat it and send it back to conference. Oh, I have heard that old argument before. I have been here entirely too long for that argument to have any terrors for me at all.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield for a question?

Mr. COX. For a question solely.

Mr. ALEXANDER. Does the gentleman want to make this legislation mandatory? Does he not want to leave any discretion anywhere?

Mr. COX. I would absolutely direct the Secretary of the Treasury of the United States, in this instance, to issue or not issue clearance papers to all vessels leaving American ports for foreign ports exactly as this Congress not a month ago directed the Postmaster General to pay our $2,300,000 to the rural-route carriers of this country. [Applause.] And if we can direct the Postmaster General to do a certain thing, in the name of high heaven, have we not got the right—the moral right—to direct the Secretary of the Treasury to issue or not to issue clearance papers to vessels leaving American ports? It is only a question, gentlemen, of our having the moral courage to do it. This is the whole thing in a nutshell. If we have the moral courage to write into a law this direction to the Secretary of the Treasury, then let us do it. Let us write into this law a provision that has teeth in it; that means something; that the moment England sees it she will recognize at once that we mean business; that England may recognize that when American goods made in this country, no matter by whom made, reach American ports, that they must go abroad.

I am for this amendment, and for an amendment to it which means something. [Applause.]

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. HILL] 10 minutes.

The SPEAKER. The gentleman from Connecticut [Mr. HILL] is recognized for 10 minutes.

Mr. HILL. Mr. Speaker and gentlemen of the House, I am not here to speak for Germans or English or French, or anybody else, but to speak for the United States of America and the rights of American citizens.

If you will look in the RECORD at some remarks that I made the other day, you will find a list of contraband, and that is the vital question in this amendment:

The list comprises all articles which have been declared to be absolute contraband, as well as those declared to be conditional contraband—

I am reading from the proclamation of King George of Great Britain:

The circumstances of the present war are so peculiar that His Majesty's Government consider that for practical purposes the distinction between the two classes of contraband have ceased to have any value.

We had no part or privilege in making that decision. We were not consulted. I read from another proclamation by the King:

April 18, 1916: We do hereby declare, by and with the advice of our privy council, that during the continuance of the war, or until we do give further public notice the following articles will be treated as absolute contraband in addition to those set out in our royal proclamations above mentioned: Gold, silver, paper money, and all negotiable instruments and realizable securities.

There is a great variety of articles specified, and the lists are changed and added to at will.

Is the United States to be left absolutely under the direction of the other nations of the world in paying off its debts to neutral nations? I am for this amendment of the Committee on the Merchant Marine and Fisheries, almost enough so to vote for the whole bill—not quite—but I am going to vote for this amendment just as it is. I would make it stronger if I could. The gentleman here says if we include contraband we will find our ships tied up in the different ports of the world. Let us find them there, and see if there is not backbone enough in this administration to order them released and have them released if they are complying with the laws of the United States of America. [Applause.]

Let me tell you a little incident. I can not mention names. Our own people are terrified to-day, and write to us as Representatives stating conditions, and saying, "Please do not mention my name; it will get me into trouble."

I know a gentleman who for years has had a regular business in a foreign neutral country. A few days ago he got a small order from his agent, who has been his agent for years, and it was approved by the Merchants' Guild, designated and specified by Great Britain as the party to whom merchants in foreign countries should go and get approval so that they may receive shipments from the United States of America. It was approved. It had its number. Now, what happened? The order came forward. The money to pay for it came, and it had the approval of the foreign Merchants' Guild. You would naturally suppose that was enough to allow the American merchant to ship the articles specified therein to a neutral country. But no. When it gets here the merchant has to write to the British Embassy in Washington. The British Embassy writes to the neutral foreign country to verify it, to see whether the American merchant or the foreign purchaser has been making false statements about it. It is six or eight weeks before the answer comes back. When it comes back, then the British Embassy in Washington gives its gracious permit to have $150 worth of American goods shipped to a neutral country to a neutral merchant. How long are we going to submit to this sort of thing? I am for making that amendment just as drastic as it can be made. I am perfectly willing even to leave it to this administration, with all its diplomatic weakness, as I consider it, if I can not get anything better, in the hope that the good Lord some time or other will inspire this administration with a little courage, a little vigor, and a little backbone. [Applause.]

I yield back the remainder of my time.

Mr. GREENE of Massachusetts. How does the time stand now, Mr. Speaker?

The SPEAKER. The gentleman from Massachusetts [Mr. GREENE] has 12 minutes, and the gentleman from Missouri [Mr. ALEXANDER] has 20 minutes.

Mr. GREENE of Massachusetts. Will the gentleman from Missouri use some of his time now?

Mr. ALEXANDER. I yield five minutes to the gentleman from Indiana [Mr. CULLOP].

The SPEAKER. The gentleman from Indiana [Mr. CULLOP] is recognized for five minutes.

Mr. CULLOP. Mr. Speaker, in my judgment, this amendment as adopted by the Senate and upon which we are about to vote covers the very difficulty about which a great deal of complaint has been made. It authorizes the refusal of a clearance to any vessel that refuses to carry American goods to any of the ports of the world. In my judgment, that will cure the difficulty, and I think that amendment is proper and will enable difficulties now existing to be overcome.

I think a good many of the statements that have been made about the black list have been overdrawn. I know some of them have. I heard it stated not long ago that our people could not ship goods to South America without the consent of the British ambassador, and that the State Department knew that fact. I immediately went to the State Department and made inquiry as to that matter, and they informed me that they not only knew of nothing of that kind, but had had no information about anything of that kind, and if it existed anywhere they had never heard of it before. Such a thing would be intolerable, and this Government would not permit it. Such unfounded rumors ought not to be circulated, as they do harm and breed discontent.

Here is a bill that is calculated to do more good to the industry of this country than almost any other measure that has been passed in this House.

There is another fact that should not be overlooked. Fifty years ago the shipbuilding industry of this country was one of its leading industries. It flourished and was a great pride, but a change came with high protection and it suffered. It dwindled away until it almost faded out of existence. It was tariff taxed to death. During this administration the duty has been taken off the materials that enter into the building of ships and the industry has by magic sprung up, and has in a short time become one of the great industries of this country. It is assuming its old-time prestige, and thrift and confidence prevails. Now, it will not do for gentlemen upon that side to say that we need a tariff in order to protect the labor engaged in this industry, because higher wages now are paid than ever known. Since these articles have been free of duty the wages of all the employees in our shipyards are higher than they were before, and the business is in a most flourishing condition. The raw materials are on the free list, and the shipbuilding business is enjoying a marvelous prosperity.

We need this bill, and why? We need it for the purpose of reducing the cost of transportation of articles sold abroad in order that we may realize the profits that labor and the producer earn and should have the benefit.

Mr. EDMONDS. Will the gentleman yield?

The SPEAKER pro tempore (Mr. PAGE of North Carolina). Does the gentleman from Indiana yield to the gentleman from Pennsylvania?

Mr. CULLOP. I have only five minutes, and I prefer not to yield.

What is the situation? The price paid for our commodities abroad to-day in foreign lands is the consumer's price. If the transportation charges were reduced one-half, the producer and not the consumer abroad would be the beneficiary of that reduction. Take wheat, corn, and other articles. Gentlemen who are opposing this legislation are standing in the way of prosperity in this country. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. ALEXANDER. I yield three minutes more to the gentleman.

Mr. CULLOP. When the European war broke out it cost to ship a bushel of wheat from any Atlantic port in this country to any European port 3 to 6 cents a bushel. Immediately upon the breaking out of the European war the freight rate rose and rose until it went to 46 cents a bushel. What was the result? The producer, not the foreign consumer, lost that amount. Our American producers suffered to that extent, and hence American interests suffered. Gentlemen who oppose this legislation are standing in the way of the prosperity of their own citizens, their own constituents. [Applause on the Democratic side.] I predict that after the passage of this bill we will not have to purchase half a dozen ships. The shipowners who now control these prices and have a monopoly will come down in their charges in order to avoid the competition. We have an example that supports this theory in the passage of the Federal insurance legislation. The same result will follow enactment of this measure. The same gentlemen who oppose this legislation were denouncing that legislation as socialism, competing with our own citizens, the Government driving business away from the individual, and predicting it would bankrupt the Government. But what was the result? With the enactment of the legislation, instead of bankrupting the Government as gentlemen predicted, instead of driving the citizen out of business as gentlemen on that side predicted it would do, the opposite result was had.

The Government went into the insurance business. It has paid all of its liabilities, cleared $100,000 a month for the Government for every month it has been in the business, and it did not drive a single American insurance company out of business, but they came down with their rates to a normal figure. So it will be in this case, and then the manufacturer, the farmer, the producer of this country will realize the profits.

The defeat of the ship bill a year and a half ago cost the producers of this country many, many millions of dollars, and the gentlemen who stood upon this floor denouncing it as socialistic, as injuring the citizen and bankrupting the Government, were injuring the producers of this country, depriving them of profits they were justly entitled to, amounting to millions and

millions of dollars. The country suffered because of its failure to pass and enormous losses were sustained. We should see to it now that such a result shall not be repeated. The people now understand its value and all know of its necessity. They know full well the motive which actuates those who are opposing its enactment and they who will be the beneficiaries if they should succeed in their opposition. The Ship Trust patiently hopes for their success. Since the European war broke out the Ship Trust has been reaping a golden harvest at the expense of the American producers, but with the passage of this measure its exploitation of the helpless will end and its opportunity for plunder will cease. It is time for it to end and the people who earn the profits given opportunity to enjoy them. Its enforcement will then open the markets of the world and this Government will be able to say to the world, "Hands off!" and enforce its declarations as to our export business. This Government is not cowering at the feet of any power in the world, and if any foreign power should attempt to limit our commerce it would be promptly resented and would sustain its position at all hazards. No Government would attempt it, because every nation in the world knows both our power and our courage, and none want to incur our displeasure, because of our ability to sustain our position. For political buncombe, a few in their political zeal have attempted to create the impression that some foreign country is dictating the terms upon which we shall conduct our commerce abroad, but the facts do not sustain their contention, but, on the contrary, completely refute them. They hope by their course to arouse race prejudice and gain a temporary political advantage, but they will not accomplish their purpose. This administration is not dominated by any foreign power, and, further, it will not be; and if attempted to do so it would be promptly resented and reprimanded. Let no one be deceived. President Wilson will take care of our American interests and defend American rights and preserve American honor, and every nation on the face of the earth knows and respects it. American prestige in the eyes of the entire world was never as great as it is at this hour, and the people of this country appreciate this fact. He has elevated the standard of Americanism so high that no nation cares to antagonize this country, and all studiously avoid incurring our hostility. The work of this administration excels that of any one that has preceded it, and it redounds to the welfare of the people, which commends it for continuance.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. LENROOT] five minutes.

Mr. LENROOT. Mr. Speaker, we have just listened to another example of Democratic inconsistency. The gentleman from Indiana has spent eight minutes arguing that the producer in America pays the foreign freight rate and we would have saved so many millions if we had had the shipping bill before. When the gentleman comes to discuss the tariff he says the producer does not pay the tariff, but the consumer does. He is as consistent as the Democrats usually are.

But I want to say a word about the Senate amendment, the purpose of which I am heartily in favor of. In my judgment the language found in the Senate amendment is full of danger, because, according to the uniform practice of all the departments in this Government and the uniform practice of Congress, when a delegation of authority is made it is regarded as mandatory, and not discretionary. Now, Mr. Speaker, if this language is mandatory, it means that every shipowner affected by the amendment will be compelled to accept contraband of war as a part of the freight that he is to carry. If that is true, it comes very near a violation of neutrality on the part of our Government.

Under international law an American citizen has the absolute right to sell contraband of war to whoever he pleases. A shipowner has the absolute right to carry contraband of war, the penalty, and the only penalty, in both cases being the capture and confiscation of the property.

But, Mr. Speaker, the United States Government can not carry contraband of war without violation of its neutrality. If the Government should attempt to carry contraband of war on a Government ship, it would be an absolute violation, and likewise, it seems to me, it would be a violation of neutrality on the part of our Government to compel any shipowner to carry contraband of war. And so, if this is mandatory, it involves a very serious question indeed.

Mr. ALEXANDER. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. ALEXANDER. The language of the amendment of the gentleman from West Virginia does make it mandatory.

Mr. LENROOT. The amendment proposed by the gentleman makes it mandatory as to all goods that the Senate amendment does, except such goods as may render the ship liable to capture, and therefore absolutely takes care of the situation, and meets the situation better than the Senate amendment, because it will compel all goods other than contraband of war to be taken by the shipowner.

Mr. BENNET. The additions to the Sutherland amendment are those in the Parker amendment, which the gentleman from Missouri commended a few moments ago, but which he did not know had been added to the Sutherland amendment.

Mr. ALEXANDER. No; I did not understand that it had been added to the Sutherland amendment.

Mr. LENROOT. The Sutherland amendment excepts those goods that might be subject to capture.

Mr. ALEXANDER. I thought that was stricken out.

Mr. BENNET. No; it is a part of the Sutherland amendment.

Mr. LENROOT. But, Mr. Speaker, aside from that, the gentleman from West Virginia [Mr. SUTHERLAND] suggested that to compel the carrying of contraband of war might result in tying up the ships in a foreign port, and therefore, instead of being an aid to foreign commerce, might be a detriment. The gentleman from Connecticut [Mr. HILL] in reply said that if our ships are tied up in a foreign port because they carry contraband of war, let us find out and see whether there is banckbone enough in this administration to get them out.

Mr. HILL. Will the gentleman yield?

Mr. LENROOT. My time is short.

Mr. HILL. Would not the same conditions result if freight was carried to a black-listed person?

Mr. LENROOT. I want to follow out the line I started upon in answer to the gentleman's statement. The gentleman said that we will see whether there is backbone enough in this country to get the ships out. I want to say that if any ship does carry contraband of war, the United States Government is absolutely powerless to get the ships out, because they have the right of capture.

Mr. SUTHERLAND. They could carry freight to South America.

Mr. LENROOT. In addition to that, Mr. Chairman, let us take a ship four-fifths of the cargo of which is loaded with foodstuffs, and somebody offers a thousand rifles or a hundred cannon to the ship. Is it fair to the shipowner, is it fair to the producer, is it fair to the shipper of foodstuffs, to subject four-fifths of the cargo to detention and capture because of these 1,000 rifles or 100 cannon which are contraband of war?

In addition to that, Mr. Speaker, I can very well see that to compel every shipowner to carry contraband of war to complete his cargo might well mean an increase of freight rates on goods that are noncontraband of war, because the hazard is so much greater and subjects the ship to capture, whereas if there was no contraband of war he would not be subject to capture or detention at all. So there should either be a discretion clearly reposed in the Secretary of the Treasury or the provisions of the Sutherland amendment should be adopted excepting them.

I want to say a word in reference to the construction of the language. Wherever in any bill, as Members will recollect, the authority is granted to the head of any department to do a thing, if we want to make it discretionary we always—if it is not done in committee we do it on the floor of the House—we always say "authorized within his discretion" to do certain things. If that was done in this case, of course it would clearly make it discretionary; but as it stands, both under the practice of the department and the practice of Congress, it will be regarded as mandatory, compelling them to refuse clearance unless contraband goods are accepted. For the reasons given, I shall heartily support the Sutherland amendment, and hope it will be adopted.

Mr. ALEXANDER. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, this amendment 48, I think, should be agreed to. I can not conceive how any reasonable objection can be made to it. It is claimed that other Governments discriminate against our commerce in the distribution of their freight space on cargo ships or refusal to carry the freight of our people. This amendment seeks to clothe the Government of the United States with the right to prevent that discrimination whenever they find it is being used to the detriment of our shipping. The amendment proposed by the gentleman from West Virginia [Mr. SUTHERLAND] means nothing unless it means to take away from the Government or the executive officer, the Secretary of the Treasury, the discretion which is vested in him by the Senate amendment. It does direct him mandatorily to refuse a clearance to certain vessels that refuse cargo space to American goods, and then it undertakes to exempt certain vessels or accept certain excuses that a vessel owner may give by trying to specify cases in which

the vessel owner will have the right to refuse the cargo. In doing that it still further takes away discretion from the Secretary of the Treasury. In my opinion the language of this amendment as it comes from the Senate is precisely right, because it places in the executive department, the Secretary of the Treasury, the right to examine and investigate the actions of foreign Governments, and if he finds that any foreign Government is discriminating against our shippers to the detriment of our trade, then he can refuse clearance to a ship that is so discriminating against our goods. Whenever you undertake to restrict or bind or limit or fix the limit upon the discretion of the Secretary of the Treasury you cripple the arm of the Government that should be used freely for the protection of our industries and our interests.

There is another matter. It does seem to me that everybody who wants to pass this bill and let Congress get away from here should try not to tangle up the situation by any amendment, however slight or unimportant, that would throw this bill in conference and again back into the Senate and again back into the House. This is such a little amendment, with so little, if any, improvement, even if anybody believes it is an improvement, that I believe we ought upon this measure, all of us, Republicans and Democrats, to vote against the proposed amendment of the gentleman from West Virginia and for amendment 48 as it comes from the Senate and get the whole thing into effect for the protection of our commerce against the blacklist and other discriminations at once.

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to substitute the words "the Secretary of the Treasury" for the words "the President" in my amendment.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to modify his amendment by substituting for the words "the President" the words "the Secretary of the Treasury." Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Speaker, the bill before the House is adverse to the best interests of the farmers of the United States. The main proposition is to borrow money for the purpose of buying ships at the highest price that ships ever were held since Noah was a sailor. The ships are expected to transport goods to foreign ports, but the large purpose is to enable those ships to carry farm products from Argentina, Australia, and elsewhere to the ports of the United States and compete thereby with the products of our great farming districts. [Applause on the Republican side.]

At the same time, to further place a burden upon the farmers of the United States, two great committees of the House and Senate are preparing measures that will undoubtedly raise the freight rates of every man who produces a bushel of surplus grain or a pound of surplus animal food products throughout the country. [Applause on the Republican side.]

The largest temporary fact on earth is the European war. The largest permanent fact conceived and upbuilt by men is the American Republic, with its liberal Government, progress, and present wealth. The largest problem for the statesmen of America and of Europe will be to defend on the one hand and assail on the other the industry, commerce, and wealth of America when the war closes. Europe will endeavor to obtain in her own way that which we should defend in our most effective way.

Raising revenues to meet governmental expense has been for centuries the point about which political controversies have centered. Our Constitution makers in wisely taking to the General Government control of the ports of entry, provided not only the best and most effective means of raising the major part of our revenue, but enabled the Government to prefer, and cause its citizens to prefer, the products of American labor and capital to those produced or used under any other flag.

The primacy of this principle has always been recognized by the political division, under whatever name it has been known, which has been devoted to constructive principles. It has been uniformly opposed by those with a taste for the foreign flavor and texture, and not so deeply concerned about the predominance and permanence of things American.

So a protective tariff, with widely separated exceptions, has been the large issue for nearly a century. It was the large issue in 1912. As a factor in determining the result, it was then seriously affected by the division of the Republican Party. The protective tariff, as carried out in this country, has been applied to products which at the time were, or within a reasonable time would probably become, competitive with like products from other lands. Under this policy, Republicans placed reasonable duties upon farm products in the McKinley bill of 1892. These the Wilson bill of 1894 largely reduced. The Wilson bill, however, retained a substantial duty—generally ad valorem—on nearly all farm products. The Dingley bill of 1897 placed a wholesome protective tariff upon farm products. This tariff was practically reenacted in the Payne law of 1909 and remained until superseded by the Underwood law of October 3, 1913.

Republicans favored protection of farm products for the following reasons:

First. Because they saw in the growth of our population and the rapid reduction to cultivation of our lands, as well as in our annual statistics, an approximation of consumption and production.

Second. Farming is not the simple process it once was to be carried on by anyone, and taken up or dropped at any time. A season, a year, or even a decade will not span or determine agricultural success. Farming is a profession now and ought to be the noblest of them all. It should receive first consideration instead of being made the victim of unwarranted legislative caprice or party venom.

The farmer must combine the training of the engineer to understand and manipulate his complicated machinery, with the study of the scientist, to prepare the soil, seed, harvest, and garner. Moreover, he must be a financier to judge when, how, and under what circumstance to market his products that best results may follow.

Third. The course of tariff legislation in other countries, Britain excepted, has been to place protective duties on farm products. The following table gives some of the duties the American farmer must pay in order to enter his products in foreign countries:

Country.	Fresh meats per pound (about).	Cured or simply prepared meats per pound (about).	Average of cereals per bushel (about).
Austria-Hungary	$0.03	$0.03	0.211
France	.024	.032	.177
Germany	.035	.039	.245
Belgium	.019	Free.	Free.
Russia	Free.	.021	Free.
Greece	.020	.014	.162
Italy	.010	.022	.196
Spain	.012	.044	.221
Sweden	.009	.064	.198
Canada	.030	.020	.094
Mexico	.022	.033	.229
Argentina	Free.	.109	.195
Brazil	.028	.192	.177
Australia	.040	.060	.194

NOTE.—Rates are not precise on account of differences of money terms used and the fact that some rates are ad valorem and some specific.

Fourth. The results of the Dingley and Payne agricultural tariffs were satisfactory on the protective, competitive, and revenue bases. Witness the following tables showing the dutiable goods entered at our ports for every fifth fiscal year, beginning 1897 and ending 1912:

SCHEDULE A.—*Chemicals, oils, and paints.*

Year ended June 30—	Values.	Duties collected.
1897	$19,003,638	$5,440,021
1902	29,991,974	8,499,709
1907	40,246,137	11,124,088
1912	47,235,641	12,239,742

SCHEDULE B.—*Earths, earthenware, and glassware.*

Year ended June 30—	Values.	Duties collected.
1897	$21,166,515	$7,605,169
1902	21,424,011	11,365,381
1907	31,306,009	15,350,019
1912	21,994,265	11,156,221

SCHEDULE C.—*Metals and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$23,603,665	$8,955,132
1902	38,870,207	14,973,244
1907	67,148,963	21,882,145
1912	50,491,870	17,346,221

SCHEDULE D.—*Wood and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$1,485,479	$339,974
1902	14,556,267	2,572,527
1907	24,472,483	3,701,201
1912	24,414,913	3,042,834

SCHEDULE E.—*Sugar, molasses, and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$98,283,469	$41,346,400
1902	61,116,367	53,040,877
1907	92,784,081	60,338,523
1912	105,744,519	50,951,199

SCHEDULE F.—*Tobacco and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$18,782,759	$20,971,882
1902	16,331,536	18,756,035
1907	29,959,081	26,125,037
1912	31,116,052	25,571,508

SCHEDULE G.—*Agricultural products and provisions.*

Year ended June 30—	Values.	Duties collected.
1897	$33,716,958	$8,613,987
1902	43,682,461	16,012,639
1907	63,720,855	19,203,886
1912	117,711,156	34,146,071

SCHEDULE H.—*Spirits, wines, and other beverages.*

Year ended June 30—	Values.	Duties collected.
1897	$11,880,430	$8,136,014
1902	15,367,757	10,562,022
1907	23,683,420	16,318,120
1912	20,731,233	17,409,815

SCHEDULE I.—*Cotton manufactures.*

Year ended June 30—	Values.	Duties collected.
1897	$22,650,234	$9,903,895
1902	21,129,133	10,422,930
1907	31,857,017	14,284,628
1912	24,358,360	11,085,150

SCHEDULE J.—*Flax, hemp, jute, and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$34,852,448	$14,110,685
1902	68,133,003	30,694,804
1907	114,124,372	49,830,953
1912	108,698,102	49,062,348

SCHEDULE K.—*Wool and manufactures of.*

Year ended June 30—	Values.	Duties collected.
1897	$48,902,866	$22,702,726
1902	35,363,788	26,396,923
1907	62,831,601	36,561,217
1912	48,361,374	27,072,116

SCHEDULE L.—*Silks and silk goods.*

Year ended June 30—	Values.	Duties collected.
1897	$26,517,092	$12,421,970
1902	32,242,228	17,293,290
1907	38,816,839	20,313,706
1912	26,571,510	13,695,239

SCHEDULE M.—*Pulp, papers, and books.*

Year ended June 30—	Values.	Duties collected.
1897	$5,319,055	$1,200,043
1902	8,047,824	1,836,456
1907	20,005,025	4,136,023
1912	22,828,121	4,888,671

SCHEDULE N.—*Sundries.*

Year ended June 30—	Values.	Duties collected.
1897	$41,184,008	$10,031,293
1902	83,66[illegible],341	20,180,984
1907	133,092,951	29,832,107
1912	108,952,769	26,931,000

The following comparisons of imports of 27 leading northern product periods will be interesting from both import and revenue considerations:

First comparison, first nine months, new law, with corresponding months in last year of old law: Old law imports, $49,727,159; new law imports, $130,692,543. Increase, 162 per cent.

Second comparison, first year of new law compared with last corresponding year under the old law: Old law imports, $63,342,993; new law imports, $166,020,946. Increase, 162 per cent.

Third comparison, first 21 months of the new law compared with the last corresponding period of the old law (it will be noted that this period contains 10 months nonwar period and 11 months war period): Old law imports, $132,395,694; new law imports, $273,718,123. Increase, 106 per cent.

Total imports for 21 months under new law compared with last 21 months under old law: Total imports under old law, $2,229,780,348; total imports of foodstuffs and raw wool, $556,533,733, or 24 per cent of the totals; total imports under new law, $3,121,285,761; total imports of foodstuffs and raw wool, $1,003,809,279, or 32 per cent of the total. This shows an increase in imports of $891,505,413, of which food products and raw wool was $447,265,546, or 50 per cent. While the imports of foodstuffs and raw wool increased 80 per cent, the increase of all other products was only 20 per cent.

Free imports: Of the total free imports during the last 21 months of the old law, amounting to $1,215,461,871, 18 per cent, or $228,337,714, were foodstuffs and raw wool. For the first 21 months under the new law the total free imports were $1,927,895,375, of which $557,519,898, or 29 per cent, was foodstuffs and raw wool. This shows an increase of $712,433,504, of which foodstuffs and raw wool furnish $329,182,184, or 46 per cent. While the imports of foodstuffs and raw wool under the free list increased 144 per cent, the increase of all other products on the free list was only 38 per cent.

Revenue: If the old rates had been collected upon the imports of these 27 articles for the first 21 months under the new law the revenue would have amounted to $88,377,974. The amount actually collected for a period of 21 months under the new law was $9,283,577. Now, this is but a part of Schedule G with raw wool added. * * * From these facts and figures the loss of revenue growing out of this discrimination against the farmer totals each year an enormous sum. And if we were to include all of Schedule G, with raw wool added, we must add several millions more.

Selecting 1912 as the last year which was not disturbed by threatening or actual tariff changes, and 1915 as the first clear year under the Underwood law, we find the dutiable agricultural imports of 1912 to be $783,457,471; for 1915, $908,185,128. This shows an increase of $124,727,657. In order to bring in this additional competition the Treasury lost, on the dutiable list, $33,270,720. This is measured by the difference between Schedule G's income in 1912 and 1915, plus the loss on raw wool. In other words, 34 per cent, or more than one-third, of all the losses of revenue suffered under the Underwood law resulted from the changes made in farm-product duties.

It would have been a bold statement in the light of all these facts for the Democratic Party to have declared in favor of placing farm products generally on the free list. Yet fair dealing with the producers of the country required such a platform statement, if legislation such as was afterwards enacted in the Underwood law had then been contemplated. To do less was bad faith. Yet nowhere in the Democratic platform of 1912 was there a hint, to say nothing about an open statement, that the large feature of Democracy's tariff policy, which was given first place in the national platform and in the tariff law which

was given first place in the Democratic legislative program, was to be the removal of duty from nearly all farm products produced in the North and drastic reduction of others belonging to that section.

The Democratic national platform said nothing directly about farm products being placed on the free list, nor did it state, leaving anything open to inference, that its legislation would be of that character. The first important clause of its paramount plank was—

> We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties, insisting that material reductions be speedily made upon the necessities of life.

Speedy reduction of duties can not be tortured by any honest interpretation into meaning a removal of duties. The idea involved in the word "reduction" indicates a lessening, but also implies a continuance in form and substance of the original factor. So farmers may have been warned that duties on farm products would be reduced in case of Democratic success, as had been done in the Wilson bill in 1884, but no one was given to understand or was warranted in understanding that the duties would be removed and farm products generally placed on the free list. The change promised was a matter of diet, not of death.

However, further on the platform states:

> Articles entering into competition with trust-controlled products and articles which are sold abroad more cheaply than at home should be put upon the free list.

The products of the American farm do not enter into competition with trust-controlled products and have not been sold abroad more cheaply than at home. The wheat, corn, rye, cattle, hogs, sheep, poultry, eggs, potatoes, and other products of the farm are not sold by our farmers in competition with any trust.

The only other provision of the Baltimore platform which related to duties on farm products is where it says:

> We denounce the action of President Taft in vetoing the bills to reduce the tariff in the cotton, woolen, metal, and chemical schedules and the farmers' free-list bill.

It will be recalled that the farmer's free-list bill, as it passed Congress and was presented to President Taft, contained little produced upon the farm. The articles, including meats and cereals, which had been in the free-list bill when originally introduced, had been, by the deliberate action of a Democratic House and a Republican Senate, cut out of that bill. So that all any farmer had reason to fear if fairly dealt with by the successful party was a reduction of the rate of duties upon his products, and he was in nowise warned that any of them would be placed upon the free list.

Judge Cowan, of Texas, a Democrat, speaking before the Ways and Means Committee, during the discussion of the Underwood bill, practically charged the Democratic Party with bad faith in placing live stock and meats on the free list when it had not declared for such policy at Baltimore.

Upon this question the American people, except the Democratic Party, had largely and fairly expressed themselves. The Republican platform adopted at Chicago in 1912 said:

> The products of the farm and of the mine should receive the same measure of protection as other products of American labor.

The Progressive national platform adopted at Chicago in 1912 said:

> We believe in a protective tariff which shall equalize conditions of competition between the United States and foreign countries, both for the farmer and the manufacturer, and which shall maintain for labor an adequate standard of living.

There were cast in support of these platforms for unsuccessful presidential candidates 7,604,518 votes. There were cast for the successful minority candidate for President only 6,293,454 votes. There were lacking 1,311,064 votes of a majority. And, moreover, of all candidates for the House of Representatives in the Sixty-third Congress the expression of the voters on this great subject of legislation, if carried into effect, would have elected 211 Democrats and 224 Members favoring reasonable protection to the products of farm, factory, and mine.

Further, the two great agricultural organizations of this country have not been silent on this subject. The National Grange, speaking upon this subject, said:

> We confirm the position of the grange upon the tariff question as passed by the forty-second session of the National Grange, namely, "That whatever the policy of the Government may be, the farmers of the United States demand that, as far as possible, such measures of direct benefit therefrom as is given to manufacturers or any other industries of the country shall also be accorded to agriculture."

The Farmers' National Congress, in its last formal deliverance on this subject, said:

> A fair and equal measure accorded to all industries of the country needing protection. Any legislative discrimination will be opposed by our influence and resented by our votes. We will never submit to selling in a free-trade market and buying in a protected market.

Upon the other hand, no farmers' organization has demanded free or substantially free trade in farm products.

Schedule G, with the rest of the bill, was sent to a Democratic caucus of House Members, dominated by cotton and Tammany. When a northern Member simply attempted to protest in the name of the farmers of the North, he was browbeaten into silence. He was told to take his choice, silence and patronage, or protest and disfavor. One was told that the active postmasters he might name would exert more influence than the 20,000 farmer voters in his district. He chose the postmasters. A Republican successor now sits in his stead. In the 1914 congressional election the Republicans gained 36 agricultural districts.

The largest feature of the Underwood tariff bill was its slaughter of farmers' protection, as the following facts will establish:

First. It affected the large group of all citizens, who, according to our census estimates, are divided as follows:

Agriculture and animal husbandry	12,500,000
Manufacturing and mechanical industry	10,500,000
Domestic and personal service	3,800,000
Trade	3,500,000
Transportation	2,700,000
Clerical service	1,700,000
Professions	1,600,000
Minerals	900,000

Second. It threw open to competition the largest portion of our country's annual production of wealth with the rapidly increasing products of other agricultural countries, including the great pastures and developing lands in Canada, South America, Australia, and Africa. So the largest factor of competition created by the Underwood law was against the farmers in their right to the home market, which they had been for decades upbuilding. Indeed, the remarkable prophecy contained in the report signed by the 14 Democratic members of the Ways and Means Committee in support of the Underwood bill seemed to apply to agriculture, our greatest industry. Over their signatures these men said: "In our judgment, the future growth of our great industries lies beyond the seas."

Republicans believe that the future growth of our great industries, as well as our lesser ones, should lie between the great seas, Atlantic and Pacific.

COMPARISON OF IMPORTS—1914 WITH 1912.

The fiscal year of 1914 contains three months of the Payne law and nine months of the Underwood law.

There was an increase on all imports over 1912 of $270,889,052. Of these $140,789,052 were farm products; all others, $130,099,907. Stated in percentages, farm products, 52 per cent; all others, 48 per cent.

There was an increase in all exports in 1914 over 1912 of $159,364,197. Of this, $63,346,504 only was farm products and $96,017,693 all others. Stated in percentages, farm products, 40 per cent; all others, 60 per cent. In other words, the farmers were forced to meet $140,789,052 increased import competition in exchange for the advantage of $63,346,504 export. Or, stated in percentages, the farmer was forced to accept a 52 per cent increase of imports competition for a 40 per cent increase of exports of his production, while the others were given the benefit of the $96,017,693 export increase for $130,099,907 import increase. In the matter of the increase caused by the new law the farmer found the balance against him of $77,442,548, while all others had a balance of trade increase against them of only $34,082,214.

The following are some of the important transfers from the Underwood dutiable to the free list in the Underwood law:

Cattle, sheep, wool, beef, mutton, corn, eggs, milk, cream, potatoes, and wheat—wheat and potatoes to bear 10 cents per bushel and 10 per cent, respectively, if the importing countries charge a duty for our shipment to them.

The following are articles upon which duties were radically reduced:

Horses, poultry, oats, hay, cheese, and butter.

The remaining rate yields considerable revenue but extends little protection.

When the tariff bill was under way the Ways and Means Committee, to silence the protest of the farmers and the northern Congressmen, set forth in its report a statement, claimed to be based on legitimate Treasury information, showing probable importations during the first year's operation under the proposed law:

	Forecast for year.	Actual imports for first year.	Ratio of estimate to actual imports.
Cattle	$5,570,000	$21,006,690.58	1 to 4
Horses	612,500	1,804,818.50	1 to 3
Eggs	210,000	1,582,490.63	1 to 7½
Butter	325,000	1,907,145.20	1 to 6
Oats	945,000	8,059,743.43	1 to 8½

In scriptural times false prophets were stoned. In Democratic times they send them to the United States Senate. Whither UNDERWOOD of Alabama, and JAMES of Kentucky, have gone. There have been no similar advances by northern Democratic Members of the Ways and Means Committee.

The increase of imports of 27 northern agricultural products during the first nine months of the Underwood tariff as compared with the last nine months of the Payne tariff was from $49,853,631 to $129,280,817, or 159 per cent.

Third. To inflict upon the farmers of the North the burden of competition from cheap lands, cheap labor, and cheap ocean transportation, the Democratic Congress discriminated against the northern farmer and in favor of the southern agriculturist.

(a) Rice flourishes only in Dixie. The Underwood law retained it on the protected list, while wheat, raised in the North—except under conditions—was placed on the free list.

(b) Tobacco, largely produced in the South, is protected, while corn is free.

(c) Peanuts of Virginia and North Carolina were retained on the protected list while potatoes of Maine and Northern States generally were placed on the free list. This had led a great many northern farmers to believe that the Underwood law is a shell game throughout.

(d) Angora goat hair of Texas and the Southwest generally is protected. Wool of the North is free listed. It would seem that this was an effort to see how far they could go in sectional discrimination. They reversed the Scripture to do it. According to Matthew, the sacred writer, on the final day the sheep were to be placed on the right for protection; the goats to be pressed aside upon the left for free trade, or, of course, its equivalent. The Underwood law reverses these positions. And the goat is exalted, while the sheep, during the ages regarded as an emblem of purity and innocence, is rejected. Simply another illustration of how, regardless of whatever cost, the northern farmer must be punished.

SPECIAL PRODUCTS.

The citrus-fruit industry, under the fostering influence of a reasonable protective tariff, was rapidly becoming a great national industry. The Underwood law removed a large measure of that protection. It was urged that the reduction was in the interest of the consumer, but it appears from pending litigation that the beneficiaries are not the consumers but are certain lobbyists in this country and the foreign exporters.

Wheat: The present foreign war has created a great demand for our wheat, and present prices are not being complained of. However, the day of peace and commercial reckoning is coming. Farmers are interested in and remember conditions as they were two years ago, when the Underwood law was in force and the war had not begun. A Democratic Congressman on the floor of the House on June 4, 1914, said:

Wheat now is a better price under Democratic times than it was in 1912 under Republican rule.

The same Member having later, on the 27th of June, said, "Farm products are commanding a high price, the best ever known," a Republican Congressman, in the course of debate, submitted the following facts and figures:

Cash price of wheat at certain markets.

Quotations from—	June 4, 1914	June 4, 1912.	Decrease.
Omaha Bee	$0.88½	$1.08½	$0.20
Kansas City Star	.91½	1.12	.20½
Minneapolis Tribune	.93½	1.12⅝	.19⅛
Chicago Record-Herald	.96	1.11½	.15½
New York Sun	1.05½	1.21¾	.16¼

NOTE.—Prices are on No. 2 hard, except Minneapolis prices are No. 2 Northern.
Average decrease in five markets, 18 cents per bushel.

If these dates are regarded as too narrow, if the gentleman desired to give facts concerning prices, he could have resorted to a broader field, using the records of the United States Department of Agriculture. The wheat farm prices quoted are for January, February, March, April, May, and June of the several years. I place them in two groups—one for the years 1914 and 1913 in one group and the other for the four preceding years. I group 1913 and 1914 together because the anticipatory effects of one go with the actual results of the other.

The average price for the first group of four years under the old tariff was for January 93.3. It was 78.6 for the other. For February it was 95 for the four-year group, 80 for the two-year group. March it was 96.2 as compared with 83, and so on, with an average between these two groups of years, covering fairly all of the six months, of 16 cents per bushel in favor of the former law. So that a man desiring to find the truth could not have been easily mistaken, as the following table will show:

Price of wheat per bushel.

Months.	1909	1910	1911	1912	1913	1914	Average, 4 years.	Average, 2 years.	Decrease or increase.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
January	93.5	103.4	88.6	88.0	76.2	81.0	93.3	78.6	−14.7
February	95.2	105.0	89.8	90.4	79.9	81.6	95.1	80.2	−14.9
March	103.9	105.1	85.4	90.7	80.6	83.1	96.2	83.1	−13.1
April	107.0	104.5	83.8	92.5	79.1	84.2	96.9	81.6	−15.3
May	115.9	99.9	84.6	99.7	80.9	83.9	100.0	82.4	−17.6
June	123.5	97.6	86.3	102.8	82.7	84.4	102.5	83.5	−19.0

I submit the following table of leading product prices on June 27, 1914, in several markets:

Cash prices.

[From the Indianapolis Star.]

	June 27, 1912.	June 27, 1914.	Decrease.
INDIANAPOLIS.			
Wheat, No. 2 red.....bushel..	$1.97½	$0.07½	$0.28
Corn, No. 3 white.....do....	.80½	.73½	.07
Oats, No. 2 white.....do....	.54½	.28¾	.15¾
Hay, No. 1 timothy.....ton..	20.00	17.00	3.00

[From the Chicago Record-Herald.]

CHICAGO.			
Wheat, No. 2 hard.....bushel..	$1.04	$0.84½	$0.19½
Corn, No. 2 yellow.....do....	.75¾	.68½	.07¼
Oats, No. 2 white.....do....	.54	.39¾	.14¼
ST. LOUIS.			
Wheat, No. 2 hard.....bushel..	1.07½	.90	.17½
Corn, No. 2 yellow.....do....	.76½	.69½	.06¾
Oats, No. 2 white.....do....	.52½	.38½	.14¼
KANSAS CITY.			
Wheat, No. 2 hard.....bushel..	1.11½	.88	.23½
Corn, No. 2 yellow.....do....	.78½	.69½	.07¼
Oats, No. 2 white.....do....	.49¼	.38¼	.11¼
NEW YORK.			
Wheat, No. 2 hard.....bushel..	1.18	.91½	.23½
Corn, No. 2 yellow.....do....	.81¼	.77¼	.07

If market prices are not fully convincing, allow me to submit the following table, showing the farm prices for small grains during the first six months of the last six years, grouped as heretofore, and the decrease in price for the last two years, compared with the four years previous.

Farm price of certain small grains, first of each month, for the United States for years 1909, 1910, 1911, 1912, and average for these four years, as compared with the price for same months for 1913 and 1914, and the average for these two years:

Prices per bushel for oats, barley, and flaxseed.

	1909	1910	1911	1912	1913	1914	Average, 4 years.	Average, 2 years.	Decrease.
Oats:[1]	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
January	48.1	42.8	33.2	45.1	32.2	39.1	42.3	35.6	−06.7
February	48.1	45.0	33.1	47.5	32.4	39.3	43.4	35.8	−07.6
March	51.1	46.0	32.8	49.8	33.1	38.9	44.9	36.0	−08.9
April	53.2	45.6	32.3	52.0	33.1	39.5	45.7	36.3	−09.4
May	55.3	43.3	33.2	56.0	34.2	39.5	46.9	36.8	−10.1
June	57.4	43.0	34.7	55.3	36.0	40.0	47.6	38.0	−09.6
Barley:[2]									
January	56.5	57.6	59.8	86.4	49.9	52.2	65.0	51.0	−14.0
February	58.3	59.3	64.1	91.2	51.4	52.4	68.2	51.9	−16.3
March	59.4	60.2	63.0	91.0	49.0	51.1	68.4	50.0	−18.4
April	61.2	59.7	69.1	92.3	48.5	51.7	70.5	50.1	−20.4
May	63.8	56.5	74.0	96.2	48.3	49.3	72.6	48.8	−23.8
June	67.0	55.7	73.8	91.1	52.7	49.1	71.9	50.9	−21.0
Flaxseed:[3]									
January	123.2	171.2	221.1	187.11	106.2	124.2	175.6	115.2	−60.4
February	129.8	192.9	233.9	190.8	103.3	127.8	186.8	118.5	−68.3
March	141.3	193.1	240.7	183.9	119.0	132.5	189.7	125.7	−64.0
April	145.6	193.9	234.6	191.3	113.6	132.8	191.3	123.2	−68.1
May	148.7	209.5	241.9	181.0	114.3	134.7	195.2	124.5	−70.7
June	153.4	195.5	225.0	205.0	115.8	136.8	194.7	136.3	−68.4

[1] Average decrease between months, 2 periods, 8¾ cents.
[2] Average decrease between months, 2 periods, 19 cents.
[3] Average decrease between months, 2 periods, 66⅔ cents.

Should we see fit to consider May the month preceding the gentleman's statement, the following table of important farm products for 1912 and 1914 will be of interest:

May.	1914	1913	Decrease.
Corn, bushel	$0.721	$0.794	$0.073
Oats, bushel	.395	.56	.165
Barley, bushel	.493	.962	.469
Potatoes, bushel	.714	1.273	.559
Hay, ton	12.32	17.64	5.32
Flaxseed, bushel	1.347	1.81	.463

All the foregoing information was available to the gentleman at the time he made his statements. It may, however, be of interest to submit a table showing the wheat prices of a recent date compared with two years ago:

Cash wheat prices on certain markets.

	July 11, 1912.	July 11, 1914.	Decrease.
Omaha	$1.03	$0.73	$0.30
Chicago	1.04⅛	.80⅛	.24
New York	1.15	.87½	.27½
Kansas City	.98½	.78	.20½
Minneapolis	1.07¼	.86¾	.20½

The fall of price in wheat during the last two years has been more than 15 cents per bushel. The difference in average price between the period including 1913 and 1914 and the period of four years preceding is in excess of 15 cents a bushel. The difference in price between June 1, 1914, and the average price for a period of five years preceding that date is 15 cents a bushel. The reduction of the tariff in the Underwood bill was 25 cents per bushel for those countries that receive our wheat free and 15 cents a bushel for the products of countries which do not admit our wheat free. The importation of wheat for the first eight months of the Underwood law increased 357 per cent over those of the corresponding period one year before. It may be interesting to know the effect in dollars and cents to the average wheat farmer of the country, the several States, and the different counties in my congressional district what a fall in price of 15 cents a bushel means.

In considering the relative prices of wheat and other grains during the last two years it is entirely proper to call attention to the fact that prices of farm implements used in securing these crops be given. Upon the authority of the Hon. C. B. Dempster, of Beatrice, Nebr., president of the leading farm-machinery factory west of the Mississippi River, I can state that there has been an advance of price to the retailer during the 12 months preceding June 1 of this year of wagons, plows, disk harrows, grain drills, and so forth. There has been a tendency to advance in price windmills, pumps, and similar farm appliances. I give, however, in detail, the prices quoted and obtained by the International Harvester Co. for the years 1912, 1913, and 1914, the same being based f. o. b. cars Chicago, Ill.

	1912	1913	1914
Grain binder:			
6-foot	$102.50	$102.50	$102.50
7-foot	105.50	105.50	105.50
8-foot	125.00	125.00	125.00
Mower:			
5-foot regular	36.00	36.00	37.00
5-foot vertical	37.00	37.00	38.00
6-foot	39.00	39.00	40.00
Corn binder	102.50	102.50	102.50
Rakes, 10-32 S. D	18.75	18.75	19.75
Tedders, 4-fork	27.00	27.00	28.00
Disk harrows 12-16	20.50	20.50	21.50
Manure spreader, No. 2	90.00	90.00	90.00
Cream separator, No. 2 B B	48.50	48.50	48.50
Weber wagon, 2-horse	61.50	65.00	65.00

It will be interesting further to know the course of prices of binding twine during the last three years which the farmer must use in taking care of his crop. It has increased, as will appear from the following table of prices quoted by the International Harvester Co.:

	Sisal.	Standard sisal.	Manila.	Pure manila.
	Cents.	*Cents.*	*Cents.*	*Cents*
1912	7¼	7¼	8¼	9¾
1913	9½	9½	11¼	12¾
1914	9	9	11	13¾

Is it any wonder that the farmer, pressed between the upper millstone of falling wheat prices and the lower stone of rising machinery and binding twine prices, has little patience with statements at variance with well-known market facts? The farmers know that the majority party so drafted its recent tariff law as to make them bear its burdens and suffer from its injuries. They resent the gratuitous insult in the assumption that farmers do not remember back a period of two years, and that they do not know their own markets. Free-trade statesmen will learn that farmers' memories are in working order while their forgetters are decayed and rusting. As ex-President Roosevelt well said:

> As for the farmer, the present tariff, the administration's tariff, was so framed as to result in the sacrifice of his interests. He had no spokesman, no friend in high quarters, and his welfare was contemptuously sacrificed. At every point where his interest was concerned he was made to suffer.

Corn: Corn and wheat are the two leading cereals, and also the two leading farm products in the United States. They demonstrate in their decreasing exports and increasing imports, the rapid approximation or consumption and production. The markets illustrate the large advantage foreign producers have who carry the products of their land l water to our great seaboard cities, while our producers must pay a much larger transportation rate over the railroads from the interior of the United States when there is a surplus of production; that is, Argentina, which now exports more corn than all other countries of the world, the United States included, after the passage of the Underwood law, was shipping enormous amounts of corn from her ports to our eastern ports, at transportation rates of from 3 to 5 cents a bushel.

The following is a statement of the railway rates paid for corn shipments from the leading western markets to the seaboard cities:

From—	To— Boston.	New York.	Philadelphia.	Baltimore.	Galveston.	New Orleans.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Omaha	0.18	0.17	0.16	0.15	0.19	0.11
Kansas City	.17	.16	.15	.14	.17	.10
Chicago	.10	.08	.07	.07	.18	.10

If to each of these rates there would be added the additional rate which it would cost to carry the corn from the local station to one of these western markets, the very large advantage given by the Underwood law to the Argentine corn producer will be apparent. If to this advantage we add the further facts that Argentine land, averaging in productivity well with our grain belt, varies in selling value from one-fourth to one-half of our American land, and as our farm laborers receive twice the wages of the Argentinian, the northern grain producer can well understand the great disadvantage under which he labors, with the tariff taken off corn.

The average annual amount of corn shipped between the various nations of the earth for 10 years before 1914 has been 245,557,706 bushels. It is about 38 per cent of the international shipmen of wheat. The following is the rank of nations in corn production:

United States, Argentina, Mexico, Austria-Hungary, Russia, Roumania, Italy, and Africa.

And the following is a list of the important corn-exporting nations in the order of their rank:

Argentina, United States, Roumania, Russia, Bulgaria, Belgium, and the Netherlands.

The following table shows the course of exports of the two leading nations for 10 years:

Calendar years.	Argentina.	United States.
	Bushels.	*Bushels.*
1905	87,487,000	113,189,000
1906	106,047,000	105,258,000
1907	50,232,000	86,524,000
1908	67,390,000	39,013,000
1909	89,499,000	38,114,000
1910	104,727,000	44,072,000
1911	4,928,000	63,533,000
1912	190,353,000	32,649,000
1913	189,294,000	46,923,000
1914	139,461,000	17,022,000

The following shows the rapidly decreasing export of corn and wheat from this country:

Average percentage of United States wheat and corn crops exported, based on five-year periods.

	Per cent of wheat exported.	Per cent of corn exported.
1894-1898	33.3	7
1899-1903	31.2	5.2
1904-1908	17	2.9
1909-1913	14.9	1.5

The Payne rate of tariff on corn was 15 cents a bushel. During the first nine months in which the Underwood law was in force, prior to the outbreak of the European war, there were 11,843,166 bushels of corn imported into this country, nearly all from Argentina.

At the hearings held by a subcommittee of the Committee on Agriculture of the House of Representatives, on the subject of grain grading, at which there were leading grain men from the great grain markets in every part of the United States, the question was asked of a number what effect the removal of the duty on corn had on the corn price during that period. The invariable answer was that it reduced the price, and the average reduction was about 10 cents a bushel. No grain man there present either doubted or gainsaid the statement. We quote from Mr. Gorman, a large grain dealer of Toledo:

Now, take an illustration to-day. I am out of business on corn in the old channels in which I was trading up to six months ago, for the reason that the pressure of Argentine corn in all the consuming sections, from Florida to Maine, has driven me out. Now, all that is taken away from us, because the grain is headed here from Argentina, and the consumer realizes that he can buy Argentine corn cheaper than he can buy mine, and he realizes the enormous quantity which he can get; and therefore he buys from hand to mouth, and in his buying from hand to mouth he depresses the price of corn in this country, and in consequence of that competition corn has declined 10 cents a bushel; it has declined in the future market.

Mr. Paddock said:

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 on account of its coming.

Beef: All fresh meats were placed upon the free list by the Underwood law. While the Payne law was in force Argentina shipped some beef into the United States. Her fresh meats were then shipped largely to the free ports of Britain. Argentina practically drove American meats out of British markets, as will appear from the following table:

Exports of beef from United States and Argentina to the United Kingdom for certain years.

	United States.	Argentina.
	Cwt.	*Cwt.*
1901	3,180,291	771,929
1902	2,290,465	923,748
1903	2,093,920	1,152,211
1904	2,335,836	1,675,271
1905	2,232,206	2,581,152
1906	2,426,344	2,795,913
1907	2,417,604	2,756,975
1908	1,432,142	3,706,245
1909	856,835	4,336,079
1910	477,147	5,041,138
1911	174,350	6,176,503
1912	6,111	6,813,578

Under the Underwood law our seaboard markets became reduced to the same free-trade basis, so far as producers were concerned, as were London and Liverpool. There was shipped into this country, during the first nine months of the Underwood law, 176,333,072 pounds of beef and veal, largely from Argentina, and 12,690,924 pounds of mutton and lamb, largely from Australia. An increase of over sixteenfold over the corresponding preceding year under the Payne law.

Cattle: There was a fair protective tariff on cattle and other meat-producing animals under the Payne law, which was removed by the Underwood law. While Argentina and the other South American countries have enormous surpluses of live stock, as do also the several divisions of Australasia, yet large shipments of live stock have not come to us from these countries because the equatorial belt must be crossed in shipment. The shipments must be reduced to the form of beef and mutton. However, live stock in great numbers have been shipped into this country from Mexico and Canada since the passage of the Underwood Act. We removed the Payne duty from live stock. The Mexicans, under their shrewd, though disreputable rulers, especially in the northern part, immediately placed an export duty on live stock leaving Mexico and coming into the United States, slightly less in rate than our former duty. One million five hundred and eighty-one thousand three hundred and thirty-seven cattle, between the passage of the Underwood law and the 1st day of June, 1916, have come into our country, so far as our Treasury was concerned, absolutely free. The duty which we should have collected thereon would have amounted to about $9,000,000. The large portion of this instead of coming into the Treasury of the United States went into the girdle of Villa or the war chest of Carranza. In either case it was probably used to purchase munitions of war shipped into that country from America, which were used to terrorize and slaughter Americans there resident, and weapons to use in attacking American citizens on American soil, under the American flag, and against our soldiers whether on American or Mexican soil. To what extent of folly and tragedy Democracy has gone in order to carry out and make effective at whatever the cost, this unwarranted assault upon agriculture, America's greatest industry! That it has dared was due to the belief that farmers can not on account of their isolation organize to defend or protect their rights.

In the Democratic platform adopted at St. Louis this year this remarkable statement was made:

We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's production and trade. The events of the last two years have brought about many momentous changes. In some respects the effects are yet conjectural and wait to be disclosed.

The tariff conditions affecting farm products are not conjectural; they are established; and no reasonable person could have anticipated a different state of affairs following the passage of the Underwood law.

In recent legislation in Congress the Democratic Party has clumsily recognized the protective principle in favoring a much higher duty on dyestuffs. That party has utterly abandoned its former opposition to a tariff commission and its oft-repeated declaration that protection was unconstitutional. It is favoring the establishment of a tariff commission. Moreover, it further admits its long-persisted-in error by improvising an unwieldy protective device known as the "antidumping clause," thereby committing itself to the protective principle. But while the antidumping clause is of doubtful utility as to any industries, care is taken that it shall not apply to the products of the farm. The principal remedy which it provides is the doubling of the tariff where products are dumped upon our shores at unreasonably low prices. The farmers' products being in the main on the free list, a doubling of the duty would be a vain thing. If the rate is nothing, doubling it would not be a severe penalty, because—

A thousand naughts are not a feather
When in a sum they all are brought together.

[Applause on the Republican side.]

So Democracy, grudgingly yielding up its free-trade and tariff-for-revenue-only policy, and conceding most reluctantly the protection principle, which it has denounced for so many years, now in extremis so forms and shapes its bungling protective device that it can not be availed of by the farmer.

At the close of the Franco-Prussian War the two greatest statesmen of Europe were Bismarck, of Germany, and Gladstone, of Britain. Both were free traders. Gladstone persisted in his free-trade policies, and succeeding prime ministers have, until recently, followed him. The result has been that in the recent struggle Britain found herself dependent for many articles, including foodstuffs, entirely upon foreign and distant fields. Had she not had the greatest navy in the world, her people would have been starved before December 1, 1914. Bismarck, however, looking toward the various strained conditions and crises which might meet his Government, was, from the close of the Franco-Prussian War, convinced that German independence depended primarily upon its capacity to produce nearly enough foodstuffs for all her people. So a policy of protection on German industries, and especially her agriculture was inaugurated. Her limited territory, in the course of a few decades, became the marvel of the world for food production. During the present great struggle, while the great army of Germany and the immense navy of England have been centers of world admiration, the great outstanding fact is, Germany, though girdled by a band of steel, yet has capacity to feed and clothe her citizens and her army.

America should protect every product of its farm, mine, and factory which are brought into competition with the world or whose products we may need in our day of trial. So that American markets may, within reason, be markets for the American producer. No phase of American industry should in the years to come show lack of proper preparedness. [Applause.]

[By unanimous consent, leave was granted to Mr. SLOAN to extend his remarks in the RECORD.]

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I have listened to the statement of the gentleman from Nebraska [Mr. SLOAN] with some interest. It was in the Sixty-first or Sixty-second Congress, I believe, that William Howard Taft, Republican President of the United States, proposed the reciprocity treaty with Canada putting all farm products on the free list. I also represent an agricultural district, one of the greatest in the United States, as well as the gentleman from Nebraska, but I am not going to hamper or destroy our foreign trade by nourishing the fear that from some quarter of the globe farm products may find entry into an American port in competition with the farmers of the West. I never have had any use for that old policy of the high protectionists that would build a Chinese wall around our own country and shut out all foreign competition. And I am not a free trader nor a protectionist either, but I am just as loyal to American industry, whether it is agricultural, mining, or manufacturing, as any man on that side of the House. I am, however, a good deal like Gen. Scott, who is quoted as having said, in answer to the charge of some of the Whigs that he was not a good Whig, that he was a Whig all right, but that he was not a fool Whig. [Laughter.] And that is my attitude toward American industry. I want to safeguard it in every rational way. Now, we need to develop our commerce with South America. There does not seem to be any division of opinion about that among men who have given thought to the question. The great commercial interests, the great manufacturing interests of our country are insisting that we need an outlet for their surplus in the Orient, in Europe, in all quarters of the globe where we may find a market for the surplus of our farms, our factories, or our mines; and, in my opinion, it is the plain duty of the Congress to facilitate the development of our foreign commerce in every reasonable way. When this war in Europe began only 8 per cent of our foreign commerce was carried in ships under the American flag. That is a reproach to us as a Nation. It is a reproach to the statesmanship of our country, and I would relieve that situation.

Instead I would have at least 60 per cent of our foreign commerce carried under the American flag. I think this legislation will promote that result. The establishment of the shipping board, the large powers vested in that board to investigate and recommend to Congress legislation that will promote this end, should certainly appeal to every reasonable man. Now, as regards the amendment offered by the gentleman from West Virginia [Mr. SUTHERLAND], I think it ought not to be adopted because it does in express terms make it mandatory on the Secretary of the Treasury in all instances to compel vessels to accept cargo without regard to the character of the cargo. I think there should be discretion vested somewhere and in some one to decide when clearance may or may not be granted. The Senate amendment states that the Secretary of the Treasury is authorized to deny clearances to ships, whether domestic or foreign, proposing to leave our ports. It clearly lodges discretion in the Secretary. I think that is a wise discretion, and while it may be true, as the gentleman from Wisconsin [Mr. LENROOT] contends, that ordinarily this language is usually construed by the department as mandatory, yet there is no warrant in law for doing so. There may be conditions arise where to enforce this provision in all cases, and as to all kinds of cargo tendered, without exception might lead to serious international complications; and hence I think it is wise on our part to leave the Senate amendment as it is with the discretion lodged in the Secretary of the Treasury to decide each case as it arises on its own facts.

Mr. BENNET. Will the gentleman yield for a question?

Mr. ALEXANDER. Yes.

Mr. BENNET. Does the gentleman think it proper for the Congress of the United States to disregard our treaties with belligerent nations, as the Senate amendment does, and apply this language merely to citizens of the United States and omit firms which are doing business in our country under treaties and entitled to as much protection as our own citizens? That is what the Senate amendment does.

Mr. ALEXANDER. The amendment proposed does not change the Senate amendment in that regard.

Mr. BENNET. Oh, yes; the amendment proposed covers goods "shipped from American ports." The Senate amendment simply covers goods shipped "by citizens of the United States." In other words, we propose to make our treaties scraps of paper, and I am opposed to it.

Mr. ALEXANDER. We do not, in my opinion, because we lodge in the Secretary of the Treasury that wise discretion by which he may avoid the results that the gentleman from New York has in mind.

Mr. BENNET. Oh, no; only to citizens of the United States.

Mr. ALEXANDER. Well, I do not think the gentleman's construction is correct. Mr. Speaker, I move the previous question on the Senate amendment and amendments thereto.

Mr. BENNET. The gentleman from Indiana suggested an amendment, and we would not need the previous question.

Mr. COX. I am not going to offer an amendment.

The SPEAKER. The question is on the Sutherland amendment to Senate amendment numbered 48.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. BENNET. Division, Mr. Speaker.

The House divided; and there were—ayes 37, noes 59.

Mr. BENNET. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present, and evidently there is not. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

Mr. ALEXANDER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALEXANDER. As I understand, the vote now is being taken on the Sutherland amendment to the Senate amendment.

The SPEAKER. Yes; that is what the Chair stated.

Mr. MANN. What is the motion—to concur in the Senate amendment with an amendment?

The SPEAKER. Yes; to concur in Senate amendment numbered 48 with the Sutherland amendment.

Mr. MANN. Would it be fair to ask to have the amendment reported?

The SPEAKER. The Clerk will report Senate amendment numbered 48 and then the Sutherland amendment to Senate amendment numbered 48, without objection.

There was no objection.

Senate amendment No. 48 and the Sutherland amendment were again reported.

The SPEAKER. The question is on concurring in amendment No. 48 with the amendment offered by the gentleman from West Virginia [Mr. SUTHERLAND].

The question was taken; and there were—yeas 94, nays 150, answered "present" 7, not voting 181, as follows:

YEAS—94.

Bacharach	Fess	Kreider	Rowe
Barchfeld	Focht	Lenroot	Sanford
Barkley	Fordney	Lobeck	Schall
Bennet	Gallivan	McAndrews	Siegel
Bowers	Garland	McArthur	Sinnott
Britt	Glynn	Mann	Slemp
Britten	Green, Iowa	Matthews	Smith, Idaho
Buchanan, Ill.	Greene, Mass.	Meeker	Smith, Minn.
Byrns, Tenn.	Greene, Vt.	Miller, Del.	Stafford
Cannon	Hadley	Mondell	Sterling
Carter, Mass.	Haskell	Mooney	Sutherland
Chandler, N. Y.	Haugen	Moore, Pa.	Switzer
Coleman	Helgesen	Moores, Ind.	Tague
Cooper, Ohio	Hicks	Morgan, Okla.	Timberlake
Cooper, W. Va.	Hopwood	Mudd	Towner
Cooper, Wis.	Hull, Iowa	Nelson	Treadway
Cox	Johnson, S. Dak.	Oakey	Vare
Cramton	Kahn	Parker, N. J.	Volstead
Curry	Keister	Porter	Watson, Pa.
Dale, Vt.	Kennedy, Iowa	Powers	Wheeler
Davis, Minn.	Kiess, Pa.	Ramseyer	Williams, Ohio
Denison	Kincheloe	Reavis	Wood, Ind.
Dillon	King	Ricketts	
Dowell	Kinkaid	Rodenberg	

NAYS—150.

Abercrombie	Connelly	Garrett	Kitchin
Adamson	Conry	Glass	Lesher
Aiken	Crosser	Godwin, N. C.	Lewis
Alexander	Cullop	Goodwin, Ark.	Lieb
Allen	Dale, N. Y.	Gordon	Liebel
Almon	Davenport	Gray, Ind.	Linthicum
Ashbrook	Davis, Tex.	Hamlin	Littlepage
Aswell	Dent	Hardy	Lloyd
Ayres	Dewalt	Harrison	London
Bailey	Dickinson	Hastings	McClintic
Barnhart	Dies	Hayden	McLemore
Black	Dixon	Heflin	Mays
Booher	Doolittle	Hill	Montague
Borland	Doremus	Hilliard	Moon
Bruckner	Doughton	Holland	Moss
Brumbaugh	Dupré	Hood	Neely
Buchanan, Tex.	Eagan	Houston	Oldfield
Burnett	Eagle	Huddleston	Oliver
Caldwell	Edmonds	Hulbert	O'Shaunnessy
Candler, Miss.	Evans	Hull, Tenn.	Overmyer
Caraway	Farley	Humphreys, Miss.	Padgett
Carlin	Fields	Igoe	Page, N. C.
Casey	Fitzgerald	Jacoway	Phelan
Cline	Gallagher	Johnson, Ky.	Platt
Coady	Gandy	Keating	Pou
Collier	Gard	Key, Ohio	Price

Quin	Sears	Steele, Pa.	Venable
Rainey	Shallenberger	Stephens, Miss.	Vinson
Raker	Sherley	Stephens, Tex.	Watkins
Randall	Sherwood	Stone	Watson, Va.
Rauch	Sims	Taggart	Webb
Rayburn	Sisson	Tavenner	Williams, W. E.
Reilly	Small	Taylor, Ark.	Wilson, La.
Rouse	Smith, N. Y.	Thomas	Wingo
Rubey	Smith, Tex.	Thompson	Wise
Rucker	Sparkman	Tillman	Young, Tex.
Russell, Mo.	Steagall	Tribble	
Scully	Steele, Iowa	Van Dyke	

ANSWERED "PRESENT"—7.

Hawley	Morrison	Slayden	Steenerson
Lindbergh	Riordan	Sloan	

NOT VOTING—181.

Adair	Fairchild	Kearns	Patten
Anderson	Farr	Kelley	Peters
Anthony	Ferris	Kennedy, R. I.	Pratt
Austin	Finley	Kent	Ragsdale
Beakes	Flood	Kettner	Roberts, Mass.
Beales	Flynn	Konop	Roberts, Nev.
Bell	Foss	Lafean	Rogers
Blackmon	Foster	La Follette	Rowland
Browne	Frear	Langley	Russell, Ohio
Browning	Freeman	Lazaro	Sabath
Burgess	Fuller	Lee	Saunders
Burke	Gardner	Lehlbach	Scott, Mich
Butler	Garner	Lever	Scott, Pa.
Byrnes, S. C.	Gillett	Loft	Sells
Callaway	Good	Longworth	Shackleford
Campbell	Gould	Loud	Shouse
Cantrill	Graham	McCracken	Smith, Mich.
Capstick	Gray, Ala.	McCulloch	Sneil
Carew	Gray, N. J.	McDermott	Snyder
Carter, Okla.	Gregg	McFadden	Stedman
Cary	Griest	McGillicuddy	Stephens, Nebr.
Charles	Griffin	McKellar	Stiness
Chiperfield	Guernsey	McKenzie	Stout
Church	Hamill	McKinley	Sulloway
Clark, Fla.	Hamilton, Mich.	McLaughlin	Sumners
Copley	Hamilton, N. Y.	Madden	Sweet
Costello	Hart	Magee	Swift
Crago	Hay	Maher	Talbott
Crisp	Hayes	Mapes	Taylor, Colo.
Dallinger	Heaton	Martin	Temple
Danforth	Helm	Miller, Minn.	Tilson
Darrow	Helvering	Miller, Pa.	Tinkham
Decker	Henry	Morgan, La.	Walker
Dempsey	Hensley	Morin	Walsh
Dill	Hernandez	Mott	Ward
Dooling	Hinds	Murray	Wason
Driscoll	Hollingsworth	Nicholls, S. C.	Whaley
Drukker	Howard	Nichols, Mich.	Williams, T. S.
Dunn	Howell	Nolan	Wilson, Fla.
Dyer	Hughes	North	Wilson, Ill.
Edwards	Humphrey, Wash.	Norton	Winslow
Ellsworth	Husted	Oglesby	Woods, Iowa
Elston	Hutchinson	Olney	Young, N. Dak.
Emerson	James	Paige, Mass.	
Esch	Johnson, Wash.	Park	
Estopinal	Jones	Parker, N. Y.	

So the motion to concur was rejected.

The Clerk announced the following additional pairs:

For balance of session:

Mr. PATTEN with Mr. FAIRCHILD.

On this vote:

Mr. ROBERTS of Massachuetts (for) with Mr. LEE (against).

Mr. TINKHAM (for) with Mr. MCKELLAR (against).

Mr. GOULD (for) with Mr. CARTER of Oklahoma (against).

Mr. BROWNING (for) with Mr. TALBOTT (against).

Mr. CAPSTICK (for) with Mr. LAZARO (against).

Mr. KENNEDY of Rhode Island (for) with Mr. BLACKMON (against).

Mr. STINESS (for) with Mr. HELVERING (against).

Mr. MOTT (for) with Mr. BYRNES of South Carolina (against).

Mr. GRAHAM (for) with Mr. ESTOPINAL (against).

Mr. MAPES (for) with Mr. BELL (against).

Mr. HUTCHINSON (for) with Mr. MORGAN of Louisiana (against).

Mr. DUNN (for) with Mr. FERRIS (against).

Mr. ROBERTS of Nevada (for) with Mr. HUGHES (against).

Until further notice:

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. DILL with Mr. ROGERS.

Mr. FLOOD with Mr. MAGEE.

Mr. GARNER with Mr. AUSTIN.

Mr. GRIFFIN with Mr. FARR.

Mr. MURRAY with Mr. FOSS.

Mr. SUMNERS with Mr. FREEMAN.

Mr. HAMILL with Mr. GRIEST.

Mr. EDWARDS with Mr. HEATON.

Mr. JONES with Mr. MCKINLEY.

Mr. ADAIR with Mr. MARTIN.

Mr. BEAKES with Mr. NORTON.

Mr. BURGESS with Mr. SULLOWAY.

Mr. SAUNDERS with Mr. TILSON.

Mr. STEDMAN with Mr. WOODS of Iowa.

Mr. STOUT with Mr. YOUNG of North Dakota.

Mr. RAGSDALE with Mr. ELSTON.

The result of the vote was announced as above recorded.

The SPEAKER. The Doorkeeper will open the doors.

Mr. SLAYDEN. Mr. Speaker, on the first roll call of the day, on the first amendment voted on, I inadvertently voted, forgetting for the moment that I was paired with the gentleman from Kansas [Mr. CAMPBELL]. I voted "aye." I desire to withdraw that vote.

The SPEAKER. Without objection, the change will be made.

There was no objection.

The SPEAKER. The question is on agreeing to the motion to concur in Senate amendment No. 48.

The motion to concur in Senate amendment 48 was agreed to.

On motion of Mr. ALEXANDER, a motion to reconsider the last vote was laid on the table.

STATUARY GROUP, HOUSE WING OF CAPITOL (H. DOC. NO. 1354).

Mr. MANN. Mr. Speaker, I ask unanimous consent to have printed as a House document the proceedings on the occasion of the unveiling of the statuary group on the pediment of the House wing of the Capitol, with illustrations, as may be prepared by the Committee on the Library, 36,000 copies, of which 2,500 copies shall go to the Speaker, 3,500 copies to the Committee on the Library, and 30,000 copies to the folding room.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the proceedings incident to the dedication of the pediment on the House wing of the Capitol be printed in document form, 36,000 copies, with illustrations, 2,500 to go to the Speaker, 3,500 to go to the Committee on the Library, and 30,000 to go to the folding room.

Mr. MANN. Twenty-five hundred to go to the Speaker, who made a speech, and 3,500 to the Committee on the Library, which was also interested, and 30,000 to the folding room.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the shipping question.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the shipping question. Is there objection?

There was no objection.

DONATION OF CONDEMNED CANNON AND BALLS.

Mr. DENT. Mr. Speaker, I desire to call up the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, and move to insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. How long does the gentleman expect it will take?

Mr. DENT. I do not suppose it will take any time at all.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

The SPEAKER. The gentleman from Alabama [Mr. DENT] moves that the House insist on its amendments and agree to the conference asked by the Senate. The question is on agreeing to that motion.

The motion was agreed to; and the Speaker announced as the conferees on the part of the House Mr. FIELDS, Mr. CALDWELL, and Mr. GREENE of Vermont.

DISTRICT OF COLUMBIA APPROPRIATION BILL—CONFERENCE REPORT.

Mr. PAGE of North Carolina. Mr. Speaker, I desire to call up the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes, and move to agree to the conference asked by the Senate. I ask that the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1182).

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate numbered 1, 58, 108, 354, 355, 356, 359, and 361 to the bill (H. R. 15774) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30,

1917, and for other purposes, having met, after full and free conference have been unable to agree.

ROBERT N. PAGE,
JAS. MCANDREWS,
C. R. DAVIS,
Managers on the part of the House.
JOHN WALTER SMITH,
JOS. T. ROBINSON,
J. H. GALLINGER,
Managers on the part of the Senate.

Mr. PAGE of North Carolina. Mr. Speaker, before making a motion touching any of these amendments, I ask unanimous consent that I may proceed for 10 minutes.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. PAGE of North Carolina. Mr. Speaker, this report comes back to the House. The previous report of the conferees and the statement were published in the RECORD of August 18, and the report of the conferees, as far as we had agreed, was adopted. The amendments, as read by number by the Clerk at the desk, were then in disagreement, and after another conference we come back still unable to agree with the Senate conferees on those amendments.

Some of those amendments, Mr. Speaker, that were inserted in the bill by the Senate were not disagreed to by the House conferees because they were opposed to them, but for other reasons. There has come to be a very considerable sentiment, not only among Members of Congress but in the city of Washington, that the present District appropriation bill will not be enacted into law.

At this time, as at several former sessions of Congress, the principal difference between the House and the Senate is on amendment numbered 1, the House passing the bill and undertaking to change the fiscal policy between the Treasury and the District of Columbia. The House will remember that at the last session of Congress, in the enactment of the last appropriation bill, when there was a disagreement upon this particular matter just at the end of the session of Congress, on motion of the then leader of the majority in this House, Mr. UNDERWOOD, a resolution was adopted appointing a commission, a special committee, to take under consideration the fiscal policy existing between the Treasury and the District of Columbia and to report. That committee, after a very full hearing, made a report to the House in January of this year in which they recommended the discontinuance of the policy of half-and-half between the Treasury and the District of Columbia.

I had hoped that this would end the controversy, and that we might inaugurate a new policy that, in my judgment and in the judgment of many gentlemen in this House, would insure in the future a greater progress and development of the District of Columbia, the National Capital, and, at the same time, not impose any additional burdens upon those who reside here.

Mr. Speaker, I am not willing to assume the responsibility for the failure of this bill. This fight that has been started for a change of fiscal policy will go on, and, as right has always triumphed in the long run, in the end it will win. But, as I was saying, I am not willing that the high schools and all progress and development, even for 12 months, in the city of Washington should be retarded and stopped because of the disagreement between the two Houses on this matter.

The Senate has inserted in this bill an amendment which provides for a tax upon intangible personal property. At the proper time I shall move to concur in that amendment.

I believe that practically every Member of this House, if he was as fully acquainted with the circumstances as he possibly might be, as some of us are, would vote for the adoption of this amendment placed in the bill by the Senate. It has become rather notorious that the population of the city of Washington is being increased to some degree at least by a class of gentlemen whose property is in intangible form, who are moving to this jurisdiction to escape taxation upon their holdings. Only yesterday I had a statement made to me that one gentleman had made the statement that by moving to this jurisdiction he had saved $20,000 annually in taxes, because intangible property was not taxed in this jurisdiction. I believe that this perfectly fair tax, placed upon citizens in practically every other jurisdiction in this country, should be written into the law as it affects the District of Columbia; and believing that this House will concur in that Senate amendment, and that this bill with that in it should become a law, and not desiring with my colleagues on the conference committee to assume the responsibility for the failure of this bill to become a law, I move that the House recede from its disagreement to amendment No. 1, which is the half-and-half amendment, and concur in Senate amendment No. 1.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment No. 1 and concur in the same. The Clerk will report the amendment.

The Clerk read as follows:

After the enacting clause strike out the following:

"That hereafter all appropriations made for the support of the government of the District of Columbia, including all sums appropriated in any general appropriation act indicated to be paid out of the District of Columbia revenues except amounts to pay the interest and sinking fund on the funded debt of said District, shall be paid out of the revenues of the District of Columbia to the extent that the same shall be sufficient therefor and the remainder out of any money in the Treasury not otherwise appropriated.

"The following sums are appropriated out of the revenues of the District of Columbia to the extent that they are sufficient therefor and the remainder out of any money in the Treasury not otherwise appropriated in full for the following expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, namely."

And insert in lieu thereof the following:

"That one half of the following sums, respectively, is appropriated, out of any money in the Treasury not otherwise appropriated, and the other half out of the revenues of the District of Columbia, in full for the following expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, namely."

The SPEAKER. The question is on receding from the disagreement of the House to Senate amendment No. 1, and concurring in the same.

The motion was agreed to.

Mr. PAGE of North Carolina. Now, Mr. Speaker, I move that the Houses further insist on its disagreement to Senate amendment No. 58.

Mr. COOPER of Wisconsin. Will the gentleman from North Carolina please tell the House what that amendment is?

Mr. PAGE of North Carolina. This amendment is for the payment of the claim of Thomas W. and Alice N. Keller.

Mr. MANN. Let it be reported.

The SPEAKER. The Clerk will report it without objection.

The Clerk read as follows:

(58) Damages and payment for ground on account of condemnation proceedings: To pay Thomas W. and Alice N. Keller for ground taken and damages on account of condemnation proceedings in square No. 2838, in the city of Washington, $4,140.

The SPEAKER. The gentleman from North Carolina moves that the House further insist on its disagreement to this amendment.

The motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the House further disagree to amendment 108 on page 46, which amendment was placed in the bill by the Senate, and which allows voluntary services on school playgrounds. I will say to the House in this connection that the Senate is ready to recede from this amendment. I move that the House further insist on its disagreement.

Mr. MANN. If Congress will not make an appropriation to take care of the playgrounds, why should we not permit voluntary services?

Mr. PAGE of North Carolina. I will say to the gentleman from Illinois that this amendment is in connection with the school playgrounds, and that since this amendment was placed in the bill it has been ascertained that the law already allows school playgrounds to receive voluntary contributions and help, and therefore this amendment does not mean anything.

Mr. MANN. Is this amendment confined to school playgrounds?

Mr. PAGE of North Carolina. It was so intended; yes.

Mr. MANN. I do not know how it was intended. What does it say?

Mr. PAGE of North Carolina. The Clerk can report the amendment.

Mr. MANN. There was some controversy in Washington this year, on the ground that the appropriation made did not provide for services in the playgrounds. Now it seems to me that when we have playgrounds, and we do not provide the necessary supervisory help, we ought not to kick if somebody will furnish the money to hire somebody to do it.

Mr. PAGE of North Carolina. Mr. Speaker, I will say to the gentleman that the provision in this bill, if it is enacted into law, practically carries the recommendations made by the authorities, for the playgrounds of the District of Columbia. If the gentleman will allow me, the language of this amendment would have turned over the playgrounds of the city of Washington to the board of education, which is not intended at all. There is a superintendent of playgrounds, and it would have practically legislated her out of office, and disorganized the

playground force in the District, and placed them entirely under the board of education.

Mr. MANN. Of course I recognize the futility of any proposition in the House which would legislate somebody out of office.

Mr. PAGE of North Carolina. If they ought not to be legislated out of office, I will agree with the gentleman, and I think in this instance they ought not to be.

Mr. MONDELL. Will the gentleman from North Carolina yield?

Mr. PAGE of North Carolina. I yield to the gentleman.

Mr. MONDELL. When the District bill was before the House I offered an amendment making an appropriation to care for the playgrounds. This amendment was not adopted; but in reading the conference report the other day rather hurriedly I gained the impression that the conferees had agreed to an amendment on the part of the Senate making a small appropriation for that purpose. Is that true?

Mr. PAGE of North Carolina. I will try to find it.

Mr. MONDELL. I was under the impression that such an amendment had been agreed to, and that therefore there was no objection to striking this out.

Mr. PAGE of North Carolina. Amendment No. 109, on page 47 of the Senate bill, increased the amount which the House voted. The bill as it passed the House carried $7,500. The Senate increased it to $10,000, and the House receded. That was for the construction of two swimming pools and shower baths and appurtenances and equipments, on sites to be selected by the commissioners.

Mr. MONDELL. In addition to that, does the gentleman say that it is now the law that voluntary services may be accepted?

Mr. PAGE of North Carolina. On the school playgrounds; yes; to which this amendment was directed. That is already the law.

Mr. Speaker, I move that the House further disagree to that amendment.

The SPEAKER. The gentleman from North Carolina moves that the House further insists on its disagreement to the Senate amendment 108.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, amendments 354 and 355, on pages 126 and 127 of the bill, make an arbitrary price for gas to consumers in the District of Columbia at 75 cents. I move that the House recede from its disagreement and concur in the amendments.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to amendments 354 and 355 and agree to the same.

Mr. MANN. Will the gentleman yield?

Mr. PAGE of North Carolina. Certainly.

Mr. MANN. We created not a great while ago a public-utilities commission in the District, consisting of the District Commissioners. I do not now recall just what, if any, authority they have over rates for gas.

Mr. PAGE of North Carolina. I think in the utilities act passed in 1912 the Utilities Commission was given the power to make a physical examination of all public utilities in the District of Columbia, which includes, of course, the gas companies, with a view of fixing the rate, and I agree with what I think is in the gentleman's mind, that we might have possessed our souls in patience a little while and found out what recommendations were going to be made by the Utilities Commission touching the price of gas.

Mr. MANN. Did not the Utilities Commission have authority themselves to fix the price of gas after they had made the investigation?

Mr. PAGE of North Carolina. I am not quite sure; but I am inclined to think that they did have the authority.

Mr. MANN. As I recall, we have appropriated at different times considerable sums of money to the Utilities Commission to make this investigation.

Mr. PAGE of North Carolina. We have appropriated, first and last, something like $160,000, and they have made the investigation, and, I am informed, are practically ready to report within a few months the result of the investigation.

Mr. MANN. So, for fear they have found out something which will give information, we propose to act without any information.

Mr. PAGE of North Carolina. I think the gentleman's statement is possibly a little too emphatic, but still true.

Mr. BORLAND. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. BORLAND. I want to ask the chairman of the subcommittee whether it is not true that for a number of years past the gas companies have been furnishing gas for the District government for 75 cents a thousand feet?

Mr. PAGE of North Carolina. Yes; such amount as has been furnished has been at 75 cents, under a provision placed in an appropriation bill.

Mr. MANN. I suppose if we should require them to furnish it at 50 cents they would do it.

Mr. BORLAND. No; they would not.

Mr. MANN. I imagine that they would.

Mr. BORLAND. They would not if that was a confiscation of their property.

Mr. MANN. We could require them to do it; they are under a law that we passed; but that has nothing to do with what is a reasonable charge for gas. We require lots of people to furnish things cheaper to the Government than they furnish them to other people.

Mr. BORLAND. We could not compel them to furnish gas below the cost of production, for that would be a confiscation of their property.

Mr. PAGE of North Carolina. Mr. Speaker, I want to say to the gentleman from Illinois and to the membership of the House that personally I believe that it would have been vastly better if this amendment had not been placed in the bill and we had waited for investigation and action by the Utilities Commission as to what was a fair price based upon the facts. But since it has been placed in the bill in another body, and unquestionably would pass by a vote in this body, I am making the motion that we recede from our disagreement and concur in the Senate amendments.

Mr. MANN. I know nothing about the manufacture of gas in the District of Columbia and not much elsewhere. I know in Chicago it is claimed that, owing to the increase in the cost of oil, the cost of the manufacture of gas has been greatly enhanced, and I know that the gas company in Chicago that furnishes a very large amount of gas has recently been compelled, so they say, to reduce their dividends because of that fact. I do not know whether that is the reason, but they have reduced the dividends, claiming that the cost of the manufacture of gas there—it may be manufactured by a different process than here; I do not know about that—has been very considerably increased in the last year or two because they use more or less oil. I do not know whether that is true here or not. Does the gentleman know?

Mr. PAGE of North Carolina. I have no information. I was relying on the Utilities Commission to give us that information.

Mr. MONTAGUE. Will the gentleman yield?

Mr. PAGE of North Carolina. Certainly.

Mr. MONTAGUE. By this action do we undertake by legislation to fix the price of gas at 75 cents?

Mr. PAGE of North Carolina. That is the specific thing we are doing.

Mr. MONTAGUE. In other words, we fix it by a legislative rather than by an administrative agency after due investigation.

Mr. PAGE of North Carolina. We fix it arbitrarily by these amendments at 75 cents, in face of the fact that in 1912 Congress created a Utilities Commission for the specific purpose of ascertaining the physical valuation of all public utilities, with a view of fixing the price to consumers.

Mr. MONTAGUE. Does not the gentleman think it wiser and more practical that the Utilities Commission should fix this price than that it should be done by the political, the legislative, branch of the Government?

Mr. PAGE of North Carolina. I do; that is my judgment.

Mr. MONTAGUE. Can anybody foresee what will be the price of gas if there should be a prolonged strike? What would be the result if coal could not be obtained or its supply greatly diminished?

Mr. PAGE of North Carolina. It would look like we could not get any gas.

Mr. MONTAGUE. Why, then, should we fix a hard and fast price at 75 cents, however desirable and practicable that might be under normal conditions?

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. COOPER of Wisconsin. The fixing of rates is a legislative function, is it not?

Mr. PAGE of North Carolina. I will not controvert that.

Mr. COOPER of Wisconsin. Can the legislature delegate to a commission authority to exercise a purely legislative function?

Mr. PAGE of North Carolina. I will say that I do not know, but in the passage of the act I have alluded to we undertook to do that.

Mr. COOPER of Wisconsin. Mr. Speaker, to authorize them to fix the rate?

Mr. PAGE of North Carolina. Yes; respecting public utilities in the District of Columbia.

Mr. SHERLEY. Mr. Speaker, if the gentleman from North Carolina will yield, that was thrashed out long ago. We had the matter up in regard to railroad rates, and we laid down the rule that they must be reasonable, and then the commission determines upon the facts what is reasonable and thereby fixes the rate.

Mr. COOPER of Wisconsin. The commission decides that such and such a rate is unfair or improper, but can the Interstate Commerce Commission fix the rate? It does not fix it.

Mr. SHERLEY. Oh, yes; it has actually made rates.

Mr. CALDWELL. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. CALDWELL. I will say experience in the city of New York and in California has demonstrated that this is undoubtedly the correct way to fix the gas rates. In the Consolidated Gas Co. case in New York, which was tried for so many years, we found that the only way that you could fix a rate in a municipality was through legislative action, and that you could not depend upon any other kind of a body of men to bring the people the justice to which they were entitled. In that particular case the gas company raised the point that they could not make a fair return upon their invested capital, and the Supreme Court of the United States in giving its decision provided the means by which a future decision could be made if it was found that in the future the dividends were not declared in the quantity to which they were entitled. The gas company in the District of Columbia will be amply protected. If it can not earn a reasonable dividend upon the value of its property, including the going value, the reasonable value, the expense and the cost of reproduction, together with what they call the good will of the company, then they will be entitled to set aside any rate that we make. If, on the other hand, by reduction of the price of gas they increase their output to that extent that they can make this same dividend or a reasonable dividend, then they must submit to the price that we fix; and I hope that this amendment will be agreed to.

Mr. MANN. Mr. Speaker, I will ask the gentleman from North Carolina to yield to me for a few minutes.

Mr. PAGE of North Carolina. I yield to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, I do not know much about the manufacture of gas except in this Chamber, and that is partly from experience, partly from observance, and partly from performance. [Laughter.] I do not know who manufactures the gas in the District of Columbia. My recollection is that at one time the McLean estate had something to do with it, and that somebody from Cincinnati at some time tried to punish the McLean estate because he did not like the way they did politics; but it seems to me a most remarkable proposition that Congress should provide for a commission to investigate the cost of the manufacture of gas and the value of the plant which manufactures the gas, with a view to fixing the proper rate to be charged, and then, having expended a large amount of money upon this commission, after the commission have acquired the information in the main but before it is submitted to Congress we should in our wisdom determine, without knowledge, something as to which we have directed the acquirement of knowledge for our benefit. That is a remarkable performance; or it would be if it were not a Democratic Congress. No one expects much intelligent operation or action from a Democratic Congress, and we do not often get it. But think of the proposition——

Mr. PAGE of North Carolina. Mr. Speaker, will the gentleman yield there?

Mr. MANN. Yes.

Mr. PAGE of North Carolina. This gas amendment was offered in the Senate by a member of the gentleman's own party, Senator NORRIS, and it was agreed to by the votes of his own party colleagues in that body. [Applause on the Democratic side.]

Mr. MANN. Oh, the gentleman is referring now to what took place in the Senate. Neither Senator NORRIS nor the Republicans in the Senate have the power to put legislation into effect in the Democratic Congress. What are you trying to do—hide behind a Republican, with a Democratic majority?

Mr. PAGE of North Carolina. Not at all.

Mr. MANN. Then do not play the baby act. Your are responsible for the legislation.

Mr. PAGE of North Carolina. We do not try to evade it.

Mr. MANN. Yes, you do; that is exactly what the gentleman was trying to do——

Mr. PAGE of North Carolina. Mr. Speaker——

The SPEAKER. One at a time.

Mr. MANN. Well, it is my time—by saying it was proposed by a Republican. I do not care by whom it was proposed. The question is what Congress shall do, not what some Senator or Member of the House shall propose. You can not hide behind that. It is a Democratic Congress which in the face of intelligence, ready to be given to it, determines to act without intelligence—as usual, along Democratic lines.

Mr. PAGE of North Carolina. Mr. Speaker, if the gentleman will now give me a word, I did not undertake to escape the responsibility for the party in power for this amendment or for this legislation. I merely was trying to keep the gentleman from Illinois from escaping such responsibility as belongs to gentlemen upon his side of the aisle for this action with us, and if the gentleman prefers that that be demonstrated, we could very soon ascertain whether or not we are alone responsible for this amendment by having a roll call. As one Democrat personally I agree with the gentleman that it would have been vastly better if the Utilities Commission had been allowed to finish its work and to make a recommendation or to make a rate based upon facts, but at the same time I believe with a great many other gentlemen in this House that being here in the shape this amendment is, it would not be wise now to not enact it into law.

Mr. FITZGERALD rose.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. I yield to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, I am not so much annoyed because Congress is not waiting for the report of this public-service commission in order to afford some relief to the people of the District of Columbia. There are some things that a man ascertains after he has been in Washington a number of years without waiting for the report of a very expensive commission. Of course, my good friend from Illinois [Mr. MANN] after his long experience in Washington, may not have accumulated much new information unless some one furnishes it to him, after a very great expenditure of money. [Laughter on the Democratic side.] The progressive Members of Congress on this side of the House keep abreast of the times, keep abreast of modern information, and they know what is going on in Washington, although my friend from Illinois may not.

Mr. MANN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. I do not see how the gentleman from New York can learn what is going on anywhere unless he learns it in New York City. [Applause on the Republican side.]

Mr. FITZGERALD. Of course, the gentleman does not know how I obtained my information, because I am one of those who studiously refrain from seeking information from the gentleman from Illinois. That is why my information is not incorrect at any time and is always accurate upon public questions, because I go to sources where the information is correct. [Laughter on the Democratic side.] Now, anyone who knows anything about the manufacture of gas—and I am not surprised the gentleman from Illinois disclaims knowledge; men who are the most voluminous manufacturers of some commodities profess to have the least information about them [applause on the Democratic side]—but anybody who has general information about the manufacture of gas, or has kept track of court proceedings which have been brought by gas companies and studied legislation fixing the price of gas, knows, if he has any intelligence whatever, that in a municipality like Washington, with all its surrounding circumstances, that 75 cents is not an unreasonable price to fix for gas, and that is established here by the fact that can not be controverted. For a number of years Congress has fixed the price to be paid for gas furnished to the Government by the local companies at the rate of 75 cents.

If that were a confiscatory rate or if it were an unreasonable rate, the gas companies long since would have resorted to the courts to have that rate upset, and wherever a great public-service corporation acquiesces in a regulation fixing the price of its commodity without resorting to the courts, it is very conclusive evidence that the rate is not at all disastrous or unfair to that corporation. Now, if we are to continue to wait and wait and wait until one of these bodies makes its report to another body and that body makes up its mind as to what relief should be afforded to the people, then the people of Washington, who have no vote, can not participate in this campaign, will continue to be mulcted by a public-service corporation. Now, I admit that a Democratic Congress is doing just a little different from Republican Congresses. It is exercising its own

intelligence, it is taking advantage of information it possesses, and despite the fact our Republican friends are standing still or retrograding—I am not certain which, because they go backwards a little and advance a trifle—in spite of that fact, and their opposition to this progressive, humane, remedial, and beneficial legislation, I insist, without attempting to shirk responsibility, or without inviting anyone to share responsibility, we will attempt to give relief to the people of the District of Columbia so that they may enjoy this great era of prosperity to the full that all the other people of the United States are enjoying under a Democratic administration. [Applause on the Democratic side.]

Mr. HOPWOOD. Mr. Speaker, it seems to me that all——

The SPEAKER. The gentleman from North Carolina [Mr. PAGE] controls the time.

Mr. HOPWOOD. By unanimous consent I would desire to have two or three minutes.

Mr. PAGE of North Carolina. I yield five minutes to the gentleman if he desires it.

Mr. HOPWOOD. Mr. Speaker, I was going to inquire as to how this gas is made, whether of oil or coal. If it is made of coal, I happen to come from a soft-coal region of the country from which much gas coal is shipped, and I know that the price of that coal has increased within the last six months or a year from 50 to 75 per cent over and above the price which then prevailed, and I was wondering whether it would not be possible by some legislation here we might inflict a very great hardship upon these people who produce the gas at the present price of coal. I do not know whether you have examined into that matter. Some of you seem to know exactly what it costs to make gas. I do not know at all what it costs to make it, but I do know that the underlying product that is used in making gas is very expensive at this time, so that it may be that you are putting a confiscatory price upon those people who manufacture gas by putting the gas at 75 cents per thousand cubic feet with coal at the present prices. It seems to me you ought to go slowly in this matter in fixing the price and you ought to have information exactly and accurately at this particular time, not information a year old or 2 years old, but information up to the minute before we fix the specific price which these people are to charge. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from North Carolina to recede from the disagreement of the House to amendments 354 and 355 and concur in the same.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, now I move that the House recede from its disagreement to amendment numbered 316 and concur in the Senate amendment.

The SPEAKER. The gentleman from North Carolina moves to recede from the House's disagreement to amendment numbered 316 and to concur in the amendment.

Mr. PAGE of North Carolina. Mr. Speaker, this amendment relates to amendment numbered 1, and is made entirely unnecessary, because we have concurred in Senate amendment numbered 1.

Mr. MANN. Mr. Speaker, I think this amendment ought to be reported to the House.

The SPEAKER. The Clerk will report the amendment.

Mr. MANN. What is the amendment?

Mr. PAGE of North Carolina. That all fees, assessments, rents, and so forth.

Mr. MANN. I do not care to have the amendment reported.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment numbered 359 and concur in the same. It is just merely a section number.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment numbered 359 and concur in the same.

The question was taken, and the motion was agreed to.

Mr. PAGE of North Carolina. Now, Mr. Speaker, the only remaining amendment is the tax on intangible securities—amendment No. 361. I move that we recede and concur in the Senate amendment with an amendment, which I send to the Clerk's desk.

The SPEAKER. The gentleman from North Carolina moves that the House recede from its disagreement to Senate amendment No. 361 and concur with an amendment which the Clerk will report.

Mr. PAGE of North Carolina. Mr. Speaker, I ask that the Clerk report the Senate amendment for the information of the House.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

SEC. 9. Section 6 of the act of July 1, 1902, "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," is hereby amended by adding, after paragraph 2 of said section:

"That the moneys and credits, including moneys loaned and invested, bonds and shares of stock (except the stock of banks and other corporations within the District of Columbia the taxation of which banks and corporations is herein provided for) of any person, firm, association, or corporation resident or engaged in business within said District shall be scheduled and appraised in the manner provided by paragraph 1 of said section 6 for listing and appraisal of tangible personal property, and assessed at their fair cash value, and as taxes on said moneys and credits there shall be paid to the tax collector of said District fourtenths of 1 per cent of the value thereof: *Provided*, That a joint committee consisting of the Committee on the District of Columbia of the Senate and the Committee on the District of Columbia of the House of Representatives is hereby appointed to make by subcommittee or otherwise a careful and exhaustive study of the tax laws of the District of Columbia, including license taxes, with a view of recommending such changes in the laws as the joint committee may deem fair and equitable, report to be made to the Congress during the next session.

The SPEAKER. The Clerk will also report the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The Clerk read as follows:

After the word "thereof," in line 19, on page 131, insert: "*Provided*, That savings deposits of individuals in a sum not in excess of $500 deposited in banks, trust companies, or building associations, subject to notice of withdrawal and not subject to check, shall be exempt from this tax."

The SPEAKER. The question is on the motion of the gentleman from North Carolina to recede from the House disagreement to amendment No. 361 and to concur in the same with the amendment which has just been reported.

The motion was agreed to.

The SPEAKER. The Clerk suggests to the Chair that on page 131, in line 19, after the word "*Provided*," the word "*further*" should be inserted.

Mr. PAGE of North Carolina. I overlooked that. After the second word "*Provided*" the word "*further*" should be inserted.

The SPEAKER. Without objection, the amendment will be agreed to.

There was no objection.

Mr. PAGE of North Carolina. Mr. Speaker, I ask unanimous consent to make correction of a wrong reference to line and page.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

Mr. WEBB. Mr. Speaker, I make a similar request.

Mr. DENISON. Mr. Speaker, I also desire to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kentucky, the gentleman from Massachusetts, the gentleman from North Carolina, and the gentleman from Illinois ask unanimous consent to extend their remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. STEDMAN, for seven days, on account of sickness.

To Mr. CAMPBELL, for three days, on account of sickness.

To Mr. GRIFFIN, indefinitely, on account of sickness in his family.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17645, the general deficiency appropriation bill.

The SPEAKER. The gentleman from New York asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the general deficiency bill.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to dispense with general debate on the bill. I have no requests for such debate.

Mr. CANNON. I have none.

Mr. MANN. That can be dispensed with in committee, if no one wants to debate.

Mr. CANNON. I do not think I have any demands for time upon this bill. I have no desire to take time myself. I can say all I wish to under the five-minute rule.

Mr. FITZGERALD. If the gentleman wants time, there will be no trouble about that. I suppose it is possible there will be

some little discussion in regard to some of the items. If there is any desire for general debate, we can make an agreement.

Mr. CANNON. I have no requests from the committee or anybody else for time. I have no desire for much time myself.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent to dispense with general debate on the deficiency bill. Is there objection? [After a pause.] The Chair hears none.

The question is on the motion of the gentleman from New York [Mr. FITZGERALD] that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the general deficiency bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 17645, with Mr. WEBB in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from New York asks unanimous consent to dispense with the first reading of the bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

No money appropriated by this or any other act for salaries or compensation in any executive department or other Government establishment at the seat of Government shall be available for the payment of any person promoted after March 31, 1917, to a higher salary, unless there shall have been established in such department or independent establishment and be in operation a system of efficiency ratings required by the act of August 23, 1912 (37 Stats., p. 413), as amended by the act of February 28, 1916.

Mr. MANN. Mr. Chairman, I reserve a point of order on that paragraph. If the gentleman from New York [Mr. FITZGERALD] desires to make a statement about it, I will reserve the point of order until he has made the statement.

The CHAIRMAN. Does the gentleman from New York desire to discuss the point of order?

Mr. FITZGERALD. Yes. The purpose of this provision is to compel the establishment of a system of efficiency ratings in all the departments of the Government.

Congress, in 1912, enacted a law requiring a system of efficiency ratings to be established and promotions to be based upon such ratings. Since the law was enacted the system has been established in the Post Office Department and in some of the bureaus of the Treasury Department and the State Department has about completed the investigation and determined upon the character of the system it will initiate.

Mr. MANN. Well, in establishing this system of ratings, do not the departments call on the Bureau of Efficiency for help?

Mr. FITZGERALD. Some do; yes. I do not know that they have all done so.

Mr. MANN. The gentleman does know that if they all did it at once they could not get service at once. Now, they propose by this, because some department does not do what the law directs them to do, to punish, not the department, but some clerk in the department who is entitled to a promotion. It does not seem to me that that is the proper man to punish. The proper man to punish is the head of the department, appointed by the President.

Mr. FITZGERALD. The idea is to ascertain the fitness of the person entitled to promotion and to prevent the one not entitled to it from getting it.

Mr. MANN. I do not see how that does it at all. Here is a law providing that they shall establish these efficiency ratings. I suppose they will carry out the law in time. But here is a head of a department in this city. His salary will not be reduced. He gets his $12,000 per, no matter what he does, so long as he holds the office. Now, when some one dies or resigns and makes a vacancy, that vacancy is entitled to be filled by some one below. Under this provision you can not make a promotion to the vacancy that is open for the subordinate because of the sins of the superior. I think the sins of the subordinate may sometimes be visited properly upon the superior who has charge of the work, but I never could see the justice of punishing the subordinate for the sins of his superior officer, and unless there is more to be said on it than the gentleman from New York has said I am going to make a point of order.

Mr. FITZGERALD. That is all I have to say. It is subject to a point of order.

Mr. MANN. I make the point of order, then, Mr. Chairman.

The CHAIRMAN. Does the gentleman from New York concede that it is subject to a point of order?

Mr. FITZGERALD. Yes.

The CHAIRMAN. The point of order is sustained. The section will be stricken out, and the Clerk will read.

The Clerk read as follows:

The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval. Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters and rooms 316, 319, and 321 in the Winder Building.

Mr. FITZGERALD. Mr. Speaker, I offer an amendment.

Mr. RUBEY. Mr. Chairman, I reserve a point of order on the language in the last paragraph—on the following language:

Until otherwise provided by law, the Bureau of Efficiency shall continue to occupy its present quarters, the rooms 316, 319, and 321 of the Winder Building.

Mr. ALLEN. Mr. Chairman, I reserve a point of order on the whole paragraph.

The CHAIRMAN. The Chair can entertain only one point of order at a time.

Mr. FITZGERALD. Let us know what the point of order will be. If there is going to be a point of order on it I want to make a statement.

Mr. MANN. I want to make a point of order on the paragraph. There is no amendment in order pending, unless it is being read for information.

Mr. FITZGERALD. I propose to offer an amendment to strike out the portion that turns over to the Bureau of Efficiency rooms 316, 319, and 321. Those rooms are occupied by the Auditor for the War Department. The other rooms are now occupied by the Bureau of Efficiency, and should be retained by them. They should not be displaced.

Mr. RUBEY. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. And in view of the legislation that has taken place increasing the work that has been put upon the Auditor for the War Department, they should not be dislodged from the rooms they are now occupying.

Mr. MANN. The gentleman is going to strike out that provision of the bill that would take certain rooms away from the auditor and transfer them to the Bureau of Efficiency?

Mr. FITZGERALD. Yes.

Mr. RUBEY. Why is it necessary to say by law that the Efficiency Bureau shall occupy its present quarters?

Mr. FITZGERALD. Because at present they are installed there. They have no appropriation for rent. They are not in control of the building. If it is desired to make their work stop entirely, all that it is necessary to do is to eject them from their quarters, and then they will have no place in which to operate. Unless some provision is made for quarters for them, you might as well abolish all provision for them.

Mr. RUBEY. They have their quarters there now?

Mr. FITZGERALD. Yes.

Mr. RUBEY. It might be desired by the Secretary of the Treasury or some one else to put them somewhere else, and then it would require an act of Congress to transfer them to some other building.

Mr. FITZGERALD. It will take care of them until the next session of Congress. This place was fitted up especially to meet the requirements of those persons. They have their records there and their files, and it is admirably adapted to their work.

Mr. RUBEY. I do not object to their staying there, but under this, if you put them in there, you can not take them away until Congress acts. I do not think you should put them there by an act of Congress.

Mr. LOBECK. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. LOBECK. They were temporarily placed in the rooms they now occupy, because at that time those rooms were not used. Now the Treasury needs the rooms in the Treasury Building for the Farm Loan Bureau.

Mr. FITZGERALD. We are going to give them $10,000 to take care of that.

Mr. LOBECK. But you have not done it.

Mr. FITZGERALD. We have an amendment, which, through oversight, was not printed in the bill. Provision will be made, unless somebody intervenes, by which they will be permitted to use $10,000 to rent quarters for offices now in the Treasury Building, so as to put the Farm Loan Bureau in that building. There will be no necessity of putting anybody from there in the Winder Building. These people should not be disturbed.

Mr. BORLAND. Mr. Chairman, I want to call the attention of my colleague to the fact that the Government owns the Winder Building, and it is perfectly proper for Congress to say what portions of it shall be occupied by such bureaus, and nothing precludes Congress in a subsequent appropriation bill

or other piece of legislation from making any change that is necessary. The only thing that must be taken care of at this time is that the Efficiency Bureau must have some quarters. It is occupying these quarters at the present time.

Mr. RUBEY. Suppose these words were stricken out, what effect would it have? Would not the Bureau of Efficiency go on occupying these quarters?

Mr. FITZGERALD. I do not know whether they would or not. They have been notified that they would be dislodged.

Mr. BORLAND. They would be subject to the views of the custodian of that building.

Mr. LOBECK. They would be subject to the orders of the Secretary of the Treasury.

Mr. RUBEY. They would be subject to the orders of the Secretary of the Treasury and no one else. I understand there is no desire to displace them.

Mr. FITZGERALD. I understand there is a desire to displace them.

Mr. RUBEY. I do not think so.

Mr. FITZGERALD. I know better.

Mr. LOBECK. They wanted to get more room that belonged to the Auditor for the War Department.

Mr. FITZGERALD. They wanted more room. They needed additional space, but that was not the chief thing. They wanted to be let alone in the quarters which they now occupy.

Mr. LOBECK. They went in there by permission of the Secretary of the Treasury, temporarily.

Mr. FITZGERALD. The Secretary of the Treasury is not concerned in housing bureaus which are not under him. Congress fixes the location of every independent and governmental service in buildings. This is nothing new or extraordinary, for Congress to determine where a bureau shall be housed.

Mr. LOBECK. Is not the Secretary of the Treasury concerned in the buildings that belong to and are under the control of the Treasury, so that he can use them for the convenience of the Treasury?

Mr. FITZGERALD. They are not under the control of the Treasury. Congress has made provision for certain bureaus of the Treasury Department in the Winder Building. Now, it is proposed to make provision in that building for an independent bureau. The building is not the property of the Treasury Department.

Mr. LOBECK. It is under the control of the Treasury Department.

Mr. FITZGERALD. We are attempting to prevent these continued indefensible charges for rent for quarters in Washington; but any time that anybody seems to think he is going to lose a foot of space, he stirs up a row in the House for fear somebody else may be provided with quarters without expense to the public.

Mr. RUBEY. How long has that bureau occupied these quarters?

Mr. FITZGERALD. Ever since it was established.

Mr. RUBEY How long is that?

Mr FITZGERALD. Several years.

Mr. RUBEY They could occupy these quarters without this legislation.

Mr. FITZGERALD. I do not know whether they could or not. They have been notified that these rooms are desired for other purposes. There is no appropriation for it, and it depends on the whim of the head of some other department. Of course, if a department does not wish them to continue their work, which is the most beneficial work that is being done in the interest of economy, they will be put out of business, because they can not conduct their business with their offices in their hats.

The CHAIRMAN. Does the gentleman from Missouri insist on his point of order?

Mr. RUBEY. I insist on the point of order to the words:

Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters, and rooms 316, 319, and 321 in the Winder Building.

Mr. ALLEN. I make the point of order to the whole paragraph.

The CHAIRMAN. The gentleman from Ohio makes the point of order to the entire paragraph.

Mr. ALLEN. I will reserve it if the gentleman from New York wishes.

Mr. FITZGERALD. I would like to have the gentleman reserve it.

Mr. ALLEN. I will reserve it.

Mr. FITZGERALD. The balance of the paragraph provides that the Bureau of Efficiency, which was created by Congress for the purpose of ascertaining how modern methods of business could be installed in the Government service, shall investigate the Bureau of Internal Revenue. I regret very much that the gentleman from Ohio makes the point of order against it. It is conceded by those in charge of the Bureau of Internal Revenue that its methods are antiquated and that it is organized in a manner which does not produce the most efficient service for the Government. Mr. Brown, of the Bureau of Efficiency, made the statement that after a cursory examination of the Bureau of Internal Revenue he had suggested to the Assistant Secretary of the Treasury in charge of that service that by the introduction of improved methods the services of 50 employees could be dispensed with. A difference arose between the Assistant Secretary in charge of that service and the men engaged in this work. The result was that they were not permitted to continue their investigation. Since that time their differences have been adjusted, but in view of the fact that this bureau would be able to effect economy and to save the public money, the committee put in this provision directing it to make the investigation.

Why is this objection raised? It is raised because the Assistant Secretary of the Treasury takes this provision as a personal affront to himself. He believes that it is a reflection upon him that Congress should direct a bureau created by Congress, and made independent of every other department of the Government, to investigate any particular bureau or department of the Government. It seems that a committee consisting of employees in the bureau itself has been engaged in an investigation, and because the Committee on Appropriations desires to have an independent and impartial investigation with a provision that the recommendations shall be submitted to the head of the Treasury Department for his approval—because we have the temerity to recommend such legislation, an Assistant Secretary of the Treasury takes that as a personal affront and spends his time running round this House trying to persuade some Member to make a point of order to prevent such an investigation. I believe that assistant secretaries ought to mind their own business and not interfere with the House or the Members who are desiring not to serve any personal or selfish ends, but simply to bring about the introduction of methods that will make the public service efficient. I regret that some Member has been found who is willing to yield to the importunities of department officials and to prevent legislation of such a beneficial character. [Applause.]

It is time, Mr. Chairman, that the House of Representatives asserted its prerogatives and took a firm stand for legislation necessary to control the public purse of the Government. [Applause.] I am tired of having administrative officials become indignant or offended because Congress dares or presumes to exercise some of its prerogatives, unless the chairman of the committee runs, hat in hand, to the head of the department and begs permission to make regulations for the improvement of the public service. It ought to be stopped and stopped now. This is the time to emphasize the necessity for it. Anybody who believes that any administration will curtail the expenditures of public money indulges in a dream. It is true under every administration during which I have served.

I want to say now, so that the officials of the departments will know it, that they will not advance the things they are interested in by attempting to thwart this House in an effort to improve the public service. [Applause.] Before this bill passes the House will have a demonstration of the power of the House to exercise some of its prerogatives, so that it will express its will without executive interference. Officials who run around threatening or coercing Members, or making promises that can not be carried out, are going to have their hands full, not only in this but in other sessions of Congress, in efforts to attend to the things which they are appointed to do. [Applause.]

Mr. ALLEN. Mr. Chairman——

Mr. STAFFORD. I hope the gentleman from Ohio will not foreclose others from speaking and making known their position.

Mr. ALLEN. I had intended to make the point of order immediately, but I knew the gentleman from New York wanted to say something——

Mr. STAFFORD. And others want to speak, and I hope the gentleman will reserve the point of order after he gets through.

Mr. ALLEN. Mr. Chairman, I want to say that I have seen or talked with no Assistant Secretary of the Treasury. I did not know that I would create so much excitement in the mind of the gentleman from New York by making the point of order to the paragraph that is clearly not within the rule. It is new legislation. But in addition to that they have a committee now working in the Internal Revenue Bureau that has been engaged there for some time. It has about reached a conclusion. The Bureau of Efficiency has all it can do for the next year in the

work already laid out. If this committee of the Treasury Department that is now engaged in straightening out matters in the Bureau of Internal Revenue has not completed its work by December 1, this paragraph can be included in the next appropriation bill, which will be ready long before the Bureau of Efficiency can reach the bureau. I do not believe in double work of this character. Expenditure of time is the same as the expenditure of money. We have one committee doing the work and doing it well, and for that reason I make the point of order. I will reserve it, however, for five minutes.

Mr. STAFFORD. Mr. Chairman, no division of the Government has met with as much opposition and buffeting as this Bureau of Efficiency. The legislative subcommittee recognizing that it was even hamstrung by the Civil Service Commission in its efforts to work reform in the various departments of this Government, made it in the legislative bill a separate and independent organization. It inaugurated reforms and established business methods in the office of the Treasurer in the Treasury Department that saved $60,000 in salaries in one year. The Bureau of Efficiency attempted to install modern business methods in the Bureau of Pensions, but it was thwarted. The Treasury Department officials knew of the work the Bureau of Efficiency was doing in the Treasurer's office and set about to prevent the extension of modern business methods by creating a subterfuge known as the committee on improvement, merely selecting a committee from the respective divisions in their own department to determine whether or not improvements should be installed in the respective divisions. These officials in the respective divisions are not experts and are not qualified as they are in the Bureau of Efficiency to suggest efficiency systems and methods. Since we have created this as a distinct bureau, we wish it to inspect the division of the internal revenue, which can profit more by modern methods than any other bureau of the Treasury Department by using time tabulating devices and recording machines by which there will be a saving to the Government of many thousands of dollars annually.

This Bureau of Efficiency since 1912 has made a distinct saving of $1,000,000 to the Government by installing modern business methods in a few bureaus. And yet we find men pleading for delay, pretending that by means of the various bureaus' own committees, which have not the slightest acquaintance with modern business methods, that efficient methods will be adopted.

We want the Bureau of Efficiency to go through all the departments. I am surprised that any person without having any acquaintance with the conditions which have been presented to the Appropriations Committee should arise here and object by a point of order to a provision that will save the Government, perhaps in this bureau alone, $100,000 a year. That is the responsibility that the gentleman takes who makes a point of order against this Bureau of Efficiency going into the Bureau of Internal Revenue and trying to establish modern, up-to-date business methods. It is upon the gentleman raising the point of order to be charged with that responsibility. [Applause.]

The CHAIRMAN. The Chair sustains the point of order.

Mr. BORLAND. Mr. Chairman, I offer the following amendment, to follow line 11, page 3.

The Clerk read as follows:

After line 11, page 3, insert the following:

"The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof, and submit the same to the Secretary of the Treasury as early as practicable for his approval. Until otherwise provided by law the Bureau of Efficiency shall continue to occupy its present quarters.

Mr. ALLEN. Mr. Chairman, I make the point of order.

Mr. MANN. Mr. Chairman, I reserve the point of order upon the amendment.

The CHAIRMAN. The gentleman from Illinois reserves the point of order.

Mr. BORLAND. Mr. Chairman, this is the same provision which appeared in the bill except the part which took certain rooms from the Auditor of the War Department and added them to the quarters of the Efficiency Bureau. I am familiar with the work of the Auditor of the War Department, enough so to know that it would not be convenient or practicable to take those rooms, although I have had no communication with him upon the subject. I know that the Bureau of Efficiency is located in the Winder Building, and it is not true, as gentlemen here seem to apprehend, that their remaining there will in any way embarrass the Farm Loan Board. There is no proposition to put the Farm Loan Board in the Winder Building, and if gentlemen have that impression and feel that they are fighting the battle of the Farm Loan Board, they are mistaken in that point. Before I say that, I want to say, however, that no one is more in sympathy with providing quarters for the Farm Loan Board than I am. This bill contains an extra appropriation of $100,000 for the work of organization of that board, in addition to what was provided by the law passed only a few weeks ago, so that this Congress and this committee are not only in sympathy with the work of the Farm Loan Board but they have actually increased the money available for that board by $100,000, in anticipation of expenses they may be put to for temporary quarters or temporary services or otherwise. The Farm Loan Board is amply taken care of in this bill. That just simply reduces this debate to the proposition of whether the Efficiency Bureau, which has thoroughly demonstrated its ability to secure economy and efficiency in the public service, shall be put at the mercy of departmental chiefs or heads of departments who may not be in sympathy with the particular line of work that it is doing or proposed to do at the particular time.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. HASTINGS. The gentleman makes the statement that there is an appropriation of $100,000 here for the Farm Loan Board, and he makes the further statement that we some time ago, in the farm-loan act, made an appropriation of $100,000. I know the gentleman wants to be correct, and I am asking him for information myself. Does not the farm-loan act authorize the expenditure of the $100,000—in other words, it is an authorization—and is not this an appropriation in this act, and hence there is no double appropriation of $100,000, as I understand it?

Mr. BORLAND. The Clerk informs me that I am correct about that. This is an additional $100,000 over what was authorized.

Mr. HASTINGS. It is an appropriation of $200,000 for the Farm Loan Board?

Mr. BORLAND. Yes.

Mr. HASTINGS. I wanted information upon that myself.

Mr. BORLAND. Yes. This makes available—and I am reenforced by information of the Clerk—$200,000 for the organization of the Farm Loan Board. That leaves simply the question as to the position and independence of this Efficiency Bureau.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. GLASS. My recollection of that particular matter is that the gentleman from Illinois [Mr. MANN] proposed an amendment to the farm-loan bill which simply authorizes the expenditure of $100,000.

Mr. FITZGERALD. There is a direct appropriation of $100,000.

Mr. BORLAND. And this is another appropriation.

Mr. GLASS. I would like to ask the gentleman from Missouri [Mr. BORLAND] who has made the point that this matter interferes with the Farm Loan Board. I have not heard any such point made.

Mr. BORLAND. Mr. Chairman, the point was made incidentally in the discussion here that this particular extension of quarters was needed to accommodate the Farm Loan Board, and the way it was brought about was this: They expect that the Secretary of the Treasury will give some quarters in the Treasury Building to the Farm Loan Board and put out of there certain employees of the Coast and Geodetic Survey, and instead of transferring them to the building where the rest of the Coast and Geodetic Survey is, he will put those employees into the room of the Efficiency Bureau and leave the Efficiency Bureau without any quarters.

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

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Chairman, if the Efficiency Bureau is to be subject to this transfer around, to accommodate any new board or any board that is transferred, it is unfair. It is assumed here and not denied that the Farm Loan Board itself does not need these quarters of the Efficiency Bureau, but somebody else is going to yield up their quarters to the Farm Loan Board, and they are to be accommodated at the expense of the Efficiency Bureau, and that simply means that the Efficiency Bureau, being an independent bureau, has absolutely no security upon its quarters at all. I realize that the Efficiency Bureau is not such a bureau as appeals to the imagination of gentlemen of this House. It is not a bureau that readily would make friends. Unfortunately it is a commission that necessarily opposes in many cases the wishes and views of men in official life. It can not help doing it.

If it accomplishes the result intended it shall accomplish, it must necessarily abolish some places and secure some reform; it must necessarily change the methods that are pursued by men now conducting those bureaus; it must necessarily enforce its

views in opposition to the views of men now in power. Necessarily it will have opponents and possibly sincere critics in this House, and it will not have any friends. There is no favor that it can extend, and every act it does necessarily intrenches upon claims or rights or alleged privileges of some person. It depends upon whether Congress wants to take into its own hands the economy and efficiency of the public service, or whether it wants to leave that entirely at the mercy of the chiefs who are affected by it. Gentlemen take the responsibility when they strike out this paragraph as I have redrawn it, so that it does not disturb the officers of the War Department, it does not disturb any other existing department, but leaves this bureau as it is; they take the responsibility of destroying the power and usefulness of the Efficiency Bureau.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SISSON. Mr. Chairman, I had not intended to say anything on this matter, but I do not think members of the committee understand exactly the situation there. The Auditor for the War Department has 205 clerks under him. He has 75 rooms. That is about three men per room. Some of these rooms have as many as seven men to a room. It is admitted by the chief clerk in the auditor's office of the War Department that they will *not need any* of these rooms that are now occupied by this board until the 1st day of January. This space has nothing on earth to do with the space which will be given to the Farm Loan Board. It is contemplated now that space will be made for the Farm Loan Board in the Treasury Building itself, so that these officials may be very close to the officials of the Treasury Department. Now, the three additional rooms that were proposed to be given to this board are rooms in which there were some files. Numbers of these rooms are filled with files of the Auditor for the War Department. Now, there are several of these rooms needed for these machines which are intended to be installed as labor-saving machines, and there has been a great deal said here and a great mountain made out of a molehill because Mr. Beatty and gentlemen who have been up here discussing this matter say that they will not have additional clerks, that there will be no need for these additional clerks until the 1st day of January. Then it is contemplated that after the first organization of the Army has gone into effect and the charges against the Treasury begin to come, when they will begin to audit the great additional expense, they will be compelled to have 25 or 30 additional clerks, but they can not get them until December. The deficiency bill in December will probably not get through until some time after Christmas, so the same bill in which you will add the clerks to the auditor's office when they are needed will control this space, and there is no reason on earth why the Efficiency Bureau could not remain right where they are until the time comes when the War Department needs this space or the auditor's department needs the space. Now, that is all there is in it, and your subcommittee investigated it and acted because we felt that there was no necessity of anybody being crowded out of any rooms, as there could not be any clerks at all until the next deficiency bill in December, and the same bill that has the clerks will take care of the space. That is all there is to it.

Mr. LOBECK. Will the gentleman yield?

Mr. SISSON. I will.

Mr. LOBECK. The gentleman means the Efficiency Board will just keep the present rooms they have without any additional rooms.

Mr. SISSON. That the Efficiency Board keep the space which they now have. Does the gentleman want the Efficiency Board to be turned out on the street?

Mr. LOBECK. No.

Mr. SISSON. Well, now, suppose if you did not do this, does the gentleman undertake to say he assumes the responsibility of making an appropriation for a year's rent and turn these people out of the space they occupy in order that they may rent space somewhere else in the city?

Mr. ALLEN. I have not the slightest objection to the language, "Until otherwise provided for," and so forth, in line 16, and following. It is the first part of the paragraph to which I made the point of order.

Mr. SISSON. What is the objection?

Mr. ALLEN. Duplication of work. There is another committee doing the same thing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none.

Mr. SISSON. I will ask again, what duplication?

Mr. ALLEN. Of expense.

Mr. SISSON. Duplication of what?

Mr. ALLEN. Of expense and effort and in taking the time of the Bureau of Efficiency to do the same work that the efficiency committee now in the Treasury Department has been working on for months and will be ready to report on before the end——

Mr. SISSON. I see the gentleman has been talking to my friend Malburn.

Mr. ALLEN. I have not.

Mr. SISSON. Then he has been talking to somebody else, because the Appropriations Committee thrashed this whole thing out, but there were several committees——

Mr. ALLEN. I happen to know what has been going on down there, and that is the reason I made the point.

Mr. SISSON. The committee had the testimony and the witnesses and they resist any effort on the part of Congress to have this Efficiency Bureau make any investigation down there.

Mr. ALLEN. Because they have their own committee that is already working, and it is merely a duplication of effort.

Mr. SISSON. In other words, you put each department in the position of investigating itself, and that is the very thing Congress does not want done.

Mr. ALLEN. No; we have congressional committees here to investigate each department, and they do it.

Mr. SISSON. Mr. Chairman, the fact about the business is this, that the law has created this Efficiency Division and authorized the Efficiency Division to do this particular work.

Now, here we find ourselves in an attitude of having the work which that Efficiency Division was created to perform impeded by Members of Congress, who created the division itself. Do one of two things, either abolish this Efficiency Division entirely or give it a fair opportunity to show what can be done. It can do nobody any harm. Now, if you shall put these men out it will be necessary, either in the Senate or by amendment to this bill, to provide for it by renting rooms somewhere else.

Mr. MANN. Will the gentleman yield?

Mr. SISSON. Yes.

Mr. MANN. Is the gentleman willing to have a provision go into the bill to let the Efficiency Bureau investigate the method of legislation by Congress?

Mr. SISSON. I have no objection to the Efficiency Division doing that.

Mr. MANN. It might add a great deal to the value of Congress to the country and increase very greatly the expense.

Mr. SISSON. I might do it.

Mr. MANN. Why does not the gentleman's committee propose something practical along those lines, to let somebody try to apply efficiency methods in this body?

Mr. SISSON. We find the result of the work in this Efficiency Division has been to enable the department to dispense with a great many clerks.

Mr. MANN. I have no doubt of it. I am a friend of the Bureau of Efficiency. That is the reason I would like to see them come up here and tell us something.

Mr. SISSON. I would not object to them coming and telling this body something, if they can show us how to save money, and I think it can be easily shown; but there is an indisposition on the part of Congress to-day to be so shown, and I am afraid. But this other matter surprises me in that there should be so much fuss made about it. They only wanted three additional rooms, and they are rooms in which records are kept. Now they propose to put these machines in those rooms, so that these men who want to know how the machines are operated may come and test them out and determine whether or not they are what they want. The real office force will retain the present rooms which they now occupy. Therefore your subcommittee felt that up until the time these men meet in these extra rooms they would have to get them on the deficiency bill, and when they provide for the extra clerks we would provide for the deficiency to be taken care of.

Mr. BENNET. Mr. Chairman, I thoroughly sympathize with my colleague in this effort, but I want to call his attention to the fact that it is impossible for the House to be successful in maintaining its dignity unless it is consistent. It is the second time to-day we have had this question up—the question of directing an executive department—and I maintain we ought to do it. We are the lawmaking body. I maintained it earlier in the day when the question was up between the Thomas amendment, which authorized the executive department to do something, and the Sutherland amendment, which directed the department to do something. I asked for a roll call on that, and I regret to say that my colleague voted to authorize and not to direct.

Mr. FITZGERALD. I think in that case the department ought to have discretion. In this case I think they ought to be directed to do it, regardless of their wishes, and I voted as I stated, as everybody else does.

Mr. BENNET. Mr. Chairman, that is just the reason why we will never get any respect out of any of the executive departments until we assert our prerogatives, because it seems to be more convenient to vote to authorize them to do a particular thing, and we forget that under the Constitution it is not only our power but our duty in all this kind of legislation to direct the executive department to do things. I was glad to see the gentleman from Tennessee [Mr. BYRNS], a member of the committee, held the same view that I did, and that he very properly voted to direct them to do it. I think if my colleague and others who had voted the weaker way earlier in the day had in the past and to-day voted to direct, we would not have the present situation which he deplores.

Mr. FITZGERALD. It is said that there is joy in heaven over one sinner that repenteth; and, if that is the case, there must be great joy there now.

Mr. BENNET. So far as it is in my power to grant my colleague in any way any amelioration, I am going to do it, and if he can do any substantial thing in connection with this proposition I will vote with him now, consistently with my vote earlier in the day.

Mr. MANN. Mr. Chairman, there is a good deal of talk about our exercising our power. We have power to say whether a room shall be cleaned with a broom or a dust cloth or in some other way. I never supposed it was absolutely essential that Congress should determine such great questions of that kind with its mighty intellect. After all, a large share of the work of Government must be left to the discretion of administrative officers. We are a legislative body, not an executive body, not an administrative body. My observation is that when Congress undertakes to direct methods of administration it generally put its foot in it, and does not know what it is doing and, as a rule, makes a mistake.

Here we have in the District of Columbia a great many buildings, many owned by the Government, many rented by the Government. Everyone knows that it would be impossible for this House to determine the number of rooms and the location and who should occupy them of all the rooms owned and controlled by the government of the District of Columbia. The committee that sat on that question all the time would have to have its days lengthened and hours lengthened and years lengthened in order to make a report. Of course, we could dispose of one case. One branch of the Government's service gets before a committee, and there is more rivalry between these different branches than there is between parties in the country. One branch of the Government service gets before the committee and makes its showing and the other branch is not heard, and the committee hears one side usually, and usually only one—just what that branch of the public service wants. It may be a good thing. I do not know. I think the Bureau of Efficiency, however, ought to be outside of any building occupied by a department of the Government. It belongs to no department. It is much better to keep the various bureaus of the Treasury Department in buildings occupied by the Treasury Department and let the Bureau of Efficiency go into a building outside, where it belongs, instead of having the Bureau of Efficiency occupy a portion of the Treasury Building, and then let the Treasury bureaus go outside.

There is more or less of interdependence and relationship between all the various bureaus or the activities under the Treasury Department. I have not the slightest doubt myself that the Bureau of Efficiency will be well housed. I do not think they will attempt to do business under their hat, as suggested by the gentleman from New York. I do not think they will be required to. I have more faith than some gentlemen seem to have in the President of the United States. I do not believe the President of the United States will permit the Bureau of Efficiency to be kicked out into the street. The President has jurisdiction over the whole subject. If it needs an appropriation to provide quarters for the Bureau of Efficiency, we can make that; but I do not think Congress ought to undertake to say how many rooms this bureau should have or where it shall be. Therefore I make the point of order again.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Payment to Republic of Nicaragua: To enable the Secretary of State to pay, for the benefit of the Republic of Nicaragua, in accordance with article 3 of the treaty between the Government of the United States and the Government of Nicaragua, signed August 5, 1914, $3,000,000.

Mr. MANN. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Illinois reserves a point of order on the paragraph.

Mr. FITZGERALD. Pending that, Mr. Chairman, I ask unanimous consent to have the Clerk change, in line 2, the figures "1917" to the words "nineteen hundred and seventeen."

The CHAIRMAN. Without objection, the change will be agreed to.

There was no objection.

Mr. CANNON. Mr. Chairman, if it is subject to a point of order, I do not care to talk about it.

Mr. MANN. I do not think it is subject to a point of order.

Mr. FITZGERALD. The treaty has been ratified by the Senate.

Mr. MANN. Mr. Chairman, I reserved the point of order on this paragraph in order to ascertain something in reference to the treaty. I have not the treaty in my hand now, though I examined it. I do not recall just what its terms are. I was under the impression, without recollection, that it provided for the payment of $3,000,000 to the Republic of Nicaragua.

Mr. FITZGERALD. Yes; upon the exchange of the ratifications.

Mr. MANN. That is not the provision in the bill. The provision in the bill is "to enable the Secretary of State to pay for the benefit of the Republic of Nicaragua, in accordance with article 3 of the treaty between the United States and the Government of Nicaragua, signed August 5, 1914, $3,000,000." I think the treaty does make some authorization.

Mr. FITZGERALD. It provides for the payment of certain obligations by the Republic. I have asked the clerk of the committee to get a copy of the treaty, and I suggest that we pass this over temporarily.

Mr. CANNON. I have no objection to its going over temporarily.

Mr. MANN. I want to know about it. Of course we are obliged to appropriate the money under the treaty; that is, morally obliged; but I do not think much of the treaty. There has been quite an effort made on the part of a good many gentlemen either having claims against Nicaragua as American citizens or otherwise, or other gentlemen, to get their finger into this pie. I do not know just what the treaty provides for, but I am quite certain that Nicaragua will not see any of the money.

Mr. MOORE of Pennsylvania. Mr. Chairman, may I inquire before we pass this paragraph why the words "for the benefit" are inserted on line 5?

Mr. MANN. That is what we are trying to find out.

Mr. FITZGERALD. I have the treaty here, Mr. Chairman. Article 3 of the treaty is as follows:

In consideration of the foregoing stipulations, and for the purposes contemplated by this convention, and for the purpose of reducing the indebtedness of Nicaragua, the Government of the United States shall, on the date of the exchange of the ratifications of this convention, pay for the benefit of the Republic of Nicaragua the sum of $3,000,000, United States gold coin of the present weight and fineness, to be deposited to the order of the Government of Nicaragua, with such bank or banks or such banking corporations as the Government of the United States shall determine, to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua, in a manner to be determined by the two high contracting parties, all such disbursements to be made on the order drawn—

And so forth.

Mr. MANN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Illinois withdraws the point of order.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. HEFLIN. Mr. Chairman, I move to strike out the last word. We hear a great deal from the Republican side now about the Mexican policy of the President. We have been hearing a good deal from that side recently. Nobody here or away from here knows what the Republican policy upon that subject is or would be. Republicans seem to be in favor of war because President Wilson is in favor of peace. Ex-Supremé Court Judge Hughes, the candidate of the Republican Party, said in his speech that the President's Mexican policy might be one thing now and another thing three months from now. Well, Mr. Chairman, conditions may change and it may be necessary to have a policy different to meet emergencies as they arise.

The candidate of the Republican Party himself has changed his mind, and for the purpose of accepting a nomination given him by Republican bosses. Four years ago he stated that a Supreme Court Judge ought not to be available for political office; that the Supreme Court must never be dragged into politics; that no man serving in a political office was as neces-

sary to his country's welfare as the unstained dignity and integrity of the Supreme Court; that that court must forever be kept out of politics. [Applause on the Democratic side.]

It seems that that gentleman is somewhat vacillating, for he is now leading the movement that would drag the Supreme Court into politics. So gentlemen on the other side are running a man for President that has undertaken to drag that court into politics. And in order to vote for him you must vote to drag the Supreme Court into politics.

Mr. BARKLEY. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. BARKLEY. Does not the gentleman realize that that gentleman is 100 per cent candidate now?

Mr. HEFLIN. Yes; I know that this same man who said that a Supreme Court judge should not be available for political office is now, according to his own statement, a 100 per cent candidate for a political office, but judging from the gloom and disappointment that followed his western tour he is now down to about 40 per cent.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HEFLIN. Certainly.

Mr. MOORE of Pennsylvania. Is he not 100 per cent a winner as the case now stands?

Mr. HEFLIN. If the gentleman wants my opinion as to the national election I will give it to him. I do not believe that Mr. Hughes will carry 12 States in the Union. I want to make a prediction for the gentleman's consideration: Mr. Wilson will defeat your candidate 3,000,000 popular votes. This is one election, gentlemen, that the corrupt use of money can not carry. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Will the gentleman concede the State of Maine to Mr. Hughes?

Mr. HEFLIN. I will not.

Mr. MOORE of Pennsylvania. The gentleman from Alabama has been in Maine?

Mr. HEFLIN. I have.

Mr. MOORE of Pennsylvania. And the gentleman will not concede Maine to Hughes? Now, in the presence of the gentleman from Alabama and the assembled Democracy, I claim Maine for the Republican candidate. [Applause on the Republican side.]

Mr. HEFLIN. It is not uncommon for Republicans to claim things or promise things; they can promise glibly and claim freely before the election, but their promises and prophesies are never fulfilled. [Laughter and applause on the Democratic side.]

Now the gentleman talks about the Mexican policy of the President.

Mr. HULBERT. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. HULBERT. I would like to ask if the gentleman from Alabama can ascertain from what source the gentleman from Pennsylvania, who seems to have the figures with respect to the result in Maine, got them, and what is the plurality?

Mr. HEFLIN. He got them from the disordered imagination of the Republican bosses.

Mr. MOORE of Pennsylvania. Will the gentleman from Alabama yield to me to answer the question?

Mr. HEFLIN. I will.

Mr. MOORE of Pennsylvania. I claim the State of Maine now because the gentleman from Alabama has been orating in that State. [Laughter and applause on the Republican side.]

Mr. HEFLIN. Well, I have the conviction that I did not drive anybody away from the Democratic Party in Maine, and that is more than your candidate for President can say with regard to Republican voters, for on his western tour he lost you votes by the thousands. [Laughter and applause on the Democratic side.]

Mr. MOORE of Pennsylvania. Our candidate has already carried Pikes Peak. [Laughter.]

Mr. HEFLIN. Pikes Peak! Why, it snows there in July [laughter], and if there is a place under heaven where your candidate should run well and be in a congenial climate it is on Pikes Peak in a snowstorm. [Laughter and applause on the Democratic side.]

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

Mr. HEFLIN. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HEFLIN. Now, Mr. Chairman, I know that my friends are sorry that they have nominated this man Hughes. They are sorry in their hearts. Some one said the other day that you were going to take Hughes down and put up Uncle JOE; and I said if you do, Uncle JOE will make a better race than Hughes. He would, too, for Uncle JOE from every angle is human. [Laughter on the Democratic side.]

Mr. HASTINGS. Will the gentleman yield?

Mr. HEFLIN. Yes.

Mr. HASTINGS. The gentleman made reference to the gentleman from Illinois. I heard him make a speech about 15 minutes long criticizing the administration's policy in Mexico, but did he state during that whole 15 minutes what he would have done if he had been in charge?

Mr. HEFLIN. Of course he did not, and we do not want to embarrass him now. The Republicans do not know what they would have done in the past and they do not know what they would do in the future. What they want is a return to political power. That is the burning desire of the Republican Party. [Applause on the Democratic side.] What would Hughes have done? Roosevelt tells us, and he is his mouthpiece, that he would never have written but one note to Germany. What is the answer to that? That he would have sent the fleet. Where would we have been? Engaged in war with a foreign country. And American boys by the hundreds and thousands would have been fighting and dying around Verdun. That is what would have happened.

Now, you seek to make capital out of the Mexican situation. What would you have done with Huerta? What did your President do—Mr. Taft? He refused to recognize that red-handed assassin who assumed control of the Mexican Government when he had murdered President Madero in the capital of the nation. It was Huerta's duty under the constitution to protect and defend him. But he murdered him, and then what happened? He wired President Taft: "I have overthrown the Government and am in control." What did President Taft do? Did he wire back, saying: "I congratulate you, assassin; the Government of the United States extends the hand of recognition to you"? No; he refused to do it. What did he do? [Applause on the Democratic side.] He sent 20,000 troops to the border line, and they have been there ever since. You talk about us keeping soldiers down there. Do you know what is going on and what you are talking about? Five soldiers were killed at Douglas, Ariz., when Taft was President, and he did not go to war with Mexico. You are hard pressed for an issue. Gentlemen, the old party has about petered out. [Laughter and applause on the Democratic side.]

We are running a man for President who is the greatest intellectual giant who has been in the White House for a hundred years. [Applause on the Democratic side.]

Not since Hickory Jackson defied the national banks has there been such a brave message as that delivered on behalf of the American people yesterday by Woodrow Wilson. [Applause on the Democratic side.] You have a man running for President. He goes out through the West raising big issues! [Laughter.] After he chased in his imagination the administration across the continent, he touched the hems of its garments, crossed his fingers and said, in the name of the Geodetic Survey and in behalf of the Bureau of the Census, "I pronounce you a miserable failure!" [Laughter and applause on the Democratic side.] Then a Progressive said, "Why, Mr. Hughes, President Wilson has made a good President; he has passed a lot of progressive and constructive measures, and he has prevented a lot of suffering among our people and saved human lives by keeping us out of war," whereupon your candidate is wont to say, "What are constructive measures, the prevention of suffering, and the saving of human life to do with the situation, so long as a horse doctor is in the Geodetic Survey and E. Dana Durand is lost to the Bureau of the Census?" [Applause and laughter on the Democratic side.]

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

Mr. HEFLIN. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HEFLIN. Mr. Chairman, these are the big issues that Candidate Hughes has raised, and when he returned from that dismal Western trip I imagine that I could see him when Messrs. Root and PENROSE, SMOOT, and Murray Crane went out to meet and to greet him and could hear them say, "You had a glorious trip," but he shook his head mournfully. They said, "Cheer up, you are going to be elected," and still he shook his head. And now determined to cheer him, they said, "Your election is a cinch," but still he shook his head. Then lifting his sad eyes to SMOOT, he said, with tears in his voice, "You gentlemen are merely playing a part when you say my election is a cinch. I've been through the West; and down in my heart I wish I were

back on the bench." [Applause and laughter on the Democratic side.]

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to place in the RECORD the message of the President of the United States of date August 8, 1914, transmitting the Nicaragua treaty and other documents.

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

The treaty referred to is as follows:

NICARAGUAN CANAL ROUTE.

To the Senate:

I transmit, with a view to its ratification, a convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment for the benefit of the Republic of Nicaragua, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by a Nicaraguan route, the lease for 99 years of Great and Little Corn Islands, in the Caribbean Sea, and the right to establish a naval base on the Gulf of Fonseca.

WOODROW WILSON.

THE WHITE HOUSE,
Washington, August 8, 1914.

—

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to its ratification, a convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment for the benefit of the Republic of Nicaragua, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by a Nicaraguan route, the lease for 99 years of Great and Little Corn Islands, in the Caribbean Sea, and the right to establish a naval base on the Gulf of Fonseca.

Respectfully submitted.

W. J. BRYAN.

DEPARTMENT OF STATE,
Washington, August, 1914.

—

The Government of the United States of America and the Government of Nicaragua, being animated by the desire to strengthen their ancient and cordial friendship by the most sincere cooperation for all purposes of their mutual advantage and interest and to provide for the possible future construction of an interoceanic ship canal by way of the San Juan River and the great Lake of Nicaragua, or by any route over Nicaraguan territory, whenever the construction of such canal shall be deemed by the Government of the United States conducive to the interests of both countries, and the Government of Nicaragua, wishing to facilitate in every way possible the successful maintenance and operation of the Panama Canal, the two Governments have resolved to conclude a convention to these ends, and have accordingly appointed as their plenipotentiaries:

The President of the United States, the Hon. William Jennings Bryan, Secretary of State; and

The President of Nicaragua, Señor Gen. Don Emiliano Chamorro, envoy extraordinary and minister plenipotentiary of Nicaragua to the United States;

Who, having exhibited to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.

The Government of Nicaragua grants in perpetuity to the Government of the United States, forever free from all taxation or public charge, the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal by way of the San Juan River and the great Lake of Nicaragua, or by way of any route over Nicaraguan territory, the details of the terms upon which such canal shall be constructed, operated, and maintained to be agreed to by the two Governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention to construct such canal.

ARTICLE II.

To enable the Government of the United States to protect the Panama Canal and the proprietary rights granted to the Government of the United States by the foregoing article, and also to enable the Government of the United States to take any measure necessary to the ends contemplated herein, the Government of Nicaragua hereby leases for a term of 99 years to the Government of the United States the islands in the Caribbean Sea known as Great Corn Island and Little Corn Island; and the Government of Nicaragua further grants to the Government of the United States for a like period of 99 years the right to establish, operate, and maintain a naval base at such place on the territory of Nicaragua bordering upon the Gulf of Fonseca as the Government of the United States may select. The Government of the United States shall have the option of renewing for a further term of 99 years the above leases and grants upon the expiration of their respective terms, it being expressly agreed that the territory hereby leased and the naval base which may be maintained under the grant aforesaid shall be subject exclusively to the laws and sovereign authority of the United States during the terms of such lease and grant and of any renewal or renewals thereof.

ARTICLE III.

In consideration of the foregoing stipulations and for the purposes contemplated by this convention, and for the purpose of reducing the present indebtedness of Nicaragua, the Government of the United States shall, upon the date of the exchange of ratification of this convention, pay for the benefit of the Republic of Nicaragua the sum of $3,000,000 United States gold coin, of the present weight and fineness, to be deposited to the order of the Government of Nicaragua in such bank or banks or with such banking corporation as the Government of the United States may determine, to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two high contracting parties, all such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate.

ARTICLE IV.

This convention shall be ratified by the high contracting parties in accordance with their respective laws, and the ratifications thereof shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done at Washington, in duplicate, in the English and Spanish languages, on the 5th day of August, in the year 1914.

WILLIAM JENNINGS BRYAN. [SEAL.]
EMILIANO CHAMORRO. [SEAL.]

—

RESOLUTION OF RATIFICATION.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the convention between the United States and Nicaragua, signed at Washington on August 5, 1914, granting to the United States, in return for a money payment, the exclusive proprietary rights for the construction and operation of an interoceanic canal by a Nicaraguan route, the lease of certain islands, and the right to establish a naval base on the Gulf of Fonseca, with the following amendments, to wit:

In Article I, line 2, after the words "United States," insert a comma and the following words: "forever free from all taxation or other public charge," followed by a comma.

At the end of Article III strike out the period and add the following: "or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two high contracting parties, all such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate."

Provided, That whereas Costa Rica, Salvador, and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

[Mr. CANNON addressed the committee. See Appendix.]

Mr. BENNET rose.

Mr. HEFLIN. Mr. Chairman, will the gentleman yield to me for one minute?

Mr. BENNET. Certainly.

Mr. HEFLIN. The gentleman from Illinois [Mr. CANNON] says that if I will make that speech one more time he will be able to get it in his mind so that he can repeat it. Well, Mr. Speaker, I can render no better service to the country than to put Democratic doctrine in the minds and hearts of Republican Congressmen. [Applause on the Democratic side.]

Mr. BENNET. Mr. Chairman, I was unable to understand an editorial in the New York Sun of this morning until I heard the gentleman from Alabama [Mr. HEFLIN]. The New York Sun stated this morning that the Democratic candidate for governor in Maine had announced that it was a case of "safety first" with him, and he was going to stop carrying the Democratic national administration and make his campaign on State issues. I regret this announcement came so closely upon the heels of the return of our friend from Alabama from Maine. [Applause on the Republican side.]

The Mexican situation is one with which American Representatives ought to be familiar, it seems to me, and this reiteration of what a man would have done had he been in President Wilson's place gets an answer from what a Republican President did do. From 1809 to 1909, 100 years, Mexico had 53 Presidents, 2 Emperors, and 4 Regents, and the change of dynasty down there was so frequent that precedents were established. President Hayes, in his message to Congress on December 3, 1877, which I find on page 467 of volume 7 of Messages and Papers of the President, said to the Congress:

The revolution which recently occurred in Mexico was followed by the accession of the successful party to power and the installation of its chief, Gen. Porfirio Diaz, in the presidential office. It has been the custom of the United States, when such changes of government have heretofore occurred in Mexico, to recognize and enter into official relations—

They occurred so frequently there was a regular custom established—

to recognize and enter into official relations with the de facto government as soon as it should appear to have the approval of the Mexican people and should manifest a disposition to adhere to the obligations of treaties and international friendship.

Now, if the gentleman from Alabama, or any other Member of the House, will look up the official records, he will find that the telegram that the Secretary of State sent to the American Minister at Mexico City followed almost the precise language:

Ascertain whether the de facto Government is prepared to maintain the obligation of treaties and protect the rights of American citizens.

In other words, the Taft administration knowing the precedents followed them.

Mr. FITZGERALD. He did not recognize Huerta?

Mr. BENNET. Of course not.

Mr. FITZGERALD. What is the complaint?

Mr. BENNET. Why, the gentleman from Alabama is making the complaint; he seems temporarily to have left the Chamber. The Taft administration between the 19th of February and the 4th of March, 13 days or 12 days—I have forgotten whether it was leap year or not—followed precisely the American custom. Where President Wilson violated all American precedents in relation to Mexico was when on the 13th day of March, 1913, when he had been President only nine days, he sent down word to the embassy there that under no circumstances should Victoriana Huerta be permitted to be President of Mexico. He had no more right to say who should not be President of Mexico than Huerta had to say who should not be President of the United States. I will tell you the mistake President Wilson made. It was a mistake of dimension. He thought he had been elected President of the North American Continent. If he had only remembered that he had been elected President of the United States only we would not have had all this Mexican trouble.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I ask for one more minute.

The CHAIRMAN. Is there objection to the request of the gentleman? [After a pause.] The Chair hears none.

Mr. BENNET. His situation reminds me of the story of a gentleman out in Illinois who unfortunately got intoxicated, and in the barroom where he got the last of it he made the announcement that he could lick any man in the township. Nobody responded. Then he said, "I can lick any man in the county." Not a man stirred. Then he said, "I can lick any man in the State." There was a fellow from outside the county but within the bounds of the State that took up the challenge, and after he had succeeded in demonstrating the fallacy of the intoxicated gentleman's statement the inebriate raised himself from the floor and said, "I know what is the trouble with me. I tried to cover too much territory." [Laughter and applause.] That is the trouble with President Wilson. If he had stuck to his job of being the President of the United States only and had not tried to be President of Mexico at the same time, we would not have had all these deaths and destruction of property that Mr. Lansing in that grim, grizzly message that he sent a while ago to the Mexican Government, which has been printed as a House document, recounted as a result in Mexico of three years of President Wilson's administration.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the paragraph.

Mr. MOORE of Pennsylvania. Mr. Chairman, I do not know whether this motion will prevail, but it seems to me it ought to be made in the interest of the American people, those who pay the taxes to maintain the Government. The House of Representatives under the Constitution of the United States is the only body authorized to originate revenue legislation. We have been up against this question of treaty appropriations before, and the House has not always in times past accepted without question the action of another body. A great legislative problem is presented by this motion to strike out, and I realize that it is too big to be settled this afternoon. But I make it as an individual protest against the manner in which the people of the United States are forced to pay enormous sums of money on what appear to be contracts made by certain representatives of certain departments of the Government of the United States who obtain the sanction of another body, but who do not consult the House of Representatives.

Now, the chairman of the Committee on Appropriations has not attempted to make any explanation of this paragraph involving the expenditure of $3,000,000 of the people's money.

Mr. FITZGERALD. Is not the paragraph clear? It provides $3,000,000 shall be appropriated to carry out the provisions of the treaty. I do not see what more explanation is needed.

Mr. MOORE of Pennsylvania. Has the House of Representatives given any sanction to the treaty or to the agreement preceding it?

Mr. FITZGERALD. They sanction it now.

Mr. MOORE of Pennsylvania. This is the time is it, when we are supposed to be drawn into the transaction?

Mr. FITZGERALD. Yes. And if we do not appropriate the money the ratification will not be exchanged. If we do appropriate the money, it will be.

Mr. MOORE of Pennsylvania. But an agreement has been made by a representative of the Government of Nicaragua and a representative of the Government of the United States to take $3,000,000 of the people's money and pay it on the approval of another legislative body, without consulting the House at all.

Mr. FITZGERALD. And it is approved by a two-thirds vote of the Senate.

Mr. MOORE of Pennsylvania. That is true.

Mr. FITZGERALD. And now the House of Representatives is requested to appropriate the money in order to complete the transaction. If it is not completed they need not make the appropriation.

Mr. MOORE of Pennsylvania. My point is that the Representatives of the people who are authorized to originate revenue legislation have had no voice in this matter until now.

Mr. FITZGERALD. Under the Constitution they could not very well.

Mr. MOORE of Pennsylvania. This is the only time and this is the only place where objection can be made on behalf of the taxpayers of the United States to appropriations of these enormous sums of money to complete contracts by agents of this Government with agents of another Government.

Mr. FITZGERALD. This is not completed until the contract is made.

Mr. MOORE of Pennsylvania. This is one case in point. We have had other cases. We will be called upon before long, I suppose, to pay $25,000,000 to Colombia for certain alleged rights she claims in the Panama Canal. That has not been provided for in this bill. All we are paying now is $3,000,000 for a right of way across a certain part of Nicaragua. Apparently we are not paying money to Nicaragua. We are paying it to somebody not named, to officials evidently or to the persons to be designated by them, "for the benefit of Nicaragua." If the statement of the gentleman from Illinois is correct, and I assume it is, the $3,000,000 is to pay for certain debts. Are we doing this as a sop to Nicaragua? Is it for the purpose of currying favor with the people of that country? What do the people of the United States know about this? What will the House of Representatives know about this after it sanctions the action of two contracting parties outside of the House of Representatives on a two-thirds vote by another body? Why, in addition to Colombia's claims, in a little while we will be called upon to pay $25,000,000 in another transaction to take over the Danish West Indies. I would favor acquiring St. Thomas, but only a few years ago those islands could have been bought by the United States for $5,000,000; now they are to be bought for $25,000,000. What does the House of Representatives, the revenue-creating body of the country, have to do with that? Where have we been consulted? Where have the people been consulted? Five million dollars we could have bought those islands for a few years ago. Now, a new Secretary of State makes a deal, and——

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

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. A new Secretary of State, to whom the conditions may be new, unmindful of the fact that a few years ago we could have had the Danish West Indies for $5,000,000, now agrees to buy them for $25,000,000. We are supposed to legislate for the taxpayers of the country, and yet we hear of these costly negotiations only through the newspapers. This body, I repeat, is the only body under the Constitution authorized to originate revenue legislation. Yet without our knowledge, without our being consulted in the matter at all, without the Representatives of the people having any voice in the matter, a representative of the Government, not a direct representative of the people, as we are here, suddenly agrees to a raise in the price from $5,000,000 to $25,000,000, and we are to be called upon without question to make the people pay—and this on the simple entry of a paragraph in an appropriation bill which is not even explained to us.

This thing is not new. These propositions come in here and are passed as a matter of form, and we sit in our chairs like automatons to vote them through, knowing they are checked up against the revenues of the United States, knowing full well that the people, who were not consulted, will be expected to pay these enormous bills. It is $3,000,000 to-day. It will be $25,000,000 to-morrow. What it will be under some future Secretary of State the Lord only knows. [Applause.]

Mr. FITZGERALD. Mr. Chairman, I suppose, from the time consumed, that this motion is of about the same character of proceeding as that which preceded it. Nobody really takes it seriously. The gentleman from Pennsylvania [Mr. MOORE] can not reform the Government of the United States or change its character. Under the Constitution the treaty was negotiated between Nicaragua and the United States and submitted to the Senate and ratified by a two-thirds vote of that body.

The treaty provides for a concession to the United States, free from taxation or public charge, of what is known as the Nicaraguan Canal route. It also provides for the lease, for a term of 99 years, of certain islands in the Caribbean Sea belonging to Nicaragua, and also a concession to the United States for the establishment of a naval base in the Bay of Fonseca, on the Pacific coast.

The military experts of the Government say that these naval bases, both in the Caribbean and on the Pacific side, are absolutely essential for the protection of the Panama Canal and for the security of American rights, and that in order to avoid complications of a character that would be very disastrous to the United States this Government should acquire in perpetuity the right to construct a canal by way of the Nicaraguan route, not in the belief that an attempt will be made to construct the canal, but to forestall an attempt on the part of some organization created under the laws of some foreign Government to acquire these rights and construct the canal.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. Is the gentleman from Illinois [Mr. CANNON] correct in his interpretation of the Monroe doctrine with regard to a matter of that kind?

Mr. FITZGERALD. Oh, I do not intend to characterize the interpretation that anybody places upon the Monroe doctrine. That is too speculative to engage the attention of a person so busy as I am with practical things.

Mr. MOORE of Pennsylvania. Well, if the Monroe doctrine amounts to anything at all, it ought to mean that we would protect ourselves against foreign intrusion in Nicaragua or elsewhere.

Mr. FITZGERALD. Well, Mr. Chairman, I can answer that very briefly. The French canal company that had a concession and which was prosecuting the work of constructing a canal across the Isthmus of Panama, the rights to which were subsequently acquired by the United States and under which the Panama Canal was constructed, obtained its concessions and prosecuted the work without any protest whatever being made by the United States Government, although the Republican Party at that time was in control of the Government; so that I assume that a private company acquiring rights of the character indicated would not technically come within the declaration of President Monroe, although somebody might construe as an unneutral act the effort of some foreign Government to acquire rights.

Now, to proceed from the point where I was interrupted by this unnecessary diversion of my thought, under a Republican administration a treaty was negotiated and ratified by the Senate, and a Republican Congress actually appropriated $20,000,000 to pay to Spain for the transfer of the Philippine Islands. The Republicans did not think that there was a great outrage committed upon the House when it was done.

In reference to the Danish West India Islands, if I recall correctly, Mr. Hay, while Secretary of State, negotiated a treaty for the acquisition of those islands, which was ratified by the United States Senate, and only the failure of the people of Denmark to ratify the treaty prevented the House being called upon to make the appropriation. Now, this treaty is so drawn that the ratifications are not to be exchanged without the payment of the money, and if Congress declines to appropriate the money there will be no binding obligation, and that is what makes the treaty really effective.

The CHAIRMAN. The gentleman's time has expired.

Mr. FITZGERALD. I ask for a few minutes more. It may save a lot of misstatements hereafter.

The CHAIRMAN. The gentleman asks unanimous consent that his time may be extended three minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. FITZGERALD. I will yield for a question.

Mr. MOORE of Pennsylvania. We have a canal at Panama now.

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. What is the necessity for taking over a canal route in Nicaragua, in view of the fact that we are already provided with a canal?

Mr. FITZGERALD. The belief that there is the possibility that some foreign Government, acting through a private corporation, might acquire the route and have a canal constructed. If it did, in view of the fact that it would make a very much shorter route from Europe or from the Atlantic seaboard to the Pacific seaboard, our canal would be practically idle and could not stand the competition. To avoid any complications of that character the United States Government, in acquiring its naval bases which are essential for the protection of the Panama Canal, has taken in as incidentals, for the purpose of avoiding possible trouble in the future, all rights to build a canal by way of the Nicaraguan route.

Mr. SISSON. The Army and Navy were consulted, too.

Mr. FITZGERALD. Yes; I have stated that the military experts were consulted. The hearings before the Committee on Appropriations, all of which are to be published in the RECORD at the request of the gentleman from Illinois [Mr. CANNON], contained the statement of the Secretary of State that the Department of State has been controlled entirely by the judgment of the military authorities of the Government as to the necessity for these naval bases.

Complaint is made that the treaty itself does not disclose the individuals to whom the payments are to be made. Nicaragua is in debt.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FITZGERALD. I thought I had five minutes, and only three minutes have elapsed since I made the request.

The CHAIRMAN. Without objection, the gentleman's time will be extended five minutes.

There was no objection.

Mr. FITZGERALD. The treaty provides that the money shall be applied by Nicaragua upon its indebtedness. The Senate amended the treaty by adding the words—

> Or other public purposes for the advancement of Nicaragua, in a manner to be determined by the high contracting parties, such disbursements to be made by orders drawn by the minister of finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate.

If Nicaragua has public creditors, and this money is to be paid to Nicaragua, and these public creditors are citizens of other nations which may be pressing Nicaragua for the payment of these obligations, perhaps threatening to seize its customhouses or other sources of revenue in order to enforce payment—a practice not uncommon in the dealing of European nations with Central and South American countries—then it would seem to be particularly advantageous for the United States, in such a treaty as this, if it could obtain the consent of Nicaragua, to provide that the money to be paid by the United States should be used for the purpose of discharging the public indebtedness of Nicaragua and not be dissipated without any benefit to the people. Or it can be applied under this provision for the advancement of the public welfare. I assume, although I do not know, that the Senate of the United States, having this treaty under consideration from the 22d of August, 1914, to 18th of February, 1916, made all the investigation and obtained all the information necessary and desirable in order to enable it intelligently to perform its constitutional function of advising and consenting to the ratification of treaties. The question presented to the House is whether it will appropriate this $3,000,000 for the purpose of having this treaty made effective, so as to obtain the naval bases which it is said are essential for the security of the United States.

If the gentleman does not wish to protect the Panama Canal and secure the United States as its military advisers insist should be done, he will insist on his motion. If this provision is stricken out, it will leave the Panama Canal at the mercy of other nations. If the gentleman in this important step wishes to secure the Panama Canal and to secure our rights and interests in Central and South American countries and the West Indies, he will join the patriotic Democrats in the House and vote for the appropriation. He has his choice; he can withdraw his motion and show his patriotism or he can proceed in his efforts to defeat this appropriation and show his hostility to the real interests of the people of the United States, the "common people," about whom he has been so idly prating to-day.

Mr. MOORE of Pennsylvania. Before the gentleman takes his seat I would like to ask him if in ordinary daily transactions, either personal or as chairman of the Appropriations Committee, he would care to pay $3,000,000 to unknown parties for the settlement of debts unknown?

Mr. FITZGERALD. That would depend on what I was going to get. If I were to pay $3,000,000 for what I wanted, I would not be very much concerned as to the disposition of what I was to pay by the persons entitled to receive it. I would not be poking my nose too persistently into other people's business. If the person to whom I was willing to pay the money asked me to aid him to have the money paid in such a manner as to discharge his obligation, I might very willingly, out of my generosity, aid him in wiping out his obligation.

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania to strike out the paragraph.

The question was taken, and the motion was lost.

The Clerk read as follows:

FEDERAL FARM LOAN BOARD.

For salaries and expenses under the Federal Farm Loan Board created by the act approved July 17, 1916, including the salaries of four members thereof at the rate of $10,000 each per annum, and their actual necessary traveling expenses, and such salaries, fees, and expenses as are authorized by said act, $100,000. A detailed statement of expenditures hereunder shall be made to Congress, and hereafter detailed estimates for appropriations for the Federal Farm Loan Board shall be annually submitted to Congress.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Insert, on page 6, line 19, after the word "Congress," the following: "That not to exceed $10,000 of this appropriation may be used for the purpose of housing in rented quarters such bureaus of the Treasury Department that it may be necessary to move in order to install the Federal Farm Loan Board in the Treasury building: *Provided*, That the Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval and its action hereunder to Congress."

Mr. ALLEN. Mr. Chairman, I make a point of order to the latter part of the amendment.

Mr. FITZGERALD. The gentleman will have to make a point of order to the whole of it, if any.

Mr. ALLEN. Very well, I will make a point of order to the whole of it.

The CHAIRMAN. Does the gentleman make a point of order to the whole or to a part?

Mr. ALLEN. I wanted to make the point of order to the latter part, but I understand I have to make it to the whole and then let the other part be reoffered. It is the same matter that we had up earlier in the afternoon.

Mr. FITZGERALD. This is all legislation we concede is subject to a point of order.

The CHAIRMAN (Mr. McCLINTIC). The Chair sustains the point of order.

The Clerk read as follows:

INTERNAL REVENUE.

Refunding internal-revenue taxes illegally collected: The payment of six claims, aggregating $27,992.76, allowed by the Auditor for the Treasury Department and certified to Congress in House Document No. 1047, Sixty-third Congress, second session, appropriated for by the deficiency appropriation act approved July 29, 1914, and further described in House Document No. 1264 of the present session, is revoked, and of the said sum of $27,992.76 the sum of $5,151.93 is made available for the payment of the three revised claims enumerated in House Document No. 1264 of the present session, and the sum of $22,840.83 shall be covered into the Treasury.

Mr. MANN. Mr. Chairman, I move to strike out the last word. The language of the paragraph is that "payment of six claims is revoked." I suppose that is the language prepared by the Treasury Department.

Mr. FITZGERALD. It is intended to revoke the claims——

Mr. MANN. I know what is intended. It is intended to revoke the authority to pay certain claims. The claims have not been paid, have they?

Mr. FITZGERALD. They have not.

Mr. MANN. I suppose the language was prepared by the Treasury Department.

Mr. FITZGERALD. What the Treasury Department submitted was revised in the committee.

Mr. MANN. I suppose this will accomplish the purpose, but it says that the six claims are revoked. The claims have not been paid.

Mr. STAFFORD. "To revoke the authorization for the payment of the claims" would be more grammatical and in better form.

Mr. FITZGERALD. It was worked out carefully in committee by men who have given a good deal of attention to it. I have not looked into it sufficiently to say.

The Clerk read as follows:

Collecting the tax on legacies, munitions, copper, etc.: For expenses of assessing and collecting the tax as provided by Titles I, II, and III of an act entitled "An act to increase the revenue, and for other purposes," approved ——, —, 1916, and to pay such sums as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may deem necessary, fiscal year 1917, $340,000, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint and pay from this appropriation all necessary officers, experts, agents, inspectors, deputy collectors, clerks, messengers, and janitors, and to rent such quarters, incur expense for telephone service, purchase such supplies, equipment, mechanical devices, and other articles as may be necessary for employment or use in the District of Columbia, or any collection district of the United States, or any of the Territories thereof: *Provided*, That not more than $40,000 of the amount appropriated may be used for the employment in the District of Columbia of additional clerical help in the District of Columbia at rates to be fixed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and for the purpose of such supplies, equipment, mechanical devices, and other articles as may be necessary for use in the District of Columbia.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment:

On page 9, at the end of line 25, insert:

Provided further, That this sum shall not be available until the Bureau of Efficiency shall have investigated the methods of transacting the public business in the Bureau of Internal Revenue and made recommendations for the improvement thereof and submitted the same to the Secretary of the Treasury for his approval, and the work of the Bureau of Efficiency hereunder shall be performed within 60 days of the approval of this act.

Mr. ALLEN. Mr. Chairman, I make a point of order on that.

Mr. FITZGERALD. What is the point of order?

Mr. ALLEN. It is new legislation.

Mr. FITZGERALD. This is a limitation on the appropriation.

Mr. ALLEN. It necessarily increases the appropriation, because it requires that they be employed upon that when they could be doing something more profitable elsewhere.

Mr. FITZGERALD. Mr Chairman, it is a limitation upon an appropriation and is not subject to the point of order.

Mr. MANN. Mr. Chairman, all provisions in the form of limitations are not limitations. While I am in sympathy with the purpose of the gentleman from New York [Mr. FITZGERALD] to have the Bureau of Efficiency make this investigation, I do not think that they can do it in this guise. The proposition has been presented twice to the Chair already, and ruled out of order, directing the Bureau of Efficiency to make this investigation in the office of the Commissioner of Internal Revenue. That was positive legislation. I suppose it requires positive legislation to authorize them to do ti.

Mr. FITZGERALD. No; they are authorized to do it.

Mr. MANN. The gentleman now proposes to hold up a sum of money for the collection of the income tax until the Bureau of Efficiency shall make these investigations. That is a positive requirement. It has no relation whatever to the provision in the bill about the collection of the internal revenue. It is not a germane amendment. I think it is subject to the point of order.

Mr. FITZGERALD. Mr. Chairman, I do not. There is no authority whatever for the provision in the bill. No such taxes exist as the money provided in this paragraph makes provision to collect. Of course, the item is put in in anticipation of legislation, but there is no such legislation. This limits the expenditure of that money under certain conditions. Even if the provision were a legislative provision, as it relates to the Bureau of Internal Revenue, for which the appropriation is made, it would be germane and not subject to the point of order. This amendment is clearly a limitation upon the appropriation and not subject to the point of order. Not only that, but the provision in the bill itself is legislation, and a germane amendment to it is in order. No point of order was reserved against the provision in the bill. There is no law authorizing this provision in the bill, because there are no such taxes. This amendment has been prepared for the purpose of avoiding the question of order that has been raised against the provision that would insure an investigation of the Bureau of Internal Revenue by somebody besides the employees in that bureau itself. The provision has been prepared in such a manner as to enable the committee itself to determine this question and not to have it rely upon the judgment of a Member of the House. It is clearly a limitation upon an appropriation.

Mr. ALLEN. Mr. Chairman, the Chair has ruled twice this afternoon on this same proposition. They are now seeking to do by indirection what they can not do by direction. It is an attempt, after a paragraph appropriating money for a certain specific purpose, to prevent the discharge of that obligation by not permitting the expenditure until certain things are done.

Mr. FITZGERALD. Mr. Chairman, this question has not been ruled upon at all. There was one provision in the bill which was subject to the point of order, and when the question was raised, and it was admitted that it was subject to the point of order, it went out. There was an amendment just offered by myself which was subject to the point of order. When the question was raised it was admitted that it was subject to the point of order. This amendment is not subject to the point of order. It has been prepared so as to come within the rule.

It is a limitation upon this provision. Simply because amendments which were subject to the point of order have been disposed of by a ruling which eliminates them, that does not control provisions which are prepared to come within the rule and to be in order upon the bill. The gentleman's contention that the question has been ruled upon twice is as far-fetched as is his contention that this is not in order on the bill. It is a limitation

under the rule, and the committee or the House has a right to put a limitation upon the expenditure of money. This is what this provision does, and it ought to be adopted in the interest of efficiency and good administration.

The CHAIRMAN (Mr. McCLINTIC). The Chair will hold, in the absence of the regular Chairman, that this is a limitation upon the appropriation, and the point of order is overruled. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I suggest it is now half past 5 o'clock——

Mr. FITZGERALD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. McCLINTIC, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 17645, the general deficiency bill, and had come to no resolution thereon.

MARTIN HUHN (H. R. 1528).

Mr. EAGAN. Mr. Speaker, I ask leave to take from the Speaker's table the bill H. R. 1528, a bill for the relief of Martin Huhn, and that the House concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 1528. An act for the relief of Martin Huhn.

The Senate amendment was read.

The question was taken, and the Senate amendment was concurred in.

On motion of Mr. EAGAN, a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

HOUR OF MEETING TO-MORROW.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER. The gentleman from New York asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection? [After a pause.] The Chair hears none.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same.

H. R. 17567. An act to authorize the county of Luzerne, State of Pennsylvania, to construct a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre, county of Luzerne, Pa., to the borough of Dorranceton, county of Luzerne, Pa.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5987. An act to amend subsection 11 of section 3244, Revised Statutes;

S. 6839. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes; and

S. 6561. An act providing for the sale at public auction of all unsold suburban lots not reserved for public purposes in the Government town site of Port Angeles, Wash., and for the issuance of patents for those previously sold under the act of May 2, 1906, on the payment of the price at which the said lots were reappraised under said act without further condition or delay.

ADJOURNMENT.

Mr. FITZGERALD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned to meet to-morrow, Thursday, August 31, 1916, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GLASS, from the Committee on Banking and Currency, to which was referred the bill (H. R. 17646) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of moneys issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the act of March 4, 1907, by the act of March 2, 1911, and by the act of June 12, 1916, reported the same without amendment, accompanied by a report (No. 1181), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and resolutions were introduced and severally referred as follows:

By Mr. TAGGART: A bill (H. R. 17683) to provide for the appointment of receivers for railroads and railroad corporations in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL: A bill (H. R. 17684) fixing the rate of postage on newspapers of a certain class when the same are deposited by the publisher in a letter-carrier office for delivery by its carriers within the corporate or municipal limits of the city or town where published; to the Committee on the Post Office and Post Roads.

By Mr. MILLER of Delaware: Joint resolution (H. J. Res. 301) authorizing the acceptance by the United States Government of portraits of Hon. James Latimer and Hon. Dr. Henry Latimer; to the Committee on the Library.

By Mr. BUCHANAN of Illinois: Joint resolution (H. J. Res. 302) providing for Federal management and control of the railroads of the United States under certain conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. BARNHART: Concurrent resolution (H. Con. Res. 58) authorizing the printing of 17,100 copies of the proceedings, with accompanying illustrations, upon the unveiling of the statue of Gen. Thaddeus Kosciuscko; to the Committee on Printing.

Also, concurrent resolution (H. Con. Res. 59) authorizing the printing of 17,100 copies of the proceedings, with accompanying illustrations, upon the unveiling of the statue of Count Casimer Pulaski; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. BRITT: A bill (H. R. 17685) granting an increase of pension to Benjamin A. Nesbitt; to the Committee on Pensions.

Also, a bill (H. R. 17686) granting a pension to James R. Trull; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17687) granting a pension to Isaac Harkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17688) granting a pension to Mrs. Eliza J. Seay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17689) granting a pension to William R. Trull; to the Committee on Invalid Pensions.

By Mr. COLEMAN: A bill (H. R. 17690) to correct the military record of William H. H. Keene; to the Committee on Military Affairs.

By Mr. CRAGO: A bill (H. R. 17691) granting an increase of pension to Peter Shoemaker; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 17692) for the relief of Frank Pinkley; to the Committee on Claims.

By Mr. HILL: A bill (H. R. 17693) granting a pension to Sarah E. Allen; to the Committee on Invalid Pensions.

By Mr. HULBERT: A bill (H. R. 17694) granting a pension to Lizzie Sweeney; to the Committee on Invalid Pensions.

By Mr. MATTHEWS: A bill (H. R. 17695) for the relief of William L. Wiles; to the Committee on Military Affairs.

By Mr. REAVIS: A bill (H. R. 17696) granting an increase of pension to Alexander Soloman; to the Committee on Pensions.

By Mr. SUTHERLAND: A bill (H. R. 17697) granting an increase of pension to Mary A. Buchanan; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 17698) granting a pension to Stanford W. Rife; 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. DARROW (by request): Memorial of Rev. H. C. Schneider and others, of Philadelphia, Pa., against seizure of our mails, etc., by the British; to the Committee on Foreign Affairs.

By Mr. GRIEST: Memorial of members of Hershey Mennonite Church, of Kinzers, Pa., against universal military service, etc.; to the Committee on Military Affairs.

By Mr. GRIFFIN: Petition of George W. Greene, president Home Talk Publishing Co., protesting against the passage of House bill 14066, providing for the copyrighting of faces of type; to the Committee on Patents.

By Mr. LINTHICUM: Petition of James A. Boone, of Baltimore, Md., favoring House bill 15731, relative to compensating commissioned warrant officers of the United States Navy; to the Committee on Naval Affairs.

Also, petition of Baltimore (Md.) Pearl Hominy Co., favoring passage of the Rainey bill, to repeal the mixed-flour law; to the Committee on Ways and Means.

Also, petition of A. Roszel Cathcart & Co., against stamp tax on insurance policies; to the Committee on Ways and Means.

Also, petition of E. H. Koester, baker, against passage of the Rainey bill, House bill 9409, repeal of the mixed-flour law; to the Committee on Ways and Means.

Also, petition of Oriole Lodge, No. 214, of the Brotherhood of Locomotive Firemen and Enginemen, favoring passage of House bill 16681, "clearance bill"; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Lord Baltimore Press, of Baltimore, Md., against passage of House bill 14666, "design bill"; to the Committee on Patents.

By Mr. MATTHEWS: Petition of J. C. Bockrath, of Cloverdale, Ohio, against seizure of our mails by the British; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *August 31, 1916.*

(Legislative day of Tuesday, August 29, 1916.)

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

Mr. GALLINGER. 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	Jones	Pittman	Smoot
Chamberlain	Kern	Pomerene	Stone
Clarke, Ark.	Lane	Reed	Swanson
Culberson	Martin, Va.	Shafroth	Taggart
Curtis	Nelson	Sheppard	Thomas
Dillingham	Norris	Simmons	Underwood
Fletcher	O'Gorman	Smith, Ariz.	Vardaman
Gallinger	Oliver	Smith, Ga.	Wadsworth
Husting	Overman	Smith, Md.	Williams
James	Penrose	Smith, S. C.	

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is no quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. RANSDELL answered to his name when called.

Mr. STERLING and Mr. BRYAN entered the Chamber and answered to their names.

Mr. RANSDELL. I wish to announce the unavoidable absence of my colleague [Mr. BROUSSARD] on account of illness

Mr. JONES. I desire to state that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will let this notice stand for the day.

Mr. COLT, Mr. HUGHES, Mr. PHELAN, Mr. LEA of Tennessee, and Mr. BANKHEAD entered the Chamber and answered to their names.

Mr. SIMMONS. Mr. President, has any order been made with reference to the Sergeant at Arms requesting the attendance of absent Senators?

The VICE PRESIDENT. There has not been. The Chair was merely assuming, as there was only one more Senator needed to make a quorum, that perhaps that Senator could be found.

Mr. BECKHAM entered the Chamber and answered to his name.

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

THREATENED RAILWAY STRIKE.

Mr. THOMAS. Mr. President, I have, since the recess of last evening, received a large number of telegrams from corporations and individuals in my State, and a few from adjoining States, of which this, from Grand Junction, Colo., is a sample:

GRAND JUNCTION, COLO., *August 30, 1916.*

Senator CHARLES S. THOMAS,
Capitol Building, Washington, D. C.:

At present time there are approximately 75 cars green fruit being moved daily from Mesa County. Understand strike situation has reached critical stage, and that even now some railroads are refusing to receive perishable freight. This is a very serious situation for hundreds of growers in this valley, and means their financial ruin. We feel positive you are giving this matter your usual serious consideration and support and assisting in every honorable way to prevent a tie-up on our railroads for even one day.

GRAND JUNCTION FRUIT GROWERS' ASSOCIATION.

These telegrams, Mr. President, merely emphasize the critical conditions now prevailing all over the country. I have no doubt other Senators have received similar supplications from their respective constituencies. My purpose in occupying the time of the Senate with the subject is to emphasize the fact that five days before the strike order issued by the brotherhood is to take effect the railroad companies of the United States began to place an embargo upon the shipment of foodstuffs which are embraced in the general orders regarding perishable freight. It would seem that instead of utilizing their facilities for the concentration of foodstuffs in the communities of this country for the sustenance of their people they are adopting the opposite policy; and if this strike shall materialize, and suffering shall come to the people of the great communities of the United States, they will not forget that prior to the time that the strike is to take effect foodstuffs are being denied access to lines of transportation for their relief.

Mr. JONES. Mr. President, I have also received a large number of telegrams since the recess of yesterday, and I shall read one of them. The telegram is from Tacoma, Wash.:

TACOMA, WASH., *August 30, 1916.*

WESLEY L. JONES,
United States Senate, Washington, D. C.:

Organized labor of this community urges, if it comes before you for action, that the railroad workers be granted an eight-hour day at present wages, and demand that no legislation be enacted imposing compulsory servitude even for a day, and at no time compulsory arbitration be enacted.

REA LAST,
Secretary Central Labor Council.

Mr. President, I desire to introduce the remainder of these telegrams, and ask that simply the signatures to them be printed in the RECORD, and that they be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

Telegrams from the North Yakima Trades and Labor Council of Washington; from R. Loewe, secretary of the Metal Trades Council of Seattle, Wash.; from Rea Last, secretary of the Central Labor Council of Tacoma, Wash.; from O. F. Wefferling, secretary of the Trades Council of Everett, Wash.; from Frank W. Cotterill, of the Building Trades Council of Seattle, Wash.; from James A. Duncan, secretary of the Central Labor Council of Seattle, Wash.

Mr. JONES. Mr. President, I have also several telegrams similar to the one which has just been read by the Senator from Colorado [Mr. THOMAS], which I will not ask to have read, but that the signatures may be placed in the RECORD. I want to call attention, however, to the fact that one of them purports to represent the sentiment of a mass meeting of the citizens of my own town of North Yakima, Wash., in the fruit section, and they set out the conditions described by the Senator from Colorado. I simply ask that the signatures of these telegrams be printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

Telegrams from the Commercial Club of North Yakima, Wash.; from the Commercial Club of Walla Walla, Wash.; from R. L. Rutter, of Spokane, Wash.; from S. J. Harrison, of Kiona, Wash.; and from H. M. Gilbert, of Toppenish, Wash.

Mr. GALLINGER. Mr. President, I somewhat regret that this matter is being discussed in precisely the form in which the Senator from Colorado [Mr. THOMAS] has discussed it. I think we all ought to keep our heads, and not condemn either side to this controversy at the present time. I do not know whether the railroads are in all matters acting wisely or unwisely, but I have no idea that they are doing anything that in their view is detrimental to the public good.

I have a telegram from the New Orleans Board of Trade, addressed to me, which I ask the Secretary to read.

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

The Secretary read the telegram, as follows:

NEW ORLEANS, LA., *August 30, 1916.*

Hon. JACOB H. GALLINGER,
Washington, D. C.:

The New Orleans Board of Trade (Ltd.), favoring arbitration between employees and employers of public-service corporations on all questions affecting the vital interest of the whole people of this country, strongly urge your assistance in framing suitable legislation that will promptly attain this end. We believe that arbitration is the only method by which disputes between capital and labor can be satisfactorily settled; any other method as suggested in the settlement of the present railroad difficulty would not dispose of the question at issue, but would advocate the policy of the many being taxed in favor of the few, and would retard the industrial opportunities and future prosperity of the country, as the principles of arbitration must stand behind