

Clearfield, 25 Lutheran people of Clearfield, and First Baptist Church of Clearfield, all in the State of Pennsylvania, for national prohibition; to the Committee on the Judiciary.

Also, petition of Fifth Reformed Church of 351 people of State College, First Baptist Church of 170 people of Clearfield, 30 citizens of Beccaria, Jamesville Sunday School people of Smithmill, Woman's Christian Temperance Union of Smithmill, 30 citizens of Beccaria, 60 Sunday schools of Center County, Union Mission of 65 church people of Coleville, Methodist Episcopal Foreign Mission Society of Clearfield, Woman's Christian Temperance Union of Mill Run, Sunday School people of Mill Run, and Baptist Ladies' Aid of Port Allegany, all in the State of Pennsylvania, for national prohibition; to the Committee on the Judiciary.

By Mr. SANFORD: Papers to accompany House bill 12041, for relief of Lewis W. Wade; to the Committee on Military Affairs.

By Mr. SCHALL: Petition of 8 North Side Commercial Clubs of Minneapolis, Minn., in re flood control; to the Committee on Flood Control.

By Mr. SCULLY: Petition of Methodist Episcopal Church of 165 people of South River, Epworth League of 50 young people of South River, and Woman's Christian Temperance Union of 15 people of Holmdel, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Englishtown, N. J., indorsing the Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. SELLS: Petition of Burnside Post, No. 8, Department of Tennessee, Grand Army of the Republic, opposing Senator Works's bill; to the Committee on Military Affairs.

By Mr. SHOUSE: Petition for investigation of the sisal fiber situation; to the Committee on Interstate and Foreign Commerce.

By Mr. SLAYDEN: Petition of citizens of Texas, against any abridgment of free speech and free press; to the Committee on the Post Office and Post Roads.

Also, memorial of Board of Commissioners of the Bicentennial and Pan American Exposition of San Antonio; to the Committee on Industrial Arts and Expositions.

By Mr. SLOAN: Petition of the Nebraska Live Stock Feeders' Association, favoring the curtailment of production to regulate the prices of live stock; to the Committee on Agriculture.

Also, petition of Fred Koch and other residents of Deshler, Nebr., protesting against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petitions of F. A. Carmony and 39 other residents of Diller, Nebr., relative to prohibition in the District of Columbia; to the Committee on the Judiciary.

By Mr. SMITH of Texas: Petition of sundry business men of the State of Texas, indorsing House bill 712, taxing persons, firms, or corporations doing a mail-order business; to the Committee on Ways and Means.

Also, petition of members of Christian Church of Alpine; Sunday School of Presbyterian Church of Alpine; Sunday School of the First Christian Church of Alpine, and 103 citizens of Alpine, Tex., for national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Texas, protesting against national prohibition constitutional amendment; to the Committee on the Judiciary.

By Mr. SNELL: Petition of C. L. Day, W. H. Day, H. H. La Fountain, T. V. Speer, A. J. Campbell, Ed. Patnode, Leo Patnode, William Vassan, Herbert P. Newell, William Vassar, jr., J. A. Hanes, H. H. Van Dyke, B. J. Barrett, W. H. Hough, L. D. Le Clair, Joseph S. La Lour, T. D. Peete, Clark Hawkins, D. Davis, James Buckley, James McCaffery, G. R. T. Armstrong, jr., J. D. Waterbury, W. H. Brown, John Nixon, Philip Fed, George L. Lyeth, F. G. Baker, R. Haskins, J. H. Murphy, M. R. Sessions, W. L. Burgess, Fred E. Jarvis, L. J. Houghton, Charles Carter, Harry Bedell, G. H. Greene, Arthur R. Cox, C. E. Knowles, J. T. Rockefeller, O. G. Hollenbeck, D. A. Buckley, D. Dillon, and others, of Lake Clear Junction, N. Y., urging the passage of the Britten bill; to the Committee on Ways and Means.

By Mr. STEDMAN: Petition of church of Raybon, N. C., and Methodist Protestant Church of High Point, for national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Greedmore, N. C., for national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: Memorial of marketing committee of the Farmers' Union of Texas, relative to marketing of cotton; to the Committee on Agriculture.

By Mr. TEMPLE: Petition of citizens of Monongahela Men's Bible Class of Grace Lutheran Church, Monongahela,

Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. THOMAS: Protest of sundry citizens of Gordonsville, Ky., against preparedness; to the Committee on Military Affairs.

By Mr. WM. ELZA WILLIAMS: Protest against preparedness program by various citizens of Vienna, Ill.; to the Committee on Military Affairs.

Also, petition of citizens of Mendota, Ill., for national prohibition; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: Petition of Mike Schevner, of Manfred, N. Dak., and 62 others, protesting against the passage of House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

## SENATE.

WEDNESDAY, *March 15, 1916.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to this sacred moment of our day's work when in thought and aspiration we touch the boundaries of the great unseen and the eternal world and lift our hearts to the Father of our spirits. We remember in this moment one who has been called from the scenes of his earthly career into the great beyond, revered and respected by all who knew him, while those who came within the charmed circle of his personal influence held him in affection and friendship.

We bless Thee to-day for the high ideals that have been maintained in this honorable body through all its history, and by every man who closing his record here has left behind him the achievement of these ideals in his personal life and character.

Grant, we pray, to send to us to-day the influence and ministry that should come to us in an hour like this, remembering that we are passing along the same journey, serving the same great country, aspiring to the same high ideals. And we pray that Thou wilt lay Thy hand upon the heart and mind of every one of his colleagues remaining here in active service, inspiring them to the reconsecration of their lives to the interests of their country and to the honor and glory of the name of the God of our fathers.

Hear us in this our prayer. Chasten us with Thy holy spirit of truth. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

### FUNERAL OF SENATOR SHIVELY.

The VICE PRESIDENT. The Chair feels constrained to announce that last evening the Chair endeavored to secure a definite statement that the Senators named would attend the funeral of Senator SHIVELY. Owing to the suddenness of the death and the engagements of Senators, it was difficult to procure the promise of Senators who were old-time friends of Senator SHIVELY, and the Chair, without succeeding in getting definite promises, appointed the committee.

The Chair understands that the train will leave at 6.15 tomorrow night, and that the funeral will not take place until 2 o'clock Saturday afternoon in the city of South Bend. If, therefore, any of the Senators named by reason of any cause can not attend, the Chair would like to be notified as soon as possible in order that the committee may be filled up.

So long has been the personal friendship of the deceased Senator and the Vice President that the Chair will feel it his duty, as but a decent mark of courtesy for many years of personal friendship, that he should attend the funeral.

The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes; and

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency.

The message also transmitted to the Senate resolutions of the House on the death of Hon. BENJAMIN F. SHIVELY, late a Senator from the State of Indiana.

### HOUSE BILL AND JOINT RESOLUTION REFERRED.

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal

year ending June 30, 1917, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency was read twice by its title and referred to the Committee on Military Affairs.

INCREASE OF ENLISTED MEN OF THE ARMY.

Mr. CHAMBERLAIN. Joint resolution 180 has come over from the House and has been by the Chair referred to the Committee on Military Affairs. Permit me to say that the Committee on Military Affairs has considered it and has requested that I report back the joint resolution favorably. Therefore I report it back and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the joint resolution by title.

The SECRETARY. The Senator from Oregon, on behalf of the Committee on Military Affairs, reports favorably without amendment the joint resolution (H. J. Res. 180) providing for an increase of the enlisted men of the Army in an emergency.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. SMITH of Georgia. Before its consideration—

Mr. VARDAMAN. I will ask that the joint resolution be read.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The Secretary read the joint resolution, as follows:

*Resolved, etc.*, That when, in the judgment of the President, an emergency arises which makes it necessary, all organizations of the Army which are now below the maximum enlisted strength authorized by law shall be raised forthwith to that strength, and shall be maintained as nearly as possible thereat so long as the emergency shall continue: *Provided*, That the total enlisted strength of any of said arms of the service shall not include unassigned recruits therefor at depots or elsewhere, but such recruits shall at no time exceed by more than 5 per cent the total enlisted strength prescribed for such arms; and the enlisted men now or hereafter authorized by law for other branches of the military service shall be provided and maintained without any impairment of the enlisted strength prescribed for any of said arms.

The VICE PRESIDENT. The Senator from Oregon asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. GRONNA. Mr. President, I do not know that I have any objection to the joint resolution, but I want to look into it, and I ask that it go over to-day.

Mr. CHAMBERLAIN. I did not understand what the Senator from North Dakota said.

The VICE PRESIDENT. There seems to be an objection on the part of the Senator from North Dakota.

Mr. SMITH of Georgia. Then, if it is not going to be considered this morning, I desire to present an amendment to the joint resolution, which I send to the Clerk's desk.

Mr. CHAMBERLAIN. I desire to say to the Senator from North Dakota that I hope he will not object to the immediate consideration of the joint resolution. It is quite urgent, and I think we could give him the information he wants in reference to it. The Committee on Military Affairs has given the joint resolution its careful consideration.

Mr. GALLINGER. And the committee were unanimous.

Mr. CHAMBERLAIN. The committee were unanimous. I will say to the Senator from North Dakota that we had before us an engrossed copy of the joint resolution before it reached the Senate, and we considered it in the session this morning.

Mr. GALLINGER. I will venture an individual suggestion, that I trust the Senator from North Dakota will withdraw his objection and let the joint resolution be passed.

Mr. WARREN. I also hope the Senator may see his way to withdrawing his objection.

Mr. GRONNA. I ask the chairman of the committee what will be the increase in the Army providing the joint resolution is passed?

Mr. CHAMBERLAIN. How much will be the increase?

Mr. GRONNA. Yes.

Mr. CHAMBERLAIN. About 20,000 men.

Mr. GRONNA. I heard the joint resolution read. I meant the percentage of increase.

Mr. CHAMBERLAIN. The strength of the Army is a little more than 100,000, and this is to raise it to from 120,000 to 125,000 men. I will state to the Senator that the necessity arises along the border where the enlistments are expiring, and they have skeleton regiments and skeleton companies which they desire to fill up to the full strength.

Mr. GRONNA. I will state that I do not know that I have any objection to the provisions of the joint resolution, but I felt that I wanted some information. The information that the

chairman of the committee has given me is sufficient, and I will withdraw my objection.

The VICE PRESIDENT. The joint resolution is before the Senate as in Committee of the Whole, and the Senator from Georgia [Mr. SMITH] offers an amendment, which will be stated.

The SECRETARY. It is proposed to add at the end of the joint resolution the following proviso:

*Provided further*, That the enlistments under this resolution shall be for only two years in the service with the organization of which those enlisting shall form a part, the balance of said enlistment to be on furlough and attached to the Army reserve, as provided in the act approved August 24, 1912.

Mr. SMITH of Georgia. Mr. President, I shall not press this amendment if it will cause delay or in any way embarrass prompt action upon the joint resolution. The present law provides for enlistment with the colors for four years. I believe the enlistments would be made much more quickly if the length of time were put at two years. I am very earnestly against a long-time enlistment with the colors.

Mr. DU PONT. Mr. President—

Mr. SMITH of Georgia. I yield to the Senator from Delaware.

Mr. DU PONT. I should like to say to the Senator from Georgia that the provisions in regard to the period of enlistment is, I think, fully and satisfactorily embodied in the new bill which is about to be presented to the Senate for the reorganization of the Army. The bill deals with that subject, and I think its provisions will be acceptable to the Senator. I therefore suggest that he withdraw his amendment and allow the matter to come up in due course, which will be in a very few days.

Mr. SMITH of Georgia. The enlistment will really come under the new law proposed rather than under the old law?

Mr. DU PONT. Yes.

Mr. SMITH of Georgia. Mr. President, I shall not press the amendment now, because I am perfectly in sympathy with the immediate passage of the joint resolution; but I shall a little later on undertake to urge upon the Senate the view, and a very strong view, that I have against long-time enlistments. The real question is whether we are enlisting men to be permanent soldiers or whether they are to be temporary soldiers and while in the service be prepared to return to civil life.

I am against long-time enlistments. I am against enlistments that may contemplate making men permanent soldiers. I think we ought to take up under the general bill the question of preparing private soldiers while they are in the service for civil life on their return to civil life, and short-time enlistments are essential for such a course. In connection with their service as private soldiers a part of their time should be given to preparation for civil life. This view I shall endeavor to press upon the Senate a little later on.

Mr. VARDAMAN. Mr. President, there is a great deal of merit in the amendment proposed by the senior Senator from Georgia. I think it would be better if the enlistment to meet this emergency should be limited to one year. There is not a patriotic citizen of military age in this Republic who would not promptly offer his services to defend the flag and uphold the rights of his Government in a conflict with any nation on earth. But the average self-respecting, independent, liberty-loving young man will not join the Regular Army and subject himself to the servitude which that service imposes. Now, personally I am opposed to the enlargement of the permanent or standing Army at all. But I am very much in favor of this joint resolution. I have no idea that the services of the 20,000 additional soldiers will be needed to meet the exigencies of the situation on the Mexican border; but the President and the Secretary of War, out of an abundance of caution, probably, have asked for that number of men, and I shall cheerfully vote for the resolution. And I sincerely hope it may be promptly passed, for the reason that I think it will have a very excellent moral effect. But for the fact that the adoption of the amendment proposed by the senior Senator from Georgia would necessitate returning the joint resolution to the House of Representatives, I should insist upon the consideration of it. But celerity and dispatch are important elements just now, and I hope that nothing will be done to delay the preparation being made for the campaign our Army is to begin on the border of Texas. Let the resolution go through at once, and whatever defects there may be in the system I trust we may be able to correct them at some future time.

Mr. NEWLANDS. Mr. President, as a detached portion of the national defense has come up for consideration—

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Jersey will state his inquiry.

Mr. HUGHES. Is the joint resolution before the Senate or is there an objection pending? What is its status?

The VICE PRESIDENT. There is no objection pending to the present consideration of the joint resolution, and it is before the Senate by unanimous consent.

Mr. NEWLANDS. Mr. President, I was about to state that as a detached portion of the national defense has come up for consideration this morning I should like to say a few words regarding the broad treatment of this whole subject. By way of preliminary I will ask that the Secretary read an editorial from the Washington Post of Wednesday, March 15, 1916, entitled "Will Congress Push Defense Bills?"

The VICE PRESIDENT. The Secretary will read as requested in the absence of objection.

The Secretary read as follows:

WILL CONGRESS PUSH DEFENSE BILLS?

[From the Washington Post, Wednesday, Mar. 15, 1916.]

The confusion and delay in Congress on measures of national security are disquieting to the public. While some of the Congress committees have been working steadily on defense programs, others have palpably wasted time, and there has been no evidence whatever of cooperation in Congress looking to the enactment of comprehensive and coordinated legislation. The committees are working independently and in some cases at cross purposes. Their work will have to be done over again by Congress as a whole, unless financial considerations are to be cast to the winds. On the fundamental question of reconstructing the Army there is such wide difference that a long struggle between the two Houses seems to be inevitable.

The commendable efforts of committee chairmen to bring out early reports on defense measures should be seconded by generous cooperation among Senators and Members generally. They can afford to set aside pet measures for the sake of expediting the all-important work of making the country's defenses adequate. After three and a half months of committee work, Congress surely ought to be ready to consider defense bills. It must be ready soon if it is to deliberate wisely upon these measures before next autumn.

Emergency defense bills are making their appearance, as was to be expected. Some of them may have merit, but they are stop-gaps at best, and have little bearing upon the national defense problem as a whole. Patchwork legislation intended to make the present defense equipment workable is likely to do as much harm as good, by diverting legislators from really creative work. It is doubted in some quarters that Congress, in fact, will be able to devise and fill out a comprehensive and coherent system of national defense within a year or two. It is suggested that while urgent defense bills are being considered at this session, a joint committee of Congress be appointed to go deeply into the whole subject in all its bearings—military, naval, financial—and bring out a well-digested plan for defense that may be considered by Congress at its next session.

Unless immediate steps are taken by the committees and by Congress as a whole, this plan will win many advocates, for the reason that Congress will have proved itself unable, through its system of unrelated committees, to bring forth a comprehensive plan on this complex subject within a reasonable time.

Mr. NEWLANDS. Mr. President, about a month ago I offered in the Senate joint resolution No. 91 providing for a joint subcommittee from the membership of the Committees on Military Affairs and Naval Affairs of the Senate and House of Representatives to investigate the conditions relating to the national defense and the necessity of further legislation relating thereto, and defining the powers and duties of such subcommittee. Immediately after offering it, I appeared before the Committee on Military Affairs and urged the adoption of the resolution. The resolution appeared in full in the Record of day before yesterday, and I will not now read it, but it requires a report from this joint subcommittee upon all the material aspects of the national defense.

I wish to preface my remarks by saying that it is with some hesitation—with great hesitation, I may say—that I venture at all to say anything upon the subject of military and naval affairs, for I do not profess to be familiar with them. I have never served on committees relating to the subject, and profess to have no special information regarding it; but it has seemed to me that, owing to extraordinary conditions both in Europe and on this continent, it is of the highest importance that we should consider the national defense as a whole, and not simply consider detached portions; that not only Congress but the people themselves require knowledge upon the general proportions and cost of the entire scheme of national defense, and that to take up detached portions of the national defense, instead of taking hold of the subject broadly, is a mistake both from the standpoint of Congress and of the public at large.

Mr. President, I realize how painstaking the work of the Committee on Military Affairs of the Senate has been, and I realize how strenuously the chairman of the Committee on Military Affairs has applied himself to this subject. I have no doubt that the Committee on Naval Affairs has applied itself to the special matter under its jurisdiction with equal assiduity, and I have no comment or criticism to make regarding the thoroughness of their work or the speed with which it is being accomplished; but it does seem to me that both Congress and the coun-

try require the presentation of some coordinated scheme of national defense that will embrace every detail, and that the best way of approaching this matter would be to have the whole subject considered now by a subcommittee composed of three from each one of the five committees having jurisdiction over detached portions of our military and naval defense—the Military and Naval Committees of the Senate, the Military and Naval Committees of the House of Representatives, and the Subcommittee on Fortifications in the other House.

The attention of Congress and the country would then be focused upon one recommendation, or, at the most, two, a minority and a majority report.

Their report should cover the general subject of the national defense, the efficiency of the present organization of the Army and Navy, the advisability of universal service, the relation of the State militia to the national defense, the increase in the Army and naval schools for training officers, the utilization for this purpose of the land-grant schools of agriculture and the mechanic arts, the creation of an auxiliary navy, useful in aid of the fighting ships in time of war and useful in time of peace in the development of new routes of commerce.

The report should also cover the necessary cost, covering a period of five years, including such organization of both Army and Navy as will be covered by an annual expenditure of \$300,000,000, \$350,000,000, \$400,000,000, and so on.

It would be quite possible by a system of governmental aid for the establishment of vocational schools in cooperation with the States to create a military service extending over a period of years, during which young men would be trained in vocations that would be useful and at the same time in military discipline, with the obligation for a few years after their graduation to respond to the country's call and to gather together for a month or two in each year for the continuation and perfection of their military training.

Such a service would be regarded as one of honor and distinction, as helpful in preparation for future vocations, and as a steppingstone to advancement in the vocations of civil life.

These are the days of efficiency, and there is no organization in the country that needs methods of efficiency more than the Congress of the United States.

In reply to this suggestion urged by me a few days since, the chairman of the Committee on Military Affairs of the Senate, the Senator from Oregon [Mr. CHAMBERLAIN], indicated that this plan had advantages; but he stated that he thought it too late to apply it to matters now under consideration; that all of the committees had either made reports or were prepared to make reports, and he thought the work should go on in the usual manner at this session of Congress, supplementing that work by the organization later on of such a subcommittee as I have in contemplation, with instructions to report at the next session. The chairman of the committee, therefore, as I understand, realizes the value of this coordinated work. He simply wishes to postpone it until later on.

Mr. President, I should like particularly to have the attention of the chairman of the Committee on Military Affairs, if I may. I wish to present to the Senator this consideration: Whilst we all realize the value of the work that his committee has done and the value of the work of the Naval Committee, yet, if this coordination is important, is it not better to have it now and will it not proceed in a more orderly manner after the investigation has been made by these various committees having jurisdiction over detached portions of the national defense? As I understand, they are prepared to present their views. Why not, then, appoint this subcommittee and have all those bills go to this subcommittee?

This subcommittee, I should like to say, will be composed of members of all of these five committees. The appointment of a subcommittee is the commonest practice in legislation. This means simply a joint subcommittee of all the Military and Naval Committees of the House and Senate, instead of a subcommittee of the Senate. It means a subcommittee of five committees instead of a subcommittee of one committee. The regular committees will not lose jurisdiction of the subject, for as soon as the joint subcommittee reports its recommendation to the general committees of both the Senate and the House, their jurisdiction attaches, and they will address themselves to that recommendation.

It seems to me that the logical time to take hold of this question of coordination is after the committees have severally considered these questions—after they have informed themselves upon the subject—each committee applying itself intelligently to the subject within its jurisdiction, and therefore in the joint subcommittee being prepared to present the relation of that particular service which such committee represents to the general subject of the national defense.

Mr. REED. Mr. President—

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

Mr. NEWLANDS. I do.

Mr. REED. I want to ask the Senator if he does not think that even if a general plan ought to be developed, a comprehensive plan, or, to use the Senator's own expression, a "coordinated" plan—and I want to say by way of parenthesis that I think of course there ought to be a general plan, and of course each part of that plan ought to fit into every other part of the plan—but even conceding that to be true, have we not the situation presented here this morning that we absolutely know that there is an immediate necessity for some increase in the Army; that we know we are going to need that number of men in any plan which may be adopted; and that when we have raised the Army to that amount it necessarily will fit into any larger plan? So are we not in the position of a man who knows that he is going to need a large amount of supplies to carry him through the winter, and therefore is perfectly safe in laying in a side of bacon and a sack of flour?

Mr. NEWLANDS. Mr. President, there is much in what the Senator suggests, but I submit to him that if this joint subcommittee is immediately appointed the urgency and significance of that situation will immediately address itself to that subcommittee, and they will immediately report upon that detached portion of the national defense which requires immediate attention.

Mr. REED. Mr. President, if the Senator will pardon me, a subcommittee that proposes to act, and will act, immediately will have no more information than the Senate has if it acts immediately. The value of consideration by a subcommittee consists in the fact that it takes an entire plan, studies each part of it, and then passes upon each part. This being a part thereof, it could not be given any wise consideration by a committee in connection with a general plan until it had considered the whole plan. So that when the Senator states that he is willing to turn this question over to a subcommittee and have an immediate report, he confesses that he is willing to have a report made without considering a general plan.

Mr. OLIVER. Mr. President, will the Senator from Nevada yield for a question?

Mr. NEWLANDS. If the Senator will permit me to answer the Senator from Missouri, then I will gladly yield.

Mr. President, I would expect the proposed subcommittee immediately to consider those matters which require urgent attention. Among them, I presume, would be the increase of the Regular Army. There is no reason why they should not report that immediately. I would expect them, of course, in their preliminary considerations to address themselves to the question of a general plan of national defense, embracing a national council of defense, composed of both Army and Navy officers, and perhaps of departmental chiefs and chairmen of prominent committees; but they could easily determine whether detached action upon a detached portion of the subject would be likely to conflict in any way with the full consideration of a general measure, and, without coming to any conclusion as to the general measure, they could easily report as to the detached portion which required immediate attention. I now yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, I should like to ask the Senator whether he is now advocating the postponement of action upon the pending resolution until the subject can be considered by such a committee, as he has indicated?

Mr. NEWLANDS. No; I am not opposing immediate action upon this resolution. On the contrary, I favor it. I am simply making general suggestions now with reference to the method that should hereafter be pursued. I do not propose, of course, to attempt to obstruct any legislation upon this subject that is recommended by the committees; but I simply suggest that we will save time—and we will find that we will save time—by the appointment of a subcommittee now, instead of deferring until after the national-defense bills are passed, the consideration through a subcommittee of the general question. That seems perfectly clear to me. The appointment of this subcommittee, recollect, will not delay the action of the general committees. It does not take the place of their functions; it is simply in aid of their functions; and whenever a general committee regards a matter as of sufficient importance and urgency to press it upon Congress, it can do so, and the Congress can determine whether or not the matter is of such urgency as to require immediate attention or whether it can safely await the general report upon the subject.

All I contend is that, the chairman of the Committee on Military Affairs having said the other day that he thought that this

plan of inquiry through a joint subcommittee would be a good one as applied to legislation subsequent to legislation at this session, and that it would be a wise thing to provide for it, I simply beg to differ with him as to that detail, though with great diffidence, for I acknowledge his superior information on the subject, and to urge that a joint subcommittee should be appointed now, and, even if we act from now on upon the recommendation of joint committees, that the subcommittee be in session, so that before we close our work upon the military and naval bill they can present us a coordinate scheme of legislation that will indicate to the American people exactly the proportions of the Army, exactly the proportions of the Navy, their relation to each other, and the cost of both. As it is, we are entirely at sea, and we will find that Members, both of the Senate and of the House, will be reluctant to act and to vote upon these detached portions, for the reason that they do not know where their action will land them as to the ultimate cost of this great expansion. So I suggest to the Senator from Oregon, entertaining the view he does, that at some time when this subcommittee should be appointed he bring the matter up before the committee, and I urge upon him a report favoring the appointment of a subcommittee now, but without, of course, ousting the jurisdiction of the general committees upon this subject in such a way as to prevent them from acting upon any matter of emergency.

The VICE PRESIDENT. The joint resolution is in the Senate as in Committee of the Whole and open to amendment.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, and read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. The Senator from New Hampshire.

Mr. GALLINGER. Mr. President, for the purpose of demonstrating and emphasizing the fact that there are no political or other differences in this Chamber when the interests of the country are at stake, I ask for the yeas and nays on the passage of the joint resolution.

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

Mr. KERN (when Mr. CHILTON's name was called). I desire to announce that the senior Senator from West Virginia [Mr. CHILTON] is absent on official business of the Senate. If he were present, he would vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH], but I am informed that if present he would vote as I intend to vote. I therefore vote "yea."

Mr. KERN (when Mr. FLETCHER's name was called). I desire to announce the unavoidable absence of the senior Senator from Florida [Mr. FLETCHER]. He is paired with the junior Senator from Idaho [Mr. BRADY]. If the Senator from Florida were present, he would vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is absent on account of important business. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. I am confident that if my colleague were present he would vote "yea" on this question.

Mr. OLIVER (when Mr. PENROSE's name was called). My colleague [Mr. PENROSE] is unavoidably absent. He is paired with the senior Senator from Mississippi [Mr. WILLIAMS]. If my colleague were present, he would vote "yea."

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], which I transfer to the junior Senator from Wisconsin [Mr. HUSTING] and will vote. I vote "yea."

Mr. STERLING (when his name was called). I am paired with the junior Senator from Tennessee [Mr. SHIELDS], but upon inquiry I am confident that if present he would vote "yea." I therefore feel at liberty to vote. I vote "yea."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. CLARKE], who is absent, but on this question I feel at liberty to vote. I vote "yea."

Mr. TILLMAN (when his name was called). Believing that my pair, the junior Senator from West Virginia [Mr. GOFF], if he were here would vote as I shall vote, I vote "yea."

Mr. TOWNSEND (when his name was called). I desire to announce the absence of my colleague, the senior Senator from Michigan [Mr. SMITH], and his pair with the junior Senator from Missouri [Mr. REED]. If my colleague were here he would vote as the junior Senator from Missouri has voted. I am paired with the junior Senator from Florida [Mr. BRYAN]; but knowing that he would vote as I shall, I vote "yea."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent on official business. If he were present I am sure he would vote "yea."

Mr. WILLIAMS (when his name was called). Being assured that the senior Senator from Pennsylvania [Mr. PENROSE], with whom I have a pair, would vote as I am about to vote, I vote "yea."

The roll call was concluded.

Mr. GALLINGER. The junior Senator from Maine [Mr. BURLEIGH] is unavoidably detained by illness. He is paired with the senior Senator from Ohio [Mr. POMERENE]. If the Senator from Maine were present, he would vote "yea," and I understand that is likewise the case with the Senator from Ohio [Mr. POMERENE].

Mr. BORAH. I desire to state that my colleague [Mr. BRADY] is absent on account of illness and is paired with the senior Senator from Florida [Mr. FLETCHER]. If my colleague were present and at liberty to vote he would vote "yea."

Mr. LIPPITT. I have a pair with the junior Senator from Montana [Mr. WALSH]. In his absence I transfer that pair to the senior Senator from California [Mr. WORKS] and will vote. I vote "yea." I also wish to state that my colleague [Mr. COLT], who is necessarily absent, would, if present, vote for this resolution.

Mr. HUGHES. I desire to announce the absence of the senior Senator from Kentucky [Mr. JAMES] on account of illness. If he were present, he would vote "yea."

Mr. CURTIS. I have been requested to announce that the junior Senator from New Mexico [Mr. CATRON] is paired with the senior Senator from Oklahoma [Mr. OWEN].

The result was announced—years 69, nays 0, as follows:

## YEAS—69.

Ashurst	Hardwick	Myers	Smoot
Bankhead	Hitchcock	Nelson	Sterling
Beckham	Hollis	Newlands	Stone
Borah	Hughes	Norris	Sutherland
Brandegee	Johnson, Me.	Oliver	Swanson
Broussard	Johnson, S. Dak.	Overman	Thomas
Chamberlain	Jones	Page	Thompson
Clapp	Kenyon	Poindexter	Tillman
Clark, Wyo.	Kern	Reed	Townsend
Culberson	La Follette	Robinson	Underwood
Cummins	Lane	Saulsbury	Vardaman
Curtis	Lea, Tenn.	Shafroth	Wadsworth
Dillingham	Lee, Md.	Sheppard	Warren
du Pont	Lippitt	Sherman	Weeks
Fall	McCumber	Simmons	Williams.
Gallinger	McLean	Smith, Ariz.	
Gronna	Martin, Va.	Smith, Ga.	
Harding	Martine, N. J.	Smith, S. C.	

## NOT VOTING—26.

Brady	Fletcher	O'Gorman	Shields
Bryan	Goff	Owen	Smith, Md.
Burleigh	Gore	Penrose	Smith, Mich.
Catron	Husting	Phelan	Walsh
Chilton	James	Pittman	Works
Clarke, Ark.	Lewis	Pomerene	
Colt	Lodge	Ransdell	

So the joint resolution was passed.

Mr. McCUMBER. Mr. President, I am glad that we had the opportunity of a yea-and-nay vote upon this joint resolution, in order that the Senate might show to the country and to the world that while as guardians of the national welfare we will do everything in our power to preserve the peace of the country and to refrain from doing anything on our own part that would unnecessarily precipitate a conflict with any country in the world, yet when conditions do arise when it becomes necessary for the American people to protect the lives of our citizens and to punish those who would wantonly kill them, or to protect them in their just rights, this Nation and this Congress stand as one man, undivided, in defense of such rights and in its purpose to uphold them with whatever force is necessary everywhere throughout the world.

The VICE PRESIDENT. The presentation of petitions and memorials is in order.

## PETITIONS AND MEMORIALS.

Mr. MYERS. I present resolutions in the nature of a petition adopted by the Flathead Settlers' Association of Big Arm, Mont., which I ask may be printed in the Record and referred to the Committee on Public Lands.

There being no objection, the resolutions were referred to the Committee on Public Lands and ordered to be printed in the Record as follows:

Resolutions adopted by the Flathead Settlers' Association, Big Arm, Mont., special meeting, March 8, 1916.

To Hon. HENRY L. MYERS and  
Hon. THOMAS J. WALSH,  
Senators in Congress from Montana.

Sirs: We respectfully urge that you use your best efforts to secure the final passage in its present form of Senate bill 1059, relating to the

appraisal of homestead lands on the Flathead Reservation made by the classification commission of 1912 and 1913.

Also, many of our settlers are vitally interested in lines 3 to 12, on page 26, of the Indian appropriation bill (H. R. 10385) relating to sparsely timbered lands on the Flathead Reservation. We ask your best efforts to secure its final enactment, with the following amendments:

(1) The insertion of the words "or grazing" between the words "horticultural" and "purposes," in line 4, page 26 of same, and the striking out of the word "or" after "agricultural."

(2) That the following provision be added after line 12 on page 26 of said bill:

"That qualified persons who have heretofore applied for or settled upon such timbered lands, or who have entered or settled upon adjoining lands, and have made proper homestead application for such lands, shall not be required to pay more for said lands than the highest amount specified by the Flathead Commission of 1907 and 1908 for lands therein of like character and similar classification."

We voice the sentiment of the valley and all the settlers in distress over their land applications, by urging your very best efforts in our behalf to make these provisions into law at this session.

Yours, very truly,

FLATHEAD SETTLERS' ASSOCIATION,  
W. H. HOWE, *Chairman*,  
JOHN MCGRANN, *Secretary*,  
CHAS. E. TREKELL,  
*Committee on Resolutions.*

BIG ARM, MONT., March 8, 1916.

Mr. MYERS. I present the petition of Chester W. Howe, of Montana, praying for an adequate appropriation for the Flathead reclamation project in that State. I ask that the petition be printed in the Record and referred to the Committee on Indian Affairs.

There being no objection, the petition was referred to the Committee on Indian Affairs and ordered to be printed in the Record as follows:

To the PRESIDENT AND CONGRESS OF THE UNITED STATES,  
Washington, D. C.

GENTLEMEN: As one of the unit holders occupying land within the Flathead project, I desire to submit for your consideration the following:

At the invitation of the Government I entered upon an irrigable unit embraced in the Flathead project, under promise by the Government that my land would be irrigated either in whole or in part, and after more than five years of watchful and patient waiting this project is now about 25 per cent completed, and as a result of the Government's failure to carry out its express and implied pledges made to us at the time we made entry many of the unit holders have been compelled to temporarily or permanently abandon their homes.

We maintain that the treatment accorded to us has been very unfair and not in harmony with the promises made us when we settled upon these arid lands, and we can see no good reason for the Government's procrastinating methods in dealing with this project up to this time. It is to the interest of both the Indian and white man that this project and all other good laws be prosecuted more vigorously, and the lands will amply stand for all construction and maintenance charges, provided the work is carried on in an economical and businesslike manner.

All funds expended in connection with the project are reimbursable either to the Indian or the Government, and the sooner this reclamation scheme is completed the sooner the Indian will be reimbursed for the money he has invested on account of same.

In view of the foregoing facts I respectfully request that Congress grant an appropriation for at least a million dollars for construction work on this project during the ensuing year.

Respectfully submitted.

CHESTER W. HOWE.

Mr. HITCHCOCK presented a memorial of sundry citizens of Howard County, Nebr., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

Mr. SAULSBURY presented petitions of sundry citizens of Delaware, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. JOHNSON of Maine presented petitions of sundry citizens of Maine, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented memorials of sundry citizens of Texas, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Texas, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

Mr. ROBINSON presented a petition of sundry citizens of Dumas, Ark., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. GRONNA presented petitions of sundry citizens of North Dakota, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of North Dakota, remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Nome-Seward Peninsula Chamber of Commerce, Nome, Alaska, praying for the adoption of certain changes in the postal regulations relating to Alaska,

which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Division No. 54, Order of Railroad Telegraphers, of Deisem, N. Dak., praying for the enactment of legislation to limit the hours of service of telegraph operators on railroads, which was referred to the Committee on Interstate Commerce.

Mr. LANE presented petitions of sundry citizens of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. GALLINGER presented petitions of Charles C. Sturtevant and 28 other citizens, and of the congregation of the First Congregational Church of Keene, in the State of New Hampshire; of the congregation of St. Jerome's Total Abstinence Beneficial Society, of Holyoke, Mass.; and of Walter S. Wright and 20 other citizens, of Newtown, Pa., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of Maud Hartnett, Beatrice Planter, Elizabeth Hickey, and Mary Holman, all of Keene, in the State of New Hampshire, praying for the enactment of legislation to further restrict immigration, which were referred to the Committee on Immigration.

Mr. CLAPP presented a memorial of the Trades and Labor Assembly of Brainerd, Minn., remonstrating against the proposed repeal or modification of the so-called seamen's law, which was referred to the Committee on Commerce.

He also presented a memorial of the Institute of Fine Arts, of Minneapolis, Minn., remonstrating against the erection of a central heating, lighting, and power plant on the banks of the Potomac River in the District of Columbia, which was ordered to lie on the table.

He also presented a memorial of the Commercial Club of Mankato, Minn., remonstrating against the proposed repeal of the so-called mixed-flour law, which was referred to the Committee on Agriculture and Forestry.

Mr. ASHURST. I present resolutions adopted by the Democratic State committee of Arizona, assembled in Phoenix on the 4th instant, which I ask may be printed in the Record.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the Record, as follows:

Resolution proposed by Mrs. F. C. Struckmeyer, of Phoenix, third vice chairman of the Maricopa County Democratic Club, representing the Arizona Congressional Union for Woman Suffrage.

*Resolved*, That we, the Democratic State Committee of Arizona, assembled in Phoenix this 4th day of March, 1916, in response to the desires of the women voters of our State, urge Congress to pass forthwith on to the legislatures of the several States for ratification the Susan B. Anthony amendment, known in this Congress as the Sutherland-Mondell resolution. We recommend this action in no spirit of party advantage, but solely with the desire that the women of America may be placed on the same political plane as the men of the Nation, and because we recognize that it is unwise to delay longer the establishment of equality between the women of the East and West.

*Resolved*, That a copy of this resolution be sent to President Woodrow Wilson; Speaker CHAMP CLARK; Senator KERN, majority leader in the Senate; Representative KITCHIN, majority leader in the House; Representative HENRY, chairman of the Rules Committee of the House; Representative WEBB, chairman of the Judiciary Committee; and to the entire Congress, through the Arizona congressional delegation, to be read into the CONGRESSIONAL RECORD by Senators ASHURST or SMITH of Arizona in the Senate and by Representative HAYDEN in the House.

Mr. JONES presented a petition of sundry citizens of Seattle, Wash., praying for the enactment of legislation to provide for the naturalization of married women, which was referred to the Committee on the Judiciary.

Mr. TOWNSEND presented petitions of sundry citizens of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Hillsdale and Glenwood, in the State of Michigan, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

He also presented a petition of the Anti-Tuberculosis Society of Grand Rapids, Mich., and a petition of the Anti-Tuberculosis Society of Saginaw, Mich., praying for an investigation into the conditions surrounding the marketing of dairy products, which were referred to the Committee on Agriculture and Forestry.

He also presented a petition of Local Branch, Federation of Women's Missionary Associations, of Ann Arbor, Mich., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

Mr. McLEAN presented memorials of Local Branch No. 15, Workmen's Circle; of the Independent Workmen's Circle; of the Bottle Sorters' and Washers' Union; of Local Branch No. 2, Socialist Party; of the Young Peoples Socialist League; of Local Lodge No. 287, Order of B'rith Abraham; and of Progressive Lodge No. 162, Independent Order B'nai B'rith, all of

Hartford; and of Horeb Lodge No. 25, Independent Order B'nai B'rith, of New Haven, all in the State of Connecticut, remonstrating against the enactment of legislation to further restrict immigration, which were referred to the Committee on Immigration.

He also presented petitions of sundry citizens of Middletown and Southington, in the State of Connecticut, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of East Hampton and Bridgeport, in the State of Connecticut, praying for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

He also presented a petition of Local Division No. 425, Amalgamated Association of Street and Electric Railway Employees of America, of Hartford, Conn., praying for the enactment of legislation to further restrict immigration, which was referred to the Committee on Immigration.

He also presented a memorial of the Porter Library Association of Coventry, Conn., remonstrating against the enactment of legislation to fix a standard price for manufactured articles, which was referred to the Committee on Education and Labor.

He also presented a petition of Local Branch No. 192, National Association of Letter Carriers, of New Britain, Conn., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

Mr. OVERMAN presented petitions of sundry citizens of North Carolina, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. HUGHES presented memorials of sundry citizens of New Jersey, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

He also presented petitions of sundry citizens of New Jersey, praying for prohibition in the District of Columbia, which were ordered to lie on the table.

He also presented petitions of sundry citizens of New Jersey, praying for the placing of an embargo on munitions of war, which were referred to the Committee on Foreign Relations.

Mr. LEA of Tennessee presented petitions of sundry citizens of Tennessee, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Germania Turnverein, of Memphis, Tenn., remonstrating against prohibition in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Germania Turnverein, of Memphis, Tenn., praying for a revision of the naturalization laws, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented a petition of the Chamber of Commerce of Brawley, Cal., praying for the enactment of legislation to grant pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of sundry citizens of Chico, Cal., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Stable and Garage Employees Union, of San Francisco, praying for the printing of the report of the Commission on Industrial Relations, which was ordered to lie on the table.

He also presented a memorial of the Peacemakers' Committee of Pacific Coast Churches, of Los Angeles, Cal., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

Mr. JOHNSON of South Dakota. I present a petition of the Commercial Club of Oacoma, S. Dak., which I ask may be printed in the Record and referred to the Committee on Commerce.

There being no objection, the petition was referred to the Committee on Commerce and ordered to be printed in the Record, as follows:

**Resolution.**

Whereas the last session of the Dakota Legislature adopted house joint resolution No. 6 memorializing Congress and our Senators and Representatives in Congress to use all honorable means at their command to compel the Chicago, Milwaukee & St. Paul Railway Co. to construct a permanent railway bridge across the Missouri River at the city of Chamberlain, S. Dak.; and

Whereas the conditions stated in said joint resolution existed at that time and still continue to exist; and

Whereas, pursuant to the instructions of said joint resolution, the Representative from the third congressional district of the State of South Dakota, Hon. HARRY L. GANDY, has introduced in the House of Representatives a bill which will, if passed, compel the Chicago, Milwaukee & St. Paul Railway Co. to commence actual construction of a permanent bridge across the Missouri River between the counties of Brule and Lyman at some point at or near the city of Chamberlain, D. Dak., within one year from the date of its passage and approval; and

Whereas the welfare and development of this section of the State is dependent to a large extent upon the erection of such a bridge: Therefore be it

*Resolved by the Commercial Club of the town of Oacoma, in Lyman County, S. Dak.,* That the Senate and House of Representatives of the United States of America be, and they are hereby, urged to take prompt action upon said bill and pass it at the earliest possible moment; and be it further

*Resolved,* That a copy of this resolution be sent to the Senate and House of Representatives of Congress and to our Senators and Representatives in Congress.

Done at Oacoma, S. Dak., this 28th day of February, 1916, by the Commercial Club.

THE OACOMA COMMERCIAL CLUB,  
By T. B. STRONG, *President*,  
By M. Q. SHARPE, *Secretary*.

Mr. JOHNSON of South Dakota. I present a petition of the Merchants' Association, of Watertown, S. Dak., which I ask may be printed in the RECORD and referred to the Committee on Education and Labor.

There being no objection, the petition was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

WATERTOWN, S. DAK., February 15, 1916.

Hon. E. S. JOHNSON, *Yankton, S. Dak.*

DEAR SIR: The Merchants' Association of Watertown, S. Dak., in general meeting assembled, February 8, 1916, passed the following resolution:

*"Be it resolved by the Merchants' Association of Watertown, S. Dak.,* That we recognize the need for and do favor the passage of the proposed law for the control of retail prices on manufactured articles, known as the Stevens bill, H. R. 13305, now before Congress; and this association does hereby indorse the said proposed law, and does urge and request our Representatives in Congress to use their best efforts to assist in the passage of said law, and that our members shall each use his best effort to assist and support our Representatives in their action on this matter."

Watertown, S. Dak., February 8, 1916.

MERCHANTS' ASSOCIATION OF WATERTOWN, S. DAK.,  
By JOHN MOREY, *Secretary*.

#### REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3405) for the relief of the Maine Central Railroad Co., reported it without amendment and submitted a report (No. 257) thereon.

Mr. LANE, from the Committee on Fisheries, to which was referred the bill (S. 1550) to authorize the establishment of fish-cultural stations on the Columbia River or its tributaries, in the State of Oregon, reported it with an amendment and submitted a report (No. 258) thereon.

He also, from the Committee on Forest Reservations and the Protection of Game, to which was referred the bill (S. 4418) to establish game sanctuaries in national forests, and for other purposes, reported it with amendments and submitted a report (No. 259) thereon.

#### BILLS INTRODUCED.

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

By Mr. SMOOT:

A bill (S. 5066) authorizing and empowering the Secretary of War to grant a revocable permit to the University of Utah to lay pipe lines, construct a storage reservoir on the Fort Douglas (Utah) Military Reservation, and to use the surplus water of the reservation; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 5067) to regulate commerce between the United States and foreign countries, to restore and maintain American ships in the foreign trade, to aid in the national defense, and promote the general welfare; to the Committee on Commerce.

By Mr. STERLING:

A bill (S. 5068) granting a pension to Henry F. Walton (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5069) to authorize the Secretary of the Treasury, the Secretary of War, and the Secretary of Agriculture to make an investigation and report as to the necessity, suitability, and practicability of the erection of Government owned and operated plants for the fixation of atmospheric nitrogen; to the Committee on Military Affairs.

By Mr. OVERMAN:

A bill (S. 5070) granting a pension to Ollie H. Finley; to the Committee on Pensions.

By Mr. JOHNSON of Maine:

A bill (S. 5071) granting an increase of pension to Ebenezer Ricketts (with accompanying papers);

A bill (S. 5072) granting an increase of pension to George S. Thing (with accompanying papers);

A bill (S. 5073) granting an increase of pension to Allen T. Hodgkins (with accompanying papers); and

A bill (S. 5074) granting an increase of pension to Florence Shaler; to the Committee on Pensions.

By Mr. KERN:

A bill (S. 5075) granting an increase of pension to Robert O. Whitten; and

A bill (S. 5076) granting an increase of pension to George W. Richards; to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 5077) granting an increase of pension to Mrs. Lucinda A. Sullivan (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 5078) to amend the act approved December 23, 1913, known as the Federal reserve act; and

A bill (S. 5079) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the acts of March 4, 1907, and March 2, 1911; to the Committee on Banking and Currency.

#### WITHDRAWAL OF TROOPS FROM THE PHILIPPINES.

Mr. SHERMAN. Mr. President, the Senate has recently passed a bill recognizing within a few years the ability of the Philippine people for self-government. This implies necessarily a transfer of sovereignty now in the United States to the Philippine people. I am opposed to such a measure. It, however, has passed this Senate. The people of those islands have been led by the declared purpose of this measure to expect within the time named complete self-government and the assumption of sovereignty. The United States, whether wisely or unwisely, must accept the consequences resulting from the bill. If we retrace our steps it will produce widespread discontent among the Filipinos. If we adhere to the declared purpose we must accept our relinquishment of power and consequently ought no longer be charged with full responsibility for the protection or control of the islands.

The Philippine Scouts remaining in the islands are 5,755. They are natives but have been trained by United States officers. There is in addition a native constabulary for the preservation of public order and for local purposes incident to that service. The 11,991 enlisted men and 520 officers of the Regular Army of the United States are paid and maintained by our Government. The Philippine Scouts are also maintained and paid in like manner, I am informed. If conditions are at all within bounds as described here by the Senators who supported the bill, the Filipinos ought to be able, with the scouts, the constabulary named, and such native forces as a potential self-governing people can supply, to police the islands, maintain order, and adequately protect life and property without the further presence of the officers and troops proposed to be withdrawn by this resolution.

A people that within the period contemplated in Senate bill 381 is to assume complete sovereignty, exercise the right of self-government, and become an independent nation ought to be given a probationary time to demonstrate their fitness for such responsibility. If the experiment should fail before the United States has completely relinquished its sovereignty and surrendered entire possession of the islands, this Government can repair the error with much less difficulty and misunderstanding among all concerned. It is with this view that I am induced to make the proposal embodied in the joint resolution which I send to the desk and ask that it be printed in the RECORD and referred to the Committee on Military Affairs.

The joint resolution (S. J. Res. 115) authorizing the withdrawal of United States troops from the Philippines was read the first time by its title, the second time at length, and referred to the Committee on Military Affairs, as follows:

Whereas the United States Senate did, on February 4, 1916, pass an act (S. 381) establishing the future political status of the people of the Philippine Islands, wherein the President is "authorized and directed to withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty now existing and exercised by the United States in and over the territory and people of the Philippines"; and

Whereas the independence of said Philippines is fully recognized in said bill as a separate and self-governing nation and such transfer of possession, sovereignty, and governmental control shall be completed and become absolute in not less than two years nor more than four years from the date of the approval of the act; and

Whereas full power to take the several steps necessary to institute such government is conferred upon the Philippines by the aforesaid bill, thus granting to them the opportunity of complete rights of civil government and indicating confidence in their ability to govern themselves; and

Whereas there are now stationed in the Philippine Islands 520 officers and 11,991 enlisted men of the Regular Army of the United States, who are maintained there at an annual expense of \$1,814,095 in excess of the maintenance cost of these same troops in the United States; and

Whereas these troops are acclimated and thoroughly seasoned for a rigorous campaign in a tropical country, and if the reasons and alleged conditions which led to the passage of the aforesaid bill are well founded, their presence is no longer necessary for the maintenance of civil government in the Philippine Islands; and  
Whereas there will remain in the Philippine Islands a force of 5,755 native scouts, which may be supplemented, if necessary, by native forces so as to exercise some of the rights of self-government under the guidance and protection of the United States; and  
Whereas there appears to be an inadequate force of United States troops for the proper protection of American life and property on the Mexican border, with the result that repeated violations by bands of murderers from Mexican territory of the rights of American citizens within the territorial limits of the United States have occurred without their apprehension so as to provide for the future safety of our border: States: Therefore be it

*Resolved, etc.*, That the Secretary of War be, and is hereby, authorized and directed to withdraw from the Philippine Islands with such dispatch as may be practicable all officers and enlisted men of the United States Army.

#### PENSIONS TO INDIAN WAR VETERANS.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 655) to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes, which was referred to the Committee on Pensions and ordered to be printed.

#### AMENDMENTS TO ARMY APPROPRIATION BILL.

Mr. CURTIS submitted an amendment proposing to appropriate \$22,500 for repairing Government (Engineers) bridge over the Kansas River on the Fort Riley Military Reservation in Kansas, intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate \$12,000 for the repair, rebuilding, and completion of the macadam road on the Fort Riley Military Reservation, Kans., intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

#### WATER-POWER SITES.

Mr. NORRIS submitted three amendments intended to be proposed by him to the bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, which were ordered to lie on the table and be printed.

#### FUNERAL EXPENSES OF THE LATE SENATOR SHIVELY.

Mr. KERN submitted the following resolution (S. Res. 130), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President of the Senate in arranging for and attending the funeral of the late Senator BENJAMIN F. SHIVELY, vouchers for the same to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LEA of Tennessee subsequently said:

From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution submitted by the Senator from Indiana [Mr. KERN] this day providing for the funeral expenses of the late Senator SHIVELY.

Mr. KERN. I ask unanimous consent for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

#### LIMITATION OF DEBATE.

Mr. SMITH of Georgia. In pursuance of the notice I gave on yesterday, I submit a resolution proposing an amendment to the rules, and ask that it may be read and referred to the Committee on Rules.

The resolution (S. Res. 131) was read and referred to the Committee on Rules, as follows:

*Resolved*, That the Standing Rules of the Senate be, and they hereby are, amended as follows:

At the close of Rule XXII add:

*Provided, however*, If 32 Senators present to the Senate before the reports of standing and select committees provided for in the order of business during the morning hours a signed motion to bring to a close the debate upon a bill which is the unfinished business, thereupon at the hour of 2 o'clock the Chair shall, without debate, put the question to the Senate:

"Is it the sense of the Senate that the debate should be brought to a close?"

"And if that question shall be decided in the affirmative by a two-thirds vote, then said bill shall be in order to the exclusion of all other business."

"Thereafter no Senator shall be entitled to speak more than one hour on the bill, the amendments thereto and motions affecting the same, and it shall be the duty of the Chair to keep the time of each Senator who speaks. Until the bill is disposed of no dilatory motion shall be in order, and appeals from the decision of the Chair shall be decided without debate."

#### COMMITTEE ON FLOOD CONTROL.

Mr. SHEPPARD. Pursuant to my notice of yesterday, I submit a resolution proposing an amendment to the rules, which I ask may be referred to the Committee on Rules.

The resolution (S. Res. 132) was referred to the Committee on Rules, as follows:

*Resolved*, That the standing rules of the Senate be, and they hereby are, amended as follows:

Amend Rule XXV by inserting, after the paragraph reading as follows:

"A Committee on the Five Civilized Tribes of Indians, to consist of 5 Senators."

The following paragraph:

"A Committee on Flood Control, to consist of 17 Senators."

#### MANUFACTURE OF ARMOR.

Mr. WEEKS. Mr. President, I wish to state that to-morrow, March 13, 1916, after the conclusion of the routine morning business, I propose to address the Senate on the armor-plant bill.

Mr. ASHURST. Mr. President, on yesterday I gave notice that upon the conclusion of the routine morning business to-day I would address the Senate briefly on the subject of the armor-plant bill. I wish now to state that I will not consume the time of the Senate during the morning hour, but that if I can secure recognition immediately after the hour of 2 o'clock to-day I will make my brief speech.

Mr. OLIVER. Mr. President, I desire to give notice that on Tuesday next, March 21, 1916, at the conclusion of the routine morning business, I shall address the Senate in opposition to the armor-plant bill.

The VICE PRESIDENT. Morning business is closed.

#### THE POSTAL SERVICE.

Mr. BANKHEAD. I ask unanimous consent that the Senate resume the consideration of House bill 562.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 562) to amend the act approved January 25, 1910, authorizing a postal savings system.

Mr. REED. Mr. President, on yesterday I objected to the passage at that time of section 2 of the bill now under consideration. I stated my reasons at that time for desiring that the bill be not passed in its present form and at that time. I particularly wanted an opportunity to examine the bill to ascertain what its practical workings might be.

I adhere to the view that everything ought to be done to concentrate in the Federal reserve banks all moneys for which the Federal Government is in any way responsible; this to the end of strengthening the Federal Reserve System. Upon examination as to the practical effect of this bill, however, I am convinced that the advantages accruing through the greater latitude that will be permitted to the postal authorities will more than overbalance such disadvantages as may come from a withdrawal of some of the funds that otherwise might go into the Federal reserve banks. I am further informed, and I think reliably, that many of the Federal reserve banks have declined to receive the deposits from the postal savings banks because of the high rate of interest the Government exacts. Therefore, balancing one advantage against the other advantage, I think I should say to the Senate that, as far as I am concerned, I shall make no further opposition to the adoption of section 2.

Mr. GALLINGER. Mr. President, on a former occasion I made opposition to some features which are incorporated in this bill, especially regarding the amount that an individual could deposit; but I have no disposition to renew the opposition to the provisions of the bill in that regard.

I desire to say, however, that, in my opinion, it is unfortunate that so much matter has been added to this bill that has no relation whatever to the Postal Savings System. The statute now in force which was approved June 25, 1910, relates exclusively to the Postal Savings System. The amendment that was made to that bill September 23, 1914, likewise relates exclusively to that system.

Mr. President, I think it unfortunate that we should put on the statute books a bill relating to this important subject and have it complicated with legislation that has no relation whatever to the subject matter we are considering. The provisions of this bill are duplicated to a large extent in the Post Office appropriation bill, which is before us. Of course those provisions can be stricken from that bill, but it seems to me they are much more appropriate on that bill than they are in this bill. It would be still more appropriate to bring in this extraneous matter in a separate bill, which might have been done, and probably passed without any objection, and then we would have had on the statute books, as we have now, a law relating exclusively to this one subject, so that when we wanted to ascertain

anything about the matter we could turn to the statute and find exactly the provisions of the law.

As now proposed, if we pass this bill we will have a statute relating to the Postal Savings System with provisions relating to the postal clerks, the weighing of mails, contracts for carrying the mails, star routes, compensation of postmasters, and various other provisions of a general nature. As already suggested, all such provisions should have been incorporated in a separate bill.

Mr. President, I simply wanted to say that I think it was unfortunate to prepare the bill in the form it now is, but if the Senator from Alabama feels, as I apprehend he does, that this is the most expeditious way to get the legislation, possibly the best way under existing conditions, I shall interpose no objection beyond stating my view as to the form in which I think the bill ought to have been reported to the Senate.

Mr. BANKHEAD. Mr. President, I am inclined to agree with much that the Senator from New Hampshire has said; but it is far better to put these provisions in this bill than on an appropriation bill. That was the reason mainly that the bill was drawn in the form that it is. I do not think it complicates the postal savings bank bill in any way whatever.

Mr. HARDWICK. If the Senator will yield to me for a moment, it was also done because the Postmaster General insisted that there were urgent reasons for immediate action.

Mr. GALLINGER. I understood that to be the case.

Mr. WEEKS. Mr. President, I think what the Senator from New Hampshire [Mr. GALLINGER] has said will be agreed to by almost anyone, that the injection of foreign matter into a bill which is special in its character is, generally speaking, unjustifiable. I think it is just as unjustifiable when passed in an appropriation bill as it is in a case of this kind.

The fact is that the Post Office Department has not had any general legislation of an administrative character since the 4th of March, 1913. These matters which have been pending and have been considered by committees have been parts of bills. They are unobjectionable in themselves, and they ought to be adopted to enable the department to carry on its routine business. It seemed to the committee for that reason that this is the time, the expeditious time, for action, in order to give the department a free hand in the conduct of the post-office business.

There is one matter, however, about which I wish to say a word, not on one of the amendments to the bill but the bill itself. Undoubtedly there were sound reasons for the passage of the postal savings bank bill. It was supposed to be true, and has been demonstrated to be true, that there would be a very considerable amount of money hoarded, largely because people of foreign extraction who had not been long in this country and who had been familiar with Government banks did not feel secure in putting their money in banks which we had established. It has been demonstrated that that is true, because the sending of money to foreign countries to be deposited in Government banks has very greatly decreased since the passage of the postal savings bank bill.

I think myself that in every way the law has justified itself and is working well. Some \$80,000,000 are now deposited in postal savings banks, redeposited in local banks, and therefore going into circulation for the benefit of the communities where the money belongs instead of very largely being sent to foreign countries, as was done in the past.

But this bill goes further in the direction of postal savings banks or any bank which is essentially a savings bank than I believe is justified. It gets into the area of paternalism pure and simple. I am not opposed to some reasonable extension of the original law. If under some conditions the depositor wishes to deposit \$1,000, I do not think that is unreasonable; but when we provide that \$1,000 may be deposited bearing interest and another \$1,000 not bearing interest, it practically provides that any person who wants to have the Government become the guardian of his money temporarily may deposit it in a post office and the Government is responsible for that money. In a week or two weeks or three weeks the man may wish to use it, and he simply makes the Government responsible for his funds instead of depositing it in a bank. That is not the duty of a savings bank; neither is it the province of a real savings bank to receive deposits aggregating \$2,000. In the State of Massachusetts the limit of deposits which may be placed in a savings bank, including interest, is \$1,600; and no man who has \$1,000 to deposit could get a savings bank—for instance, in the city of Boston—to take it and care for it, because the answer would be to that inquirer for a place to put his money, "If you have \$1,000, you are probably as competent to invest your money as are the officers of this bank."

It is not the province of a savings bank to take considerable sums of money from individuals. When you get into that area you are making a purely paternalistic measure of this, and I think for that reason it is undesirable that the law should be extended as far as it is provided in this bill.

I wish to say frankly that I did not succeed in convincing the Post Office Committee that my views should obtain. Very largely the committee were opposed to the conclusions to which I have come, but I have sought this opportunity to briefly state them, because I think it is a wrong tendency in government, and I do not think it was the original purpose of those who had a part in the postal savings bank legislation.

Mr. NORRIS. Before the Senator takes his seat—

Mr. WEEKS. I yield.

Mr. NORRIS. Like many other Senators I had no opportunity to examine the bill before it was called up. I wish to ask the Senator in reference to a provision, I think, in section 2, where in effect it is provided that money shall be deposited in all cases in banks that belong to the Federal Reserve System, unless in towns where there are no such banks.

Mr. WEEKS. Yes; that is the provision.

Mr. NORRIS. I should like to ask the Senator why that limitation is made.

Mr. WEEKS. Mr. President, I prefer to have the chairman of the committee answer an inquiry of that kind, but I will say, from my own standpoint, that it is the duty of the Government to do business with its own agents. All national banks, all of which are members of the Federal Reserve System, are its agents under the law. This amendment provides that where there are no agents of the National Government in a town or community the money may be deposited in a State bank or trust company, provided there is such a bank located there. That is in accord with good administration, in my judgment. A community may be located 25 or 30 or 40 miles from any place where there is a national bank or a member bank of the reserve system. There may be a considerable deposit made in the post office of that community. It is necessary for the postmaster under the present law to send that money to a town where the member bank of the Federal Reserve System is located or to put the money in his own safe. The safe provisions in post offices are not in any sense secure. In many small post offices there are no safes. The Government is responsible for the money, and there is no safe place to put it. Furthermore, if the money is sent to another town or another community, it gets away from the original idea of the law that the money should be redeposited in the local community. The State bank must give security for that money, as would be done in the case of a deposit with any other bank. Therefore it seems to me wise and reasonable that it should be done.

Mr. NORRIS. I do not think the Senator got the point of my objection. I am not complaining that the law provides that it can be deposited in a State bank where there is no member bank, but this provides, in substance, as I understand it, that in cases where there are both kinds of banks, State and National, the deposit must always be made in the member bank.

Mr. WEEKS. I think the Senator will recall that when this legislation was originally passed there was a good deal of controversy on the subject as to whether a portion of the money should be deposited in State banks. The law, after full discussion, was passed as it now stands on the statute book. My own opinion is, as I stated in the first sentence in my answer to the Senator's inquiry, that the Government should do business with its own agents. Its own agents are members of the Federal Reserve System in the various localities; they are inspected under regulations made by the Government, and in every sense it seems to me that it is good business and good administration that, as far as possible, moneys received on account of these deposits should be deposited in national banks.

Mr. SMOOT. Mr. President, when the postal savings bank bill was first before the Senate the question as to the amount of money that should be allowed to be deposited by any one person was discussed for hours. When it was finally decided that the amount should be \$500 some Senators thought that was too much. As the object of the bill was to get into circulation money that we supposed was in hiding in small amounts and, as has well been said, by foreigners or people of foreign birth, I had no objection to the \$500 provided for in the bill. I really think that that should be the amount, and it should be the limit.

When this bill was first presented to the Senate there was opposition to the increase of that amount. Under the conditions existing to-day, Mr. President, I shall not now object to increasing the amount to \$1,000, although I do believe that it will be an unwise step to take, and certainly if conditions were normal.

I am not one who believes that when a man saves a thousand dollars and desires to invest it he ought to be allowed to deposit it temporarily in a post office in a little town with no provisions to make it secure, and the Government being responsible for the amount if it is lost.

I do not want to delay the passage of the bill. My opposition would not go that far, but I did hope the committee would stop with allowing one person to deposit \$1,000, on which he would be paid interest. However, they have gone further than that and have provided that the board of trustees may, in their discretion and under such regulations as such boards may promulgate, accept additional deposits not to exceed, in the aggregate, \$1,000 for each depositor, but upon which no interest shall be paid.

Mr. President, there is no doubt in my mind but that the money which will be deposited under that provision will be deposited temporarily and be deposited for safe-keeping by the Government. It will not remain with the Government long, perhaps 10 days or 20 days or 30 days, until the depositor can find some profitable investment to make or until he can make some turn in stocks of some kind in which he may invest it more profitably.

That is not what the Postal Savings System was created for. This policy does not instill in the people a desire to accumulate or save. But this law will not be used for the purpose of allowing an individual to deposit a thousand dollars with the privilege of drawing interest on it and then another thousand dollars with no interest to be paid by the Government. That, Mr. President, I believe is the unfortunate part of the bill.

I am in full accord with what the Senator from Massachusetts [Mr. WEEKS] said in regard to it. I should like to ask the chairman of the committee upon what basis and for what reason the last provision was included in the bill?

Mr. BANKHEAD. The bill, it must be understood, in the original plan and now is mainly for the convenience and accommodation of our foreign-born citizens. Ninety-eight per cent of all the money deposited in the postal savings banks has been deposited by that class. The Post Office Department were of the opinion that if they were permitted to deposit \$1,000 and get the interest and allowed to deposit an additional \$1,000 on which they get no interest, then it would bring a great deal of money out from hiding that otherwise would not come out. As to how long it is going to stay there no one can tell. It may stay there a long time, but I do not suppose it will stay a very long time when no interest is paid on it.

Mr. MARTINE of New Jersey. If the Senator from Utah will yield to me for a moment, I recall very well that about two months ago the postmaster at Passaic, N. J., a veritable hive of industry, was here in Washington, and the matter of postal savings was discussed between him and myself. He urged that the limit be made not less than \$2,000. I said that would be unheard of. Said he, "Senator, I have had two parties in Passaic within a month, one having nineteen hundred dollars and the other a thousand dollars, who wanted me to take it. I told them I had no authority to take such a sum." I said to the postmaster that they could take it to the savings bank. He said, "No; they would not put it in the savings bank; that they are afraid of institutions of that character." He said they told him, "If your Government will take it, I will be perfectly satisfied for safe-keeping, even though I get no interest."

I recall that I asked him if he could not put in writing some of the highest deposits he had. He had many that were \$1,100 and \$1,200. These were mainly, as the Senator from Alabama states, from foreigners, naturalized or otherwise. They were working in the mills of Passaic and the mills of Paterson. They were great accumulators and great savers, and to increase the limit would be to take it out from the stocking legs and the hidden drawers and bring it to some purpose. They were perfectly satisfied to leave it even without interest in the post office rather than have it in a savings bank. One of them said, "Oh, no, no; no bank. Your Government take it, and I will be satisfied."

Mr. SMOOT. Mr. President, I think if the case of the man who had the \$1,900 had been looked into it would be found that his disinclination to deposit in a bank was not so much because of the fact that he had a fear of the safety of the bank as it was that the bank required certain notifications before he could draw the money out.

Mr. MARTINE of New Jersey. Mr. President, I can not answer as to that, but I know the general impression that I gained from him was that it was their distrust—possibly a foolish distrust—of the banks. Another man said that in his country they had Government banks; but there were no such banks here. I can not now recall the name of the gentleman, but it was the postmaster at Passaic who made this statement. He

said that some such legislation as this would unquestionably be a great advantage to these savers as well as to the Government.

Mr. THOMAS. Mr. President—

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

Mr. SMOOT. I yield.

Mr. THOMAS. I merely wish to add to the statement made by the Senator from New Jersey [Mr. MARTINE] an instance which I heard the Government director of the postal savings bank relate last summer in speaking of the effect of this small maximum or limitation upon deposits and the manner in which it interfered with the system. He gave a number of instances, one of which was that of a foreigner having \$500 in money upon his person, and who applied, I think, to the post office in New York City, if my memory serves me aright, for the making of a deposit. He produced his \$500; but upon being told that the deposit was limited to a maximum of \$100 he declined to make any deposit whatever.

Mr. SMOOT. I will say to the Senator that such a depositor would now have a right to deposit \$500.

Mr. BANKHEAD. But he could only deposit \$100 at a time.

Mr. THOMAS. I am giving this instance. As now stated by Senators upon the floor, I am aware that the maximum which may be deposited is \$500. This man was then advised to take his money to a bank, and he made practically the same reply as that which was stated by the Senator from New Jersey a moment ago.

Mr. SWANSON. If the Senator from Utah will permit me, it was stated by the officials of the department who appeared before the Post Office Committee, with reference to this bill, that applications had been made for large deposits, far exceeding even what is allowed here; but the department was satisfied that if we permitted a deposit of \$1,000 without paying interest, and arrangements could be made for the money to be promptly paid to the bank where the deposit was made, as a result it would get 2 per cent interest and pay none, it would have a tendency to make the system more profitable, and that a great many people desired to have this privilege. The banks would have the money, and arrangements would be made with that amount of money so that it would promptly be paid without any embarrassment to the banks or the people who made the deposits and with profit to the Government.

Mr. SMOOT. I think, Mr. President, there are individuals who may have two or three or four thousand dollars and might not have decided as to what investment they should make; but what I apprehend will be the result of this bill, if enacted into law, an individual of that kind will go to the post office of the town in which he lives, deposit the \$1,000, and it will remain with the Government but a very short time. The whole responsibility of keeping it—the safety of the money—will be thrown upon the Government of the United States. For the few days that the Government has the money—perhaps not long enough for the money to be transferred from the post office to the local bank and from the local bank to the United States depository with which that local bank deals—it would never be of any benefit whatever to the Government, and the Government would have to be responsible for the handling and the keeping of the money.

Mr. SWANSON. If the Senator from Utah will permit me, I wish to say, as to the local bank in the city, that the Government does not have responsibility, except between the time the money is put into the postal savings bank and deposited in the local bank. Arrangements could be made with the local banks, we were assured, by which these payments could be promptly made. The Government would pay no interest, and arrangements would be made with the banks for a certain rate of interest if it were called when needed.

In addition to that, this provision will be beneficial in a time of panic in a city when people lose confidence in the banks. Nearly everybody may know the bank is safe, yet the class of people who would avail themselves of this legislation do not know that. Consequently they could deposit money in the postal savings bank in the morning, the bank could give the security required, the Government would be absolutely safe, and the money could be put in the bank and the situation saved. It is thought that this will be one of the best features in connection with the legislation, especially in mining camps and in communities where there are a great many foreigners, who have not any confidence in banks. It would maintain stability of conditions, and the Government could very frequently save a panic and a run on the banks by having this legislation. As I have said, the Government does not lose anything, because it pays no interest.

Mr. CLAPP. Mr. President, will the Senator from Utah yield to me to make a suggestion?

Mr. SMOOT. Yes.

Mr. CLAPP. The time the Senator from Virginia suggests would be the very time when the depositor would not draw out his money from the post-office depository; that is when it would add stability to the finances of the community. I believed from the time this principle first began to be agitated that the more we could extend this system the better; that there could be no legislation adopted that would add so much to the stability of finances in a time of panic as would the postal savings bank.

Mr. SMOOT. Mr. President, if that were the theory of this legislation—

Mr. CLAPP. No; it is not the theory, but it is an incident that we may well take into account if properly adjusted to the original theory.

Mr. SMOOT. Of course, if that were the theory, then we ought to increase the amount; but I never understood that that was the object of the original legislation.

Mr. President, I do not desire to detain the Senate, as the Senator from Virginia having the bill in charge wants to secure its passage at once. There were, however, a number of other things which I desired to say in opposition to this last provision; but under the conditions I will conclude.

Mr. POINDEXTER. Mr. President, are amendments now in order to the pending proposed committee amendments?

The VICE PRESIDENT. They are.

Mr. POINDEXTER. I move to strike out on page 3, lines 5, 6, and 7, the words:

But the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half of the surplus of such bank.

The same section provides on page 2, that the board of trustees shall take security "in public bonds or other securities, supported by the taxing power" for the deposits which are made in the banks. So that really there is no need for the limitation on page 3, of which I speak; and the effect of that limitation will be that the small country banks in the small towns having small capital will very soon reach the limit which they are allowed to take under this clause. Then the postal savings funds which originated there will have to be sent away to some large city, contrary to the general policy and purpose of the act, which was intended to encourage the retention of the funds in the community. I hope that the chairman of the committee will accept the amendment which I have offered.

Mr. SMOOT. Mr. President, just a word. The amendment proposed by the Senator from Washington, I believe, ought not to be adopted. All of our banking laws, both State and National, have in view the preventing of large loans to any one concern or individual. Under State laws the limit is generally 15 per cent, and under the national laws 10 per cent. It does seem to me that there ought to be a limit as to the amount which the Government may deposit in a bank. If one depositor has on deposit subject to call as much as the capital stock and 50 per cent of the surplus, it seems to me for the safety of the bank that is sufficient.

I know the Senator may say that before the money is deposited the Government will have security which may be sold in case a call is made. That is true; but it may be a great disadvantage to the bank to have a call made and the securities sold as provided for. I think that the provision referred to by the Senator from Washington is a very good provision, although, if the Senator having the bill in charge wants to accept the amendment, I shall offer no objection.

Mr. BANKHEAD. Mr. President, I am willing to accept the amendment in order that it may be considered more carefully when the bill gets into conference. It may be a good amendment, and therefore I accept it.

Mr. GRONNA. Mr. President, I do not think the objections made by the Senator from Utah [Mr. SMOOT] are at all effective. Before any postal savings funds are deposited in any bank the bank must deposit bonds with the Government of the United States.

Mr. SMOOT. That is what I said.

Mr. GRONNA. That security must be furnished before the postal savings funds can be deposited in a bank. The capital stock and surplus of a bank are not of themselves any additional security.

Mr. President, I understand the chairman of the committee has accepted this amendment. I think that is all the more reason why there should be no limitation placed upon the amount to be deposited in a bank, because this bill deals with a certain class of banks only. It prohibits the deposit of postal savings funds in State banks if there is a Federal reserve bank in the community. I believe that is an unfair discrimination. I realize, of course, that it is in the interest of the Federal reserve

banks, but if the Federal Reserve System is faulty, then, sir, we should repeal the law which created it. I am opposed to the provision of this bill which requires that only Federal reserve banks shall receive postal savings deposits in communities where there is a Federal reserve bank. There ought not to be such a discrimination. If the people of a community want to do business with a State bank, the Congress of the United States should not interfere. We should not prohibit or make it impossible for the postmaster to do business with that bank.

Mr. SWANSON. Mr. President, if the Senator will permit me, the present law requires all postal savings funds to be deposited in Federal reserve banks.

Mr. GRONNA. Yes; I am aware of that.

Mr. SWANSON. We passed last year a law which eliminated that provision and allowed such funds to be deposited equally in Federal reserve banks and State banks.

Mr. GRONNA. Yes.

Mr. SWANSON. The President vetoed that bill.

Mr. GRONNA. Yes.

Mr. SWANSON. And it could not be passed over his veto. This bill endeavors to compromise the situation by giving the first preference to the Federal reserve banks; and if there is no Federal reserve bank in a community, then the postal savings funds may be deposited in a State bank, so that the money will remain in the community where it was originally deposited. That is the main question, it seems to me, and I hope the Senator will not jeopardize this legislation by insisting on reopening a matter which we embodied in a bill 12 months ago and passed, but which was defeated by the presidential veto. This bill gives State banks a better opportunity than they will have if this bill is not enacted into law.

Mr. BANKHEAD. The State banks will be able to secure none of these deposits if this bill is defeated.

Mr. SWANSON. That is true; they will secure none if the bill is defeated. I know that in a great many States, including my State, the situation is very much like that in North Dakota; but it seems to me we are getting remedial legislation—not all that some desire, but still we are getting a provision which will allow postal savings funds to remain in the communities where the money is originally deposited.

Mr. GRONNA. Mr. President, I admit that if this provision is enacted into law it will be an improvement upon the present law, but we ought not to prohibit anybody from depositing money in State banks as well as in the national banks. The national banks, of course, must necessarily belong to the Federal Reserve System. I think it is unfair to a community where there are a great many State banks but only a limited number of national banks. Of course it is evident that legislation of this kind is passed for the purpose of compelling State banks to enter the Federal Reserve System.

Mr. BANKHEAD. Mr. President, will the Senator permit me for a moment?

Mr. GRONNA. Certainly.

Mr. BANKHEAD. Under the law as it now is postal savings funds must all go to the national banks—member banks of the Federal Reserve System. None of it can be deposited in a State bank under any circumstances. The purpose of this amendment to the law is to permit deposits to be made in State banks in communities where there is no Federal reserve bank. That is the whole of this proposition. If we fail to pass this bill the State banks will not get a cent, and can not under any circumstances get a cent, of the postal savings funds which may be deposited in banks. The law now compels all deposits to be made with banks which are members of the Federal Reserve System.

Mr. GALLINGER. Under the Federal reserve act that is required.

Mr. BANKHEAD. Yes; the Federal reserve act requires that.

Mr. GRONNA. Mr. President, I will say to the Senator from Alabama that I do not want to defeat this legislation. I have before me the Federal reserve act, and I find that on page 16, at the bottom of that page, it provides that all postal savings funds must be deposited in Federal reserve banks.

Mr. BANKHEAD. That is exactly what we are trying to get rid of by this amendment.

Mr. GRONNA. I am familiar with that, Mr. President, but I should like to see this bill amended so that postal savings funds may be deposited in any bank, whether a national bank or a State bank or a savings bank.

Mr. GALLINGER. That provision was in the original postal savings act.

Mr. GRONNA. Yes; I understand such a provision was in the original postal savings act.

Mr. GALLINGER. There was no discrimination; but that provision, of course, was practically repealed by the Federal reserve act, which provided differently.

Mr. GRONNA. I think the Senator from Alabama should permit us to amend this important bill by making it possible for State banks and trust companies to receive postal savings deposits, as well as national banks. That is my only objection to it.

Mr. BANKHEAD. Mr. President, to do that would simply mean no bill at all at this session of Congress.

Mr. POINDEXTER. Mr. President, I ask for a vote on the amendment which I submitted.

The VICE PRESIDENT. That is not necessary. The chairman of the committee has accepted the amendment.

Mr. BANKHEAD. I have accepted the amendment of the Senator from Washington.

Mr. NORRIS. Mr. President, if the Senator from Washington is through—and, as his amendment has been accepted by the Senator from Alabama, that makes it law, I presume, so far as the Senate is concerned—I desire to offer an amendment. I move to amend the committee amendment, on page 3, by striking out, beginning with line 8, down to and including the word "same," in line 16 of that page. The language I move to strike out is as follows:

*Provided, however, If one or more member banks of a reserve bank created by the Federal reserve act, approved December 23, 1913, exists in the city, town, village, or locality where the postal deposits are made, such deposits shall be placed in such member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same.*

Mr. President, the object of this amendment is to take out of the bill the discrimination between National and State banks with regard to deposits. If this language is stricken out, under the bill as it will then stand the postal savings bank funds will be deposited in State and National banks, without any discrimination between the two systems.

It is provided in the law that security must be given, and the kind of security is stipulated. The same security must be given by one bank as by another. I can see no reason why we should say that postal savings funds should be deposited in national banks. It is true that if there are no national banks, then the bill would permit the deposit of such funds in State banks. That of itself shows that there is no legitimate reason against depositing money in State banks. The only reason that I can conceive of—and I presume it is the only reason that exists—for providing that postal savings funds must be deposited in national banks or member banks of the reserve system is to help build up that system. It is a discrimination against State banks.

Mr. President, if the States resorted to that method of discrimination against national banks, we would see the rule work the other way. In every State there are State funds, county funds, municipal funds, and various other kinds of funds, belonging to the States and municipalities; and I do not know of a single instance where a State, by law, has undertaken to discriminate against national banks in favor of banks organized under its own laws. If we start the discrimination, they are liable to follow it up, and with good reason, too. If they did, they would seriously interfere in a great many cases with the prosperity of national banks. We are establishing, by this method of procedure, a precedent which, if the States should follow it, would take away from deposits in all national banks all State money, county money, and municipal and city money—in fact, all money that is under the control of the laws of a State.

In the first place, it is not fair that we should do this. As the Senator from North Dakota has well said, if the Federal Reserve System can not stand up without discriminating against some other legitimate business, it ought to go out of business. We have passed at this session a bill which is now pending before the House of Representatives, and which provides that in States having laws providing for the security of deposits, national banks shall have the right, if the State laws permit them to do so, to take advantage of those laws, and secure their deposits under State laws. As far as I know there is not a State that has passed that kind of a law but that has extended that provision to national banks, and has said: "Come under our system if you want to."

We have passed, as far as the Senate is concerned, a bill that will extend that permission, which, under the ruling of the comptroller, did not exist before, and permit the national banks to take advantage of State laws in that kind of a case. It is only a fair step to put all the banks on the same basis and to permit them to follow their legitimate course of procedure, and not provide, by law, that these savings, deposited by the people

of the community in the post office of a town where there is a State bank and a national bank, shall then all be deposited in the national bank and none of them in the State bank.

Mr. HARDWICK. Mr. President, will the Senator yield for just a minute?

Mr. NORRIS. Certainly.

Mr. HARDWICK. I am somewhat in sympathy with what the Senator is saying; but this legislation goes just about as far along that line as we can hope to get through. If the Senator insists upon the extreme, he will probably defeat any progress in that direction.

Mr. NORRIS. I do not think it is extreme. I am in favor of doing what I believe to be the proper thing to do. If the President wants to veto the bill, that is his privilege. I do not see any reason why Senators should say that the President is going to veto this bill if we put in this provision. There are a good many other things in the bill, and if he does veto it, it will come back to us again. If it is fair, if Senators believe in it, if all those who are supporting it are in favor of it, we will have enough votes to pass it over the President's veto, even if he does veto it.

I do not desire to delay this legislation. I am perfectly willing to have a vote taken on it.

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

Mr. NORRIS. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GALLINGER. Mr. President, I will ask the Senator from Nebraska how much of the text he moves to strike out?

Mr. NORRIS. I move to strike out the words commencing with line 8 on page 3 and going down to the word "same," in line 16. If that amendment prevails, it will be necessary to make a formal amendment farther down to make the text read right.

Mr. GALLINGER. Evidently so.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. Not knowing how he would vote if present, I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. I transfer that pair to the junior Senator from California [Mr. PHELAN] and will vote. I vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Florida [Mr. BRYAN], who is necessarily absent, and my colleague [Mr. SMITH of Michigan] has a pair with the junior Senator from Missouri [Mr. REED]. The junior Senator from Missouri is here. By arrangement with him we have transferred our pairs, so that my colleague will stand paired with the Senator from Florida. Therefore the Senator from Missouri and myself are at liberty to vote. I vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Louisiana [Mr. RANDELL], I vote "nay."

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the senior Senator from New Mexico [Mr. FALL] to the junior Senator from Louisiana [Mr. BROUSSARD], and will vote. I vote "nay."

I desire also to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. CLAPP. I inquire if the senior Senator from North Carolina [Mr. SIMMONS] has voted?

The VICE PRESIDENT. He has not.

Mr. CLAPP. I feel constrained, then, to withhold my vote.

Mr. GRONNA (after having voted in the affirmative). I have a general pair with the senior Senator from Maine [Mr. JOHNSON]. I transfer that pair to the senior Senator from California [Mr. WORKS], and will allow my vote to stand.

Mr. WEEKS. My colleague [Mr. LODGE] is absent; but, as I announced before, he has a general pair with the senior Senator from Georgia [Mr. SMITH]. I am confident that if my colleague were present he would vote in the negative on this proposition. I understand the Senator from Georgia has already voted.

Mr. SMITH of Georgia. While I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], I only vote

without a transfer in cases where the junior Senator from Massachusetts [Mr. WEEKS] advises me that his colleague would vote as I would. I voted on this question because I had been advised that the senior Senator from Massachusetts would vote as I intended to vote; and I am glad to make that statement as to other votes in the future, without detaining the Senate to repeat it.

Mr. CHILTON. I desire to announce the absence of the senior Senator from Ohio [Mr. POMERENE] on official business, and his pair with the junior Senator from Maine [Mr. BURLEIGH].

Mr. REED. An arrangement having been made with the Senator from Michigan for a transfer of pairs, I desire to vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 14, nays 41, as follows:

## YEAS—14.

Borah	Hitchcock	Lane	Smoot
Cummins	Jones	Norris	Townsend
Curtis	Kenyon	Poindexter	
Gronna	La Follette	Sherman	

## NAYS—41.

Ashurst	James	Page	Tillman
Bankhead	Johnson, S. Dak.	Reed	Underwood
Beckham	Kern	Shafroth	Vardaman
Chamberlain	Lea, Tenn.	Sheppard	Wadsworth
Chilton	Lippitt	Smith, Ariz.	Walsh
du Pont	McLean	Smith, Ga.	Warren
Gore	Martin, Va.	Smith, S. C.	Weeks
Harding	Martine, N. J.	Stone	Williams
Hardwick	Myers	Swanson	
Hollis	Oliver	Thomas	
Hughes	Overman	Thompson	

## NOT VOTING—40.

Brady	Culberson	Lodge	Ransdell
Brandege	Dillingham	McCumber	Robinson
Broussard	Fall	Nelson	Saulsbury
Bryan	Fletcher	Newlands	Shields
Burleigh	Gallinger	O'Gorman	Simmons
Catron	Goff	Owen	Smith, Md.
Clapp	Husting	Penrose	Smith, Mich.
Clark, Wyo.	Johnson, Me.	Phelan	Sterling
Clarke, Ark.	Lee, Md.	Pittman	Sutherland
Colt	Lewis	Pomerene	Works

So Mr. NORRIS's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. Is there any further amendment to be proposed as in Committee of the Whole?

Mr. HOLLIS. Mr. President, I think the committee agreed that, on page 2, at the end of line 21, the words "or authorized by act of Congress" might be inserted.

Mr. SWANSON. That has been agreed to.

The VICE PRESIDENT. The question is, then, on agreeing to the amendment as amended and modified.

The amendment as amended was agreed to.

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

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

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes."

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by E. T. Taylor, jr., one of its clerks, announced that the House had passed a bill (H. R. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916, and prior fiscal years, in which it requested the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 10037) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, asks a conference with the Sen-

ate on the disagreeing votes of the two Houses thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY, managers at the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 11078) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY managers at the conference on the part of the House.

## HOUSE BILL REFERRED.

H. R. 13043. An act making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years was read twice by its title and referred to the Committee on Appropriations.

## MANUFACTURE OF ARMOR.

Mr. ASHURST. Mr. President, I do not purpose speaking upon the unfinished business, but in accordance with a notice which I gave yesterday I shall speak briefly upon the bill (S. 1417) to erect a factory for the manufacture of armor.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1417) to erect a factory for the manufacture of armor.

Mr. ASHURST. Mr. President, South Carolina has furnished to the Union many illustrious men and may well feel proud of her son, Senator BENJAMIN RYAN TILLMAN. More than 20 years ago he was urging the passage of a bill providing for the erection of a Government factory for the manufacture of armor plate, and the success which, in my judgment, will attend his efforts, is an illustration of the fact that an idea which is founded in truth may be crushed for a time, but it will ultimately triumph. It is given to but few men to realize results from their efforts in such great movements as this, and the chairman of the Committee on Naval Affairs [Mr. TILLMAN] may well congratulate himself upon the fact that the sentiment of the country is now well-nigh unanimous in favor of Government ownership of factories for the manufacture not only of armor plate, but powder and arms as well.

The hearings had before the Senate Committee on Naval Affairs 20 years ago demonstrated that the Government could manufacture armor for its naval vessels at about two-thirds the price such armor could be obtained if it were manufactured in private plants and sold to the Government. I have no doubt that the United States Government will save at least \$1,000,000 on each superdreadnaught it constructs, if the armor for the ship is manufactured in a Government-owned plant instead of in a privately owned plant.

In my opinion there are many reasons why the Government should manufacture its own arms, guns, powder, warcraft, and armor plate.

Firstly, when such arms and ammunition, and so forth, are constructed by the Government there is no profit to be paid to anyone, hence there is a large retrenchment; in other words, a substantial saving to the Treasury.

Secondly, from the very nature of the armor business a monopoly is inevitable, as there is generally but one customer, and that is the United States. Large capital is required to finance an armor plant, and this excludes all but the very largest concerns from engaging in such business. There are but three manufacturers of armor in the United States, and the result has been that an odious monopoly has grown up. This monopoly has no competition. It can and does charge what it pleases and, as has been well said in the report of the committee on this bill:

The committee has no desire to criticize unjustly the manufacturers of armor plate. They have done no more than most other men would have done under similar circumstances and temptations. Men in the pursuit of wealth are essentially greedy and hoggish, and the protective principle seems to have been prolific in producing some magnificent specimens. The main fact to be borne in mind is that they have more power than is compatible with the public interest. Give power to any set of men, however excellent and honorable, and sooner or later they will abuse it. Men have been built that way since the beginning of time.

It seems to me that all men, whether they be those who "favor peace at any price," those who favor "peace with honor," those who "love peace so well they are willing to fight for it," or those who wish "war at any price," ought to be in favor of Government manufacture and construction of arms and ammunition and armament for naval ships, so that in time of great distress or national emergency the Government would not be obliged to depend upon private persons for its armor plate and guns, but could have resort to its own factories and manufacture much or little, as the emergencies might require.

I am not opposed to appropriations out of the Treasury simply because they are large. If an appropriation is large but just, I am willing to vote for it; if it be unjust, the fact that it is a very small appropriation does not incline me at all to vote for it. The nature of the appropriation and the purposes for which it is to be used, not the amount, is what concerns me. I think, nevertheless, that every reasonable and practicable effort should be made to retrench, and we should save every dollar of the public funds that we may as practical persons.

There is, however, a deeper reason why I am in favor of the manufacture by the Government of its arms and ammunition, powder, and armor plate for its vessels. There are in our Nation men who are for "peace at any price," and there are men who are for "war at any price." These "war-at-any-price" men are moved by different motives. Some of them love to hear the heroic call of the silver bugles; some love the excitement incident to a war—they love the pomp and circumstance that attend military and naval operations; others, desirous of selling armor plate, guns, powder, and other munitions to the Government, promote the war spirit by violent criticism of an administration; by subtle, ingenious, and specious appeals to national honor, when in truth and in fact national honor may not be endangered; sometimes sweep Members of Congress off their feet and thus precipitate a conflict where by patience it might have been avoided. Therefore, if the manufacture of armor plate, guns, powder, naval vessels, and other like munitions were left largely to the United States, our Government would be free to act upon any certain state of facts uninfluenced, unprejudiced, and unbiased, and the powerful influence of the makers of armor and ammunition, anxious to make sales to the Government, would not in any way be thrown into the trembling scales in which the truth is to be weighed.

If it should ever become the solemn duty of Congress to declare war in the future, we should do it manfully, bravely, and, above all things, uninfluenced in any way or in any manner whatsoever by those powerful interests which seek to promote war in order that they may furnish multiplied quantities of arms, ammunition, powder, guns, and armor plate to the Government.

Mr. President, even were I convinced, which I am not, that a plant for the manufacture of armor plate and powder for the use of the guns of the Army and Navy would cost this Government more than it would to purchase the same from the owners of private plants, I would nevertheless be in favor of Government manufacture of such articles.

I read from the hearings before the Senate Committee on Naval Affairs, Tuesday, February 1, 1916, as follows:

[Extracts from the statement of Hon. Josephus Daniels, Secretary of the Navy.]

Senator PENROSE. Mr. Secretary, have you read these hearings before the Committee on Naval Affairs, in connection with Senate bill 1417, to erect a factory for the manufacture of armor?

Secretary DANIELS. I have read a part of them.

Senator PENROSE. You are familiar, of course, with the subject?

Secretary DANIELS. With the subject matter; yes.

Senator PENROSE. You are familiar with the subject matter; but as these hearings are down to date I think they are, perhaps, more valuable.

Secretary DANIELS. I did not get the hearings until yesterday afternoon. I have not read them all.

Senator PENROSE. When the committee adjourned last week, Mr. Secretary, if adjourned with the understanding that the armor-plate manufacturers could, if they chose or would, call to see you to pursue the discussion of this matter further with you as the executive head of the Navy Department, and the person who in the final analysis would have to advertise and perhaps frame specifications and come to an adjustment of the matter of price. And I am informed that these gentlemen have called on you, although I am not advised as to the details of the visit.

Will you inform the committee as to the character of the interview and your views on the matter or would you rather have Mr. Grace put on the stand?

Secretary DANIELS. I will make a statement and then Mr. Grace may make a statement, if it is desired.

Representatives of two of these companies, the Bethlehem and Midvale companies, came to see me after you adjourned last week and said it had been suggested by the committee, or some member of the committee—

Senator PENROSE. I suggested it.

Secretary DANIELS (continuing). That they confer with me; and their proposition was that I should appoint an expert accountant or accountants who would go through their books to determine what it costs to produce a ton of armor plate and get all the information in detail; and after doing so I would report to the committee whether, in my judgment, with all this confidential information in my possession, the price they proposed was a reasonable one with a fair profit.

We discussed the matter at some length, and I told them that a year ago or more the Carnegie Co. had sent me a very long and elaborate statement purporting to be the cost of manufacturing armor plate, the investment, the overhead charges, etc., and asked me to look into it to inform myself as to whether it was a proper price to charge in view of their investments and costs. I sent it back to that company without examining it carefully and told them that I could not accept any information confidentially; that any information they gave me about their plant as to its costs, operations, pay of labor, etc., must be a statement which I could lay before the Senate committee or the House committee, as the case might be; that

as Secretary of the Navy I could not accept any confidential information; that I would not ask the Senate committee to act upon my statement that I had examined into their affairs and approved or disapproved them; that if they wished to state all these facts before the committee or to me to be transmitted to Congress I would accept them, otherwise I would not. I returned their long statement with that reply.

So I told these gentlemen the other day that I could not under any circumstances agree to enter into any investigation of their plants or accept any confidential statements that they made or that any experts I appointed might make that could not appear in the hearings or go before Congress. It seemed to me that that was the only possible position an executive officer could take.

Senator PENROSE. Of course, they had their explanation about why they did not want to give the details of their business?

Secretary DANIELS. They said they did not wish to give to the public the details of their business, that it would be giving it to their competitors and to the world; but they were willing to give it in confidence to the Secretary of the Navy.

Senator PENROSE. The business, as I understand it, being of an international character, and frequently in the past there has been the most serious competition to acquire methods, patents, and processes—

Secretary DANIELS. Why, as to the international nature of the business—

Senator PENROSE. The possibly international character of the business.

Secretary DANIELS (continuing). The only international business these companies have had that I know of you will find on page 9 of my report of 1913.

Senator PENROSE. Well, we concede, Mr. Secretary, it has not been very large in the past. It is something, however, that might occur.

Secretary DANIELS. Well, in 1894 there was some international business. The Bethlehem Co. sold armor plate to Russia in 1894 at \$249 a ton; at the same time, under the contract of March, 1893, they sold armor plate to the American Government for \$616.14 per ton. In 1911 they sold to Italy at \$395 a ton, while they were charging this Government \$420 a ton. Later they sold it to Japan for \$406.35 a ton, as against prices ranging from \$504 to \$440 a ton to this country.

Since then I understand there have been no international sales; neither has any foreign Government sought to sell in this country, and none of our companies have sought to sell abroad. That being true, they did not raise any objection to making the information public on international grounds.

Senator PENROSE. They did not?

Secretary DANIELS. No. They said their objection to giving the details to the public was that it would disclose their private business to their competitors in America. My reply to that was that they had no competitors in America, for all the manufacturers of armor charged identically the same price.

Senator PENROSE. And they will have fewer competitors, I presume, if the Government keeps on. Was there any further suggestions made, Mr. Secretary?

Secretary DANIELS. Yes. Then we discussed the matter as to price. I told them if they had any statement to make as to the price they would charge in the future I would be glad to have it for consideration. Two of those companies, the Midvale Steel Co. and the Bethlehem Steel Co., submitted letters. The letter from the Midvale Steel Co. is as follows:

"Based upon our conversation in your office on Wednesday, January 26, 1916, if a construction program is arranged which will permit the Navy Department to purchase 125,000 tons of armor for delivery during the next five years we will be willing to contract for 40,000 tons, our capacity for five years, the same to be specified at the uniform rate of 8,000 tons per year, at \$402.50, base, per ton, all conditions as to terms, specifications, and manufacturing details to remain the same as provided under the present contract.

"Very truly, yours,

"A. C. DINKEY, President."

The CHAIRMAN. Is that a recent communication?

Secretary DANIELS. January 27, 1916.

Senator PENROSE. That is an offer to supply the armor on this schedule at \$402?

Secretary DANIELS. Four hundred and two dollars and fifty cents a ton if we make a contract for five years on the program that the President has recommended.

Senator PENROSE. What is the price the Government is paying now, do you remember?

Secretary DANIELS. Four hundred and twenty-five dollars. That is a reduction by the Midvale Steel Co. from \$425 to \$402.50.

Senator SWANSON. That covers 40,000 tons?

Secretary DANIELS. Yes; that is their capacity. I also received a letter from the Bethlehem Steel Co. It is as follows:

"With a view to conforming to the conversation we had with you yesterday, prompted by the suggestion to us of the Senate Naval Committee that the private armor-plate manufacturers endeavor to reach an agreement with the Secretary of the Navy on a price for armor sufficiently attractive to him to make unnecessary the proposed legislation before the committee for the construction of a Government armor-plate plant, we respectfully submit the following proposal:

"We will undertake to manufacture one-third or such additional quantity as may be awarded to us, of the armor plate required for the contemplated five-year naval program (estimated at approximately 120,000 tons), for a price of \$395 per ton for side armor, as compared with the price of \$425 per ton now obtaining; similar reductions to be made in other classes.

"In quoting this low price we have been prompted by the desire to meet your views as to a satisfactory price for armor and to the end of making it unnecessary, in your judgment, to create Government facilities for this work, and thus, in a measure, save to our interests the large investment we have in this industry.

"Very respectfully,

"E. G. GRACE, President."

Now, these two concerns, as I understand it, proposed to manufacture each one-third at those prices.

Mr. GRACE. One-third or more. My letter says, "a third or any additional amount."

Mr. BARBA. I might say that our capacity is 8,000 a year.

Mr. GRACE. Our capacity is 12,000 a year, Mr. Secretary.

Secretary DANIELS. I received no communication from the Carnegie Co., which has been making one-third of it in the past. The plan heretofore pursued has been—the Midvale company was organized when?

Mr. BARBA. As a company?

Secretary DANIELS. I mean to make armor plate.

Mr. BARBA. In 1903.

Secretary DANIELS. Up to 1903 there were only two companies, the Bethlehem and the Carnegie, and then the Midvale company came into the business in 1903. They made a bid for making armor plate which was considerably lower than the price that the Bethlehem and Carnegie companies had been charging. But I am informed that when they made this lower bid the award was not made to them.

Senator PENROSE. They did not have a plant at that time, Mr. Secretary, in the opinion of the Government, to make it certain that they could discharge such a contract.

Secretary DANIELS (speaking to Mr. Barba of the Midvale Co.). Did they not make a lower bid after they had a plant?

Mr. BARBA. We made this bid in 1903, after the plant was practically erected. We had prior to 1903 made five separate bids which were the lowest prices quoted, and for the reason noted by Senator PENROSE—ostensibly at least—they failed of receiving the award under their earlier bids, but on the bid of 1903 an award was made.

Secretary DANIELS. As I understand it, in 1903 they were the lowest bidder, after the plant was erected, but the Navy Department instead of giving it to the lowest bidder divided it among the three companies at the bid of the lowest bidder. That is right, is it not?

Mr. BARBA. No. I think that year the other two companies got two-thirds of the armor at their quoted prices.

Secretary DANIELS. The Navy Department gave this company that made the lowest bid a third, and then gave the other two-thirds to those other companies at their high prices.

Senator SMITH of Maryland. Did your company offer to furnish all of it at that price?

Mr. BARBA. They did, sir.

Secretary DANIELS. They offered to furnish it all.

The CHAIRMAN. I want to ask you, Mr. Barba, were they in condition then to manufacture it all, or would they have put themselves in condition to manufacture it all?

Mr. BARBA. As was testified a week ago, the Midvale Co. believed itself in a position to manufacture the whole of the armor that would be required for installation on the ships.

Secretary DANIELS. Of course, that all happened before I had any connection with the Navy Department.

Senator POINDEXTER. I wish you would explain, Mr. Secretary, why you did not give them the contract for it all instead of giving a contract for two-thirds at the higher price.

Secretary DANIELS. If I had been Secretary of the Navy I would have done so.

Senator PENROSE. If I may be permitted to interject—as I understand it, it was on a theory which now seems to be obsolete except in connection with shipbuilding. We frequently put in the naval bill the proviso that one battleship shall be built on the Atlantic seaboard and one on the Pacific, to keep the shipyards going. Mr. Grace knows. Am I correct in stating that sometimes in carrying out that policy a higher price is paid for a ship built in one place than for a ship built elsewhere?

Mr. GRACE. You are entirely correct.

Senator PENROSE. Both ships are not given to the lowest bidder. It has been the policy of the Government for 50 years to encourage the manufacturers and individuals in their ability to serve the Government in this connection. These people have all been invited by the Government to go into the armor-plate business. It is not a competitive proposition, strictly speaking, and under the Republican régime and Republican Secretaries of the Navy they have thought it their duty to keep all of them going and not to have what is threatened now, the third company going out of business because the manufacture of armor is too small a part of their enormous business for them to be spending every winter down here in Washington. So it is not unlikely that the third armor plant—I have no authority to speak for them, but they are not represented here. It would seem to me that it is such a small part of their enormous business that they would just as soon get out of it as not.

Senator CHILTON. You refer to the Carnegie Co.?

Senator PENROSE. The United States Steel Corporation.

Senator CHILTON. That is part of it; they own the stock.

Senator PENROSE. When the Midvale Co. came in they were welcomed by the Government, and it was never the theory until within the last few years other than that the Government should encourage them and keep them going.

Secretary DANIELS. They may have been welcomed by the Government, Senator, but when they made the lowest bid and agreed to make armor plate cheaper and agreed to make it all, the Government declined to give them the contract and gave most of it at higher prices to other companies and only gave them a portion.

Senator PENROSE. I do not wish to argue that, Mr. Secretary, but the same policy is adopted regarding the building of battleships?

Secretary DANIELS. No.

Senator PENROSE. If that is to be the policy of the Government, I would like to see all the battleships built on the Delaware, because we can build them cheaper there than anywhere else.

Secretary DANIELS. Our former experience was that what was built on the Pacific coast cost more, and in the bills there has always been the provision for a higher price for ships built on the Pacific coast—

The CHAIRMAN. The percentage was fixed in the bills.

Senator PENROSE. Well, let us follow the rule.

Secretary DANIELS. My experience has been that, though we have built no dreadnaughts on the Pacific coast, the work we have done on the Pacific has been done as cheaply as on the Atlantic. In fact, we have built two or three small ships at Mare Island under the bids made by New York and other eastern yards.

Senator PHELAN. The estimates of the Mare Island yard have been always lower, as I understand it, than the estimates of private yards. And then those vessels are intended, Mr. Secretary, for those waters, and there is the cost of bringing them over from the eastern yards, and the differential has been added. There is also the added cost of bringing the raw material from Pennsylvania.

Secretary DANIELS. That is largely true, and the wages are, I believe, somewhat larger in the West.

Senator PENROSE. The ultimate cost to the Government is higher, and if we are to abandon our old policy let us award our battleships to the lowest bidder, whether it is Norfolk or Philadelphia.

But that is neither here nor there. I merely wanted to explain that the policy with reference to armor plate has only been the same as that with reference to the shipyards.

Secretary DANIELS. I would like to proceed with my statement about our experience in buying armor.

The CHAIRMAN. Very well, Mr. Secretary.

Secretary DANIELS. The first contract we offered, in 1913, was the armor plate for the *Arizona*, I think.

Mr. BARBA. Yes; No. 39.

Secretary DANIELS. When the bids came in from Carnegie, Bethlehem, and Midvale they were identically the same figure, \$454 per ton.

The CHAIRMAN. You mean to say that these three competitors all happened to hit on the same price?

Secretary DANIELS. To a cent.

Senator POINDEXTER. What year was that?

Secretary DANIELS. 1913. I rejected all these bids on the ground that there had been no competition. Later I had a talk with the gentlemen representing these three companies and told them that we wished competition and that I could not understand how they could hit upon identically the same figure to a cent. Their answer was this: The Midvale people said that some years before that, when bids were offered, they had made the lowest bid but were not awarded the contract and that the department adopted the policy of dividing the contract between the three concerns; and they said, of course, "Why should we bid a lower figure if it is going to be awarded one-third to each of us at the same price?" But I advertised again, and they came down to \$440 per ton, enabling the department to effect a saving of \$111,000 on that contract.

Since then we have had bidding which has varied very little and we have had, of course, practically no competition.

On June 7, 1900, the naval act contained a provision authorizing the building of an armor plant:

"Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels above referred to, provided such contracts can be made at a price which in his judgment is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor, and the sum of \$4,000,000 is hereby appropriated toward the erection of said factory."

He was "satisfied" that the price was "reasonable" and did not build the plant.

In 1895 Secretary Herbert visited Europe and made a thorough investigation into the armor-plate situation. He became satisfied that there was a world-wide agreement by which the manufacturers of one country would not sell in any other country, and he recommended the building of an armor-plate factory as the result of that investigation.

The CHAIRMAN. Mr. Secretary, you evidently believe there is a combination among these manufacturers of armor?

Secretary DANIELS. Well, I evidently believe there is no competition. The CHAIRMAN. That is a negative way of saying the same thing?

Secretary DANIELS. Not necessarily, because they say to me, very frankly, "We had no inducement to bid; if we bid lower, we do not get any more of the contract than if we bid higher."

The CHAIRMAN. But only the lowest man says that?

Secretary DANIELS. The lowest man; yes.

The CHAIRMAN. The fellow that could not get in explained the reason why?

Secretary DANIELS. And therefore he said, "Why should we bid lower?"

The CHAIRMAN. He would not play in a game where the cards were all stacked before he entered it.

Senator PENROSE. I think it is admitted it is not a strictly competitive proposition. The point of view of the Government has been: Is the Government getting armor plate at a reasonable price and one that can be compared with that which it costs other nations?

The CHAIRMAN. Mr. Secretary, from your experience with the manufacture of smokeless powder by the Government, you are satisfied that the Government can manufacture armor more cheaply in its own factory than it can buy it?

Secretary DANIELS. There is no doubt of that.

The CHAIRMAN. And the ownership of an armor factory would relieve us of future combinations, or perpetual combinations?

Secretary DANIELS. I think this: If we owned it, we would secure competition from outside plants as well as our own. And I believe, in view of the many changes and new construction, the Government ought to have a factory where its own experts would be studying the best methods of making armor plate.

Of course, the private manufacturers and the Government have worked harmoniously trying to perfect the best armor, but I think the Government ought to be doing it itself. At present the armor-plate factories do not sell abroad, but they have a right to do so, and the armor they are making is the joint product of the brains of the Navy and the armor-plate experts. They have made the armor plate upon our specifications. If our experts should obtain armor plate in this country that was better than could be obtained in any other country in the world and we wished no other country to have it, we have no guaranty now that it would not be sold abroad.

Take the matter of torpedoes. We have gone into the manufacture of torpedoes pretty largely, and we have had a good many manufactured by private concerns. Two years ago the manufacturers of the torpedo which really was the product of the Navy's inventors working with the private concerns were about to sell those torpedoes to foreign countries, and we had to enjoin them in the courts on the ground that that torpedo was a product of the Navy's brains as well as theirs and it should not go abroad. After litigation it was decided in the courts of New York that the private company could not sell them abroad.

In the course of his opinion Judge Cox said:

"This case illustrates the importance of the United States having a manufactory of its own for the manufacture of torpedoes and other implements of war, which are improved and changed from time to time by the addition of ingenious mechanism, which should clearly be kept secret unless our enemies are to profit equally with ourselves in every improvement which the ingenuity of our Army and Navy officers may suggest."

Now, I think the Government ought to make as much as practicable of everything like armor plate, torpedoes, projectiles, and powder—particularly the things that are improving all the time—so as to be able to control them.

Senator SMITH of Maryland. Mr. Secretary, it is not your judgment that the Government should put itself in a position to manufacture them all?

Secretary DANIELS. No; I do not think that is necessary.

Senator SMITH of Maryland. As I understand it, it is your idea that we should have an armor-plate factory for the purpose of knowing what it costs and preventing a monopoly of it?

Secretary DANIELS. In fact, we do not get competitive prices.

Senator SMITH of Maryland. You think it is unwise for us to undertake to manufacture it all, because it would put these other people out of business and destroy the present factories which might be very useful to the Government?

Secretary DANIELS. I have this idea: If you have competition between your own factory and a private factory, you get some advantage. If the Government should make all its own ships, for instance, it would not have quite as much competition in the building of ships as if outside people were bidding.

Senator SMITH of Maryland. What is your idea, Mr. Secretary, of the amount of armor plate that would be required per year for the next five years? It is 25,000 tons a year, as I understand it?

Secretary DANIELS. If this program goes through, we would need 120,000 tons.

Senator SMITH of Maryland. About 25,000 tons a year for the next five years.

Senator CHILTON. That is 113,000 for our actual needs, and then 7,000 tons for testing purposes.

Senator SMITH of Maryland. Is it your idea the Government should make about 20,000 tons of that per year?

Secretary DANIELS. That is a matter, Senator, for the Congress. My estimates, made in November, allowed for a factory that would make 10,000 tons a year. In the report of the committee they pointed out that you could make it much cheaper if you made 20,000 tons, which, of course, is true.

Senator SMITH of Maryland. That may be true. If you will allow me to express myself, I think it wise for this Government to be in a position to know what is being done in armor plate, and it is wise to know what it costs, but I do not think it is wise that this Government should go in and monopolize the business. I think it is well to keep these factories. Now, the proposition is, if 20,000 tons is to be manufactured, that would put the other people out of business entirely, would it not?

Secretary DANIELS. If we were prepared to make 20,000 tons we would be able to make most of the armor required under this program.

Senator PENROSE. It has been strongly intimated that every one of the private concerns would abandon the business and throw their plants into the junk pile and go into other lines of endeavor.

Senator SWANSON. Mr. Secretary, from your investigation of this subject, what suggestions have you to make to the committee as to Senate bill 1417, as to the amount to be appropriated and the amount of armor contemplated to be manufactured by the Government? Will you read that bill and suggest to the committee what you think would be the most advantageous position for the Government to take in reference to it?

Secretary DANIELS. The most advantageous position for the Government to take, looking at it as a matter of economy, would be to pass this bill.

Senator SWANSON. That is, in a broad way; but do you think it would be better to go into the manufacture of armor plate to the exclusion of private concerns or leave a portion of it for private competition?

Secretary DANIELS. In my recommendation and in my estimates, as you will see, I recommended a capacity of 10,000 tons.

Senator PHELAN. I do not know that it has appeared in the testimony here, but I have learned in private conversation that the Krupp concern provided certain munitions, or possibly arms, for the French Government in competition with French private plants, and the deduction was drawn that the French private plants, having been crippled by reason of the competition of the Krupps, were unable to supply the French Government during this war with munitions, certainly not to the extent which otherwise they would have been able to provide them. Is there any truth in that statement?

The CHAIRMAN. I do not know, sir. You startle me by any such statement as that.

Senator LODGE. It took them some time to get into a condition to supply their own munitions.

Senator PHELAN. I think the fact bears on this discussion—if it is true. I do not know.

The CHAIRMAN. That is hearsay, so far as I know. If you and Senator LODGE have any evidence as to the accuracy of that statement I would like to have it.

Senator PHELAN. My informant is present in the room. I think it was Mr. Grace who told me that.

Mr. GRACE. I do not think so, Senator Phelan. I have not talked to you on this subject at all, as a matter of fact. If I had any evidence, I should be very glad to offer it.

Senator SMITH of Maryland. I think that statement is perfectly reasonable.

Senator PHELAN. Who was it called on me in reference to this hearing? It was not Mr. Snyder; he is not present?

Mr. GRACE. Mr. Snyder is not here.

Senator PHELAN. I know it was one of the gentlemen from the Bethlehem plant. It ought to be a matter of general information.

Secretary DANIELS. You will remember that a few years ago the papers were full of reports that the Krupp concern had bribed or induced certain newspapers in France to advocate a very large armament. There was a sensational investigation and some of the newspapers appeared in a bad light.

Senator PHELAN. Is it not a fact that the Krupps did supply the French Government within the last 10 years?

Secretary DANIELS. I do not know; it could be ascertained.

Senator LODGE. I did not speak in reference to Krupps. The information I have comes from French sources, and it was simply to this effect, that it took them a year after the war began to get their munition plants into such condition as to supply their needs. They were behind, and they had to put in a great deal of extra machinery and extra men in order to meet the demands for munitions.

The CHAIRMAN. That is notoriously so, because England and all of the rest of the European countries that are in this war were not expecting such a gigantic struggle.

Senator LODGE. The situation in England is very different. I am speaking simply of the French. The munition plants there, for whatever reason, had got so far down that they could not possibly meet the demands of the war. They are now meeting them fully.

Senator PHELAN. Having made the statement with the premise that I learned it in private conversation, if it is a fact that the Krupps have supplied the French Government with munitions, is there anybody in this room that can supply that information?

Senator PENROSE. Mr. Grace might be able to answer.

Mr. KING. They did prior to the Franco-Prussian War, sir, but after that it is rather uncertain.

Senator POINDEXTER. I do not think this sort of fishing around for hearsay testimony and rumors amounts to anything, Mr. Chairman.

Senator PHELAN. In making that statement I desired to lay the foundation for this question. Outside of this bill—because I see it does not provide for the acquisition of private plants—has the Secretary of the Navy entertained a proposition to purchase one of the existing plants instead of constructing de novo an armor-plate factory?

The CHAIRMAN. I have never heard of any existing plants being entirely willing to sell. I asked them last year when the committee was up at their different establishments whether they had any idea of selling, and every one of them pooh-poohed it.

Senator PHELAN. Would it not be a wiser policy, instead of by competition destroying an existing plant, to acquire one by purchase or condemnation?

The CHAIRMAN. Well, condemnation would involve such an immense amount of litigation and be so costly that I do not think the Government would enter upon any such speculation.

Senator PHELAN. Assuming these gentlemen representing these various plants would agree to sell at a reasonable price, is there any objection on the part of the committee or in your mind to acquiring an existing plant?

Senator SMITH of Maryland. Is it likely they would sell at a reasonable price now, when there is such a demand for their products? If there ever was an opportunity for them to make money, it is now.

Senator POINDEXTER. Has the Secretary completed his statement, Mr. Chairman?

The CHAIRMAN. Mr. Secretary, I notice in your report that you ask for an appropriation for an ammunition plant?

Secretary DANIELS. A projectile plant.

The CHAIRMAN. Is there any reason why this armor plant that we are going to build—I hope—can not also produce the ammunition necessary for the Navy?

Secretary DANIELS. You would have to have different equipment.

The CHAIRMAN. Of course you would have to have additional equipment.

Secretary DANIELS. If you will notice in my report, I recommended "for armor plate and other munitions." You can make forgings and you can make some other things, but there is no reason why you should not add to that plant other equipment to make certain munitions. But the armor-plate machinery itself makes only armor plate.

The CHAIRMAN. We all know that; at least I do, because I am an old hand at this investigation of armor. This was my first work in the Senate when I came here 20 years ago, and I perhaps know more about armor factories than any man on the committee.

Senator LODGE. Mr. Secretary, may I ask you on what are based the figures for the cost of the armor made by the Government plant?

Secretary DANIELS. A special committee, composed of Senator TILLMAN, Chairman PADGETT, and Admiral Strauss, made an investigation. The figures given are from that report. Your committee last year authorized that to be done.

Senator LODGE. Yes; I know.

Secretary DANIELS. And they went into the investigation very carefully. They visited Bethlehem, Midvale, and Carnegie. At the time the appointment of the committee was proposed I hoped the members would be able also to visit European countries, and I think that was part of the idea, to try to ascertain the cost abroad as well as at home.

Senator LODGE. Then the figures you give for the cost of armor plate manufactured by a Government plant are based on that report?

Secretary DANIELS. They are based on that report.

The CHAIRMAN. These manufacturers of armor have agreed that it is only 10 per cent wrong. I believe that was the testimony last week.

Senator LODGE. In those figures of the cost of Government manufacture do you include interest, overhead charges, insurance, and everything of that sort?

Secretary DANIELS. Yes.

Senator SWANSON. I think they include everything except interest.

Secretary DANIELS. Do they not include interest?

Senator PENROSE. It is only fair to say on that point that this matter was thoroughly discussed the other afternoon, and there was a difference of opinion between this Tillman report and the statement of Mr. Grace and his associates.

Senator SWANSON. I think they stated, Senator Penrose, there would be only 10 per cent difference between what it has cost them, as shown by their books, and the estimate contained in this report.

Senator PENROSE. Down to the period where you get that figure, but there are other deductions that should be made.

Senator SWANSON. Mr. Secretary, do you think it would be advantageous to the Government, as suggested by the Senator from California, to make the erection or purchase of an armor-plate factory optional with the department; to give you the power to purchase an existing plant if you saw proper, or to erect one if you saw proper? What do you think would be the advisability of leaving that optional with the department?

Secretary DANIELS. I think if we could purchase one at a reasonable price it would be better than to build, because we would get it cheaper.

Senator SWANSON. It would be available at once; otherwise there would be a delay of three years?

Secretary DANIELS. Two or possibly three years. We might complete it in 18 months.

Senator LODGE. This plant you propose is a 10,000-ton plant?

Secretary DANIELS. That is my estimate.

Senator CHILTON. The bill provides for 20,000 tons.

Senator LODGE. Will you kindly tell me again what will probably be the annual consumption?

Secretary DANIELS. It all depends, of course—

Senator LODGE. I understand—on what we authorize.

Secretary DANIELS. On the proposed building program it will be 120,000 tons for the five years.

Senator LODGE. One battleship requires about 8,000 tons?

Secretary DANIELS. About that.

Senator LODGE. And we have been authorizing at the rate of two ships—16,000 tons?

Secretary DANIELS. Yes; generally.

Senator LODGE. And the 20,000-ton plant would make all the armor necessary for the battleships unless you added a battle cruiser or a third ship?

Secretary DANIELS. Not all of that, but nearly.

Senator LODGE. I understood the estimate of \$10,000,000 was for a 10,000-ton plant.

Senator PENROSE. Mr. Grace says that is all such a plant would produce. Admiral Strauss differs with him by 100 per cent. He says it would produce 20,000 tons.

Secretary DANIELS. Of course, we estimated on what Admiral Strauss stated in his testimony.

Senator LODGE. And the time he figures is 18 months?

The CHAIRMAN. No; the time necessary, in the opinion of the present Chief of the Bureau of Yards and Docks, Mr. Harris, is that if you will cut the red tape in the Navy Department—you know what red tape is; I don't—he can build it in 18 months.

Senator LODGE. And these estimates all rest on the opinions of bureau chiefs?

Senator PENROSE. Who are not experts on armor plate.

Secretary DANIELS. You could build it in 18 months or 2 years if there was no delay.

Senator LODGE. I mean, the estimates and everything else rest on the estimates of the bureau chiefs?

Secretary DANIELS. Why, of course.

Senator PAGE. Mr. Secretary, if the exigencies which the President tells us may appear immediately should come to pass, are we not liable to want, perhaps, a great deal more armor plate than has been suggested by any bill before Congress?

Secretary DANIELS. We are not now asking Congress for any more than were put in the estimates.

Senator PAGE. But if there should be a prospect of an immediate war, would not those estimates be doubled, or trebled, perhaps?

Secretary DANIELS. Of course.

Senator PAGE. Then is it not possible that it will be better to postpone the proposed legislation with regard to an armor-plate plant for a year and continue the present status of the parties that are now manufacturing armor until we see what situation is going to confront us in a month or so?

Secretary DANIELS. If it were true we were going to need a great deal more than we have estimated for, then the private plants could not meet our needs, and we would need a plant all the more.

Senator PAGE. We should not have that for a year or two, perhaps, and we want now to stimulate and encourage the existing plants to continue their operations and make a large amount of armor plate in the immediate future.

Secretary DANIELS. They have a certain limit to their production now.

Senator PAGE. I think 32,000 tons is the limit stated.

Senator JOHNSON. Mr. Secretary, you said something about the advantage to the Government of preserving secrets if we had our own armor-plate factory. I would like to have you elaborate that.

Secretary DANIELS. I mean by that there have been a number of improvements. Of course the Navy's experts are studying how to improve all war munitions. I was illustrating this by the torpedo. I think it would be very valuable for the Government to have its own factory, where its own experts could experiment in making armor plate.

Senator JOHNSON. And preserve the secrets?

Secretary DANIELS. Yes; and try to produce something better. I think that is a very strong argument in favor of having a Government plant. That does not affect the size of the plant, however.

Senator PAGE. And how long, Mr. Secretary, would it be before that plant could be put in operation, if this bill should pass?

Secretary DANIELS. At the best, 18 months.

Senator PAGE. I think the testimony of one of the admirals was it would be nearly twice that. Am I right about that?

Senator LODGE. Yes, sir.

Secretary DANIELS. Two years, I would say, would be nearer right if we had the money available and proceeded at once.

Senator PENROSE. From two to five years the estimates run, I think, according to the testimony.

Senator CHILTON. Mr. Secretary, if you have not explained to the committee, I would like to have you explain now your opinion and give us the benefit of your judgment as to the relative difference between putting up a 10,000-ton plant and a 20,000-ton plant. I know there is a difference in cost. I believe you estimated \$230 a ton for the 20,000-ton plant. I mean, to take into consideration all the factors. It might be inadvisable for us to destroy or put out of operation the plants that are now in existence. You must have studied that. Which do you think it would be best for the Government to do now, granting it was determined to build some kind of a plant?

Secretary DANIELS. As I said just now, my estimate was for a 10,000-ton plant, and the advantage of a 20,000-ton plant is that you could get armor plate at about \$32 a ton cheaper.

Senator CHILTON. Well, let us take the present situation as it exists now, taking all those factors into consideration. One of the main reasons you want a plant would be for the experimental tests you spoke of?

Secretary DANIELS. That is one of the main things, but one of the other big things is to get competition in prices.

Senator LODGE. But if the Government makes substantially all the armor plate it needs in a year in its own plant, of course, you would put the others all out of business. Do you think that would be a good thing?

Secretary DANIELS. Well, as I said just now, my recommendation was for a 10,000-ton plant at this time.

Senator LODGE. Exactly; you want to keep competition alive, with the possibility of expansion?

Secretary DANIELS. With the possibility of expansion. If we show on a 10,000-ton plant what I think we will, then it will be another question how much larger we should make it.

Senator SWANSON. Could a plant of 10,000 tons capacity be expanded to 20,000 tons capacity without the loss of much machinery?

Secretary DANIELS. Senator TILLMAN, you went into that more fully than I did.

The CHAIRMAN. My opinion is it is cheaper to build a larger plant, and I can not see where anything at all would be lost.

Senator SWANSON. I mean, if you should have a 10,000-ton plant and afterwards the developments were such that you wanted to increase it to a 20,000-ton plant, could it be done without very great loss on the 10,000-ton plant?

The CHAIRMAN. You would only lose time, in addition to the money necessary to expand it.

Secretary DANIELS. It is just a matter of more units.

Senator SWANSON. So there would not be any material loss in the expansion?

Secretary DANIELS. No.

The CHAIRMAN. I say there would be no loss whatever, but it would be a saving to build a larger plant in the beginning.

Secretary DANIELS. Undoubtedly.

Senator SWANSON. Have you ever had any proposition made to the Navy Department for the sale of any one of these plants at a reasonable price?

Secretary DANIELS. No. A year ago or more, talking to these gentlemen, one of them said, "Well, if the Government is going into this we might as well sell our plant." But it was in a casual conversation; there has been no proposition.

Senator PAGE. Is it not possible, Mr. Secretary, that this is an inopportune time to make the change, in view of what confronts us now?

Secretary DANIELS. Why, I think, in view of the larger program, this is the time to do it.

Senator PHELAN. What has been the effect of the Government's manufacture of gunpowder on prices and quality?

Secretary DANIELS. When the Government began to manufacture smokeless powder it paid to the private company 80 cents a pound.

Later, some years ago, Representative SHERLEY began an investigation as to what ought to be the price—about six years ago; I won't say exactly the time. After that investigation Congress fixed the price at 53 cents. We did not manufacture much smokeless powder then. The Sixty-third Congress increased the capacity of the powder factory, so that now we can manufacture, beginning the 1st of March, 6,000,000 pounds a year. It costs us 24 and a fraction cents to manufacture it; that is, the first cost, not counting investment and overhead charges. Counting that, it costs about 35 or 36 cents.

Senator LODGE. That includes everything?

Secretary DANIELS. That includes everything. It is 25 cents if you do not charge anything except the mere cost of the powder; charging everything, it costs 35 or 36 cents.

Senator CHILTON. Factory cost?

Secretary DANIELS. Factory cost.

Senator SWANSON. What has been the experience in connection with the manufacture of guns?

Senator LODGE. I would like the Secretary to finish this matter. Secretary DANIELS. We can manufacture in the Navy, beginning the 1st of March, all the powder we need in the regular orderly operation as the General Board has prescribed. We can make it all, as I say, at a cost of 25 cents net, or 36 cents with the overhead charges, a very great saving, you see.

The CHAIRMAN. What is the experience of the Government with the lasting qualities of smokeless powder?

Secretary DANIELS. It lasts longer.

The CHAIRMAN. Can it be kept in stock and stored up?

Secretary DANIELS. Every few years we rework this powder, but Admiral Strauss has been able to make it so much better we do not have to work it so often. About once in three years we rework this powder. It used to be worked oftener.

Senator PHELAN. You make it at 35 cents?

Secretary DANIELS. Including all overhead charges; yes.

Senator PHELAN. What is the commercial market price for large quantities of powder?

Secretary DANIELS. Congress fixed the price that we should pay when we buy it outside at 53 cents.

Senator PHELAN. But what do the manufacturers sell it to outside purchasers at?

Secretary DANIELS. I do not know, Senator. A dollar a pound I think they are charging now.

Senator CHILTON. I have heard that.

Secretary DANIELS. My understanding was the Du Pont Co. had a contract abroad for millions of pounds at \$1 a pound.

Senator PHELAN. The same quality of powder?

Secretary DANIELS. I think they make the same quality of powder.

Senator PHELAN. You now manufacture all you need in the orderly routine operation of the Navy?

Secretary DANIELS. We will be in March.

Senator LODGE. But we do not make enough for war?

Secretary DANIELS. No; not for war.

Senator PHELAN. Does it deteriorate by storage?

Secretary DANIELS. Yes; about every three years we have to rework it.

Senator PHELAN. What else does the Government manufacture?

Secretary DANIELS. Torpedoes, some types of guns—

Senator SWANSON. While you are speaking of guns, what was the cost of guns before the Government manufactured them, and what does it cost now to manufacture these guns?

Secretary DANIELS. I would like to look into that. As a general rule, if we can manufacture them cheaper than we can buy them outside we manufacture them, and generally we have been able to do so. Sometimes we have made a contract outside at a lower price than we could manufacture at, but we have made a considerable saving as a whole. If you will let me have a little time to look up the figures, I will put that in the bearings. We have generally made them cheaper than we can buy them outside.

Senator PHELAN. I think this information is very interesting, in view of the fact that a larger part of the opposition to the program of preparedness comes from men who think that those who manufacture munitions are always stirring up trouble and inspiring the war spirit for the purpose of selling their wares. You say that all the powder used in the ordinary orderly routine of the Navy's operations is manufactured by the Government plant?

Secretary DANIELS. Yes.

Senator PHELAN. And what percentage of the small arms?

Secretary DANIELS. Not a very large per cent; a very small per cent.

Senator PHELAN. Torpedoes?

Secretary DANIELS. We manufacture torpedoes, over half.

Senator PHELAN. Then if you manufacture your armor plate and build your ships in navy yards that objection to preparedness would be answered?

Secretary DANIELS. I think it would be a good proposition for the Government in every way.

Senator PHELAN. And in the proportion that you do manufacture these things as a Government, in that proportion would the sentiment against preparedness be allayed?

Secretary DANIELS. That part of the preparedness sentiment that comes from those who get money out of it.

Senator PENROSE. Would that satisfy Henry Ford and William Jennings Bryan, do you think? If that was eliminated, would they be for preparedness then?

Senator PHELAN. It would probably deprive them of one of their arguments.

Senator PAGE. Would there be any material embarrassment, were we to have war now with a foreign power, in securing the proper amount and quality of powder?

Secretary DANIELS. No; I think not; because our plant and the private plants have been so much engaged recently. But our country always is in a position that if we had war we would have to buy munitions of all kinds.

Senator PENROSE. Mr. Secretary, on that point, if the Government goes into this on the basis of manufacturing all the munitions they require, where will they find private manufacturers able to manufacture munitions when a larger demand occurs in case of war?

Secretary DANIELS. I have not advocated the manufacture of all, Senator.

Senator PENROSE. Take your battleships, your armor plate, your guns, your powder—even Admiral Strauss declared that the policy of France had been a failure in the manufacture of powder. If a war should occur, perchance, an enormous demand will be created and these individuals will have disappeared like the buffalo.

Secretary DANIELS. I do not think we ought to pay excessive prices because of that fear.

Senator PHELAN. One of the objects of your plan is to determine the cost of these things?

Secretary DANIELS. Yes; and this is true: Take the question of powder—that has now been turned into a science. For a long time we manufactured only a fourth, or a third, or a half, and we bought additional powder, and we had competition between outside and inside. Now, our experts can make it perfectly; and it would be a very unwise policy for this Government to pay 53 cents when it can make it for 35 or 36.

Take the question of shipbuilding, for instance. I really think we get better results if we have some built at navy yards and some built by private companies, because we get the competition between our own experts and outside experts.

Senator SMITH of Maryland. Do you not think that is the case in regard to armor plate, that we could manufacture some and leave enough for outside parties to encourage them to keep in a prepared state?

Secretary DANIELS. That may be the wisest course, Senator.

Senator CHILTON. That was one of your recommendations; that was one of the considerations.

Secretary DANIELS. In my estimates I estimated that we should make a 10,000-ton plant. That was my recommendation. It is much better as a matter of economy to make it 20,000 tons.

Senator SMITH of Maryland. It might be better possibly to pay a little more and have assistance when you need it, from outside parties, but to build a plant of 10,000 tons would enable you to get at what ought to be paid for it, and it would also stop the monopoly, if there is a monopoly, and it also would enable you to have the secrets which you think are very valuable, and at the same time not destroy the private industries altogether.

The CHAIRMAN. Mr. Secretary, as to this proposition for a 20,000-ton plant, the estimate of cost is based upon its running all the while—three shifts. It is not customary to run Government plants 24 hours in a day. Therefore, unless there is an emergency, we could reduce the time of manufacturing armor to eight hours a day, and jog along in that way, and the cost would not be as much as we are now paying.

Mr. BARBA. It is not possible, Mr. Chairman, to run an armor plant eight hours a day. It is not physically possible.

Mr. GRACE. The operations require continuous work.

Mr. BARBA. The operations require absolutely continuous performance 24 hours a day 7 days a week.

The CHAIRMAN. You mean the heat has to be maintained?

Mr. BARBA. Yes, sir. I instanced a week ago in my testimony one operation, which is common to every armor plant, which requires from 18 to 25 days' continuous operation at a temperature of 2,000° F. without cessation. You can not do that on an eight-hour basis.

The CHAIRMAN. That is one of the special parts of the manufacture, however.

Mr. BARBA. You can do that in the case of machines where the tools may stand idle.

The CHAIRMAN. My judgment would be it would be possible for the Government armor factory to run on those processes which are not necessarily continuous in such a way as not to make it necessary, and you could get the same results, and you could expand and run 24 hours a day in an emergency.

Mr. BARBA. But, Senator TILLMAN, where does your cost go under such an operation as that? When you are working 8 hours a day and the plant is idle 16 hours a day, everything stops more than 16 hours a day. It takes longer than 8 hours a day to pick up and get going. You need a little manufacturing experience, Senator, to show you the truth of these statements I am making to you.

Secretary DANIELS. You asked me just now about the guns. I find I have the facts in my testimony before the House committee last year. It cost something less than \$60,000 to build a 14-inch gun. The Army is making 10 for us at a cost of about \$61,000 apiece. We asked for bids on those 10 guns, and the Midvale and Bethlehem companies bid \$79,000 apiece for them, a difference as against the Army price of approximately \$18,000 and as against the Navy price of \$19,000. That was for 14-inch guns.

Senator PHELAN. Of course that question of cost is subject to change when you add in the interest on investment and overhead charges?

Secretary DANIELS. All those things enter in, of course.

Senator PHELAN. There is no standardization of statistics, it seems to me.

Senator PENROSE. That is the whole trouble.

Senator LODGE. The costs are almost valueless.

Senator PENROSE. Figures will prove anything about the cost of Government work.

Secretary DANIELS. Well, figures prove as much about Government work as about private work.

Senator PENROSE. I did not go that far; I am willing to admit that, too.

Secretary DANIELS. These figures, though, absolutely show the cost to the taxpayers.

Senator SWANSON. But this was after bids. Bids were made for 14-inch guns, and the navy yard had all its plant, and the Army had its plant and overhead charges, and a bid was made by the Army to construct ten 14-inch guns for the Navy, and the difference between the Army price and the price submitted by the outside bidders was \$18,000 on each gun.

Senator PHELAN. That is due to the fact that the Government is not paying dividends to stockholders.

Senator PENROSE. And not paying taxes.

Secretary DANIELS. But do not forget we have equally large overhead charges. The leave, liability, and sickness amount to from 10 to 12 per cent, and outside companies do not have these charges.

Mr. KING. We have every bit of that.

Secretary DANIELS. Some of it. They do not give the leave that we give; they do not have those outside charges that we have. So you must consider both; I do not mean to say they equalize each other, but you must consider both.

Senator PHELAN. There is one thing certain, that the Government does not pay more than they would have to pay if they employed private concerns.

Secretary DANIELS. In most instances they pay less, and when they pay more they get it outside. Now, when we gave these bids out, if Midvale and Bethlehem had bid lower for these guns they would have gotten them.

Mr. KING. Would you have shut down your plant, sir?

Secretary DANIELS. Sometimes it might possibly be better to temporarily stop a portion of the plant if we could get them cheaper.

Mr. BARBA. Mr. Chairman, I would like to call attention to a fact about the manufacture of small guns.

The CHAIRMAN. Do you mean rifles?

Mr. BARBA. Four-inch rifles, 5-inch rifles, and such as are going on our smaller naval units. That is the type of gun which can be produced most quickly and rapidly in time of stress and emergency. The Midvale Steel Co. has not had an order for these small guns in three years, due to the fact that the Washington Navy Yard and the Water-villet Arsenal have taken every gun the department had to give out; and the Midvale Steel Co.'s tools and equipment are idle so far as those guns are concerned. The men, the expert workmen on lock mechanism, are scattered and are not any longer in our employ, and to-day we could not make those guns.

Senator PHELAN. Are you making those guns for foreign order?

Mr. BARBA. Not at present, sir.

Secretary DANIELS. But you are taking orders?

Mr. BARBA. We hope to.

Secretary DANIELS. The Midvale Co. declined to take any foreign orders until it recently sold out, and since then it has taken orders.

Mr. BARBA. We hope to take orders for relatively small guns—and large ones.

Secretary DANIELS. Of course, whenever we can make guns cheaper ourselves we make them; when we find it cheaper to go outside and get them we go out outside, like any other business concern.

Mr. MATTHEWS. Mr. Secretary, is there not legislation to prevent your doing that?

Secretary DANIELS. We are compelled by certain legislation to keep our plants working, if we can do so economically. I have forgotten the exact words of the legislation. Before that it often happened the Government factory was standing idle and the contracts were awarded outside. Congress put a provision in the act that we should keep the Government factory busy.

Mr. BARBA. The purpose of my remarks about the small guns was to show the certain atrophy that comes on a plant that is allowed to fall into disuse.

Senator PHELAN. The gentleman says he has orders, if I understand him, for foreign guns?

Mr. BARBA. Not at present; we have made bids. But it will require us to overhaul our plants and reassemble our crews before we can undertake to accept those contracts.

Senator PHELAN. That would be very advantageous to you—to keep your plant going?

Mr. BARBA. Yes; and that is the reason why we do it. We would far rather have our plant filled with the work for which it was designed.

Senator PHELAN. Do you think your foreign orders would probably enable your plant and all other plants in this country to keep in operation?

Mr. BARBA. Yes, a short time; but against the policy of the United States.

Senator PHELAN. Are you familiar with the export trade in munitions?

Mr. BARBA. Yes; pretty well.

Senator PHELAN. Will you state what percentage of the whole amount of munitions goes from the factories of the United States to European battle fields?

Mr. BARBA. It is almost impossible, Senator, to give you such a figure as that.

Senator PHELAN. Is it more than 5 per cent?

Mr. BARBA. Yes, indeed.

Senator PHELAN. It has been stated it was about 5 per cent of the whole amount consumed on the other side.

Mr. BARBA. I think Mr. Grace can give you a very much more accurate statement than I, because I heard him make a remark the other day which showed he had some information. And as he has manufactured very much more in the way of munitions than we have at Midvale I would be glad to retire in his favor. I am certain there is a very large proportion of the stuff being used abroad coming from America to-day, but the plants were largely built as emergency plants. They were remodeled car foundries, remodeled railroad shops, factories of all kinds. And they have, of course, figured on amortizing every bit of their new equipment on the cessation of war orders, and they, of course, will desire to return to their standard line of business.

Senator PHELAN. That is irrelevant anyway.

The CHAIRMAN. I would like to submit this bill to the committee and get a vote on it.

Senator PENROSE. Don't you think, Senator, we had better do that in executive session?

Mr. GRACE. If the hearings are about concluded, I would like to have a few minutes to make one more statement, if it is convenient.

The CHAIRMAN. If Secretary Daniels has finished.

Secretary DANIELS. I believe I have nothing more to add.

Mr. THOMPSON. Mr. President—

The PRESIDING OFFICER (Mr. VARDAMAN in the chair).

Will the Senator from Arizona yield to the Senator from Kansas?

Mr. ASHURST. Yes; I will yield.

Mr. THOMPSON. I simply wish to ask whether the Secretary indicated that the bids of the three companies were at that time identically the same when submitted a second time?

Mr. ASHURST. If my memory serves me correctly, they reduced their bids and the contract was divided among the three. In the bidding there was absolutely no pretense of competition. The bids were all reduced and accepted at the reduced figures.

Mr. HUGHES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Jersey?

Mr. ASHURST. I yield.

Mr. HUGHES. The Senator is aware that the Navy Department adopted a policy of dividing the work and divided the bids to make it an equal amount to each.

Mr. ASHURST. Yes.

Mr. KENYON. Mr. President—

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

Mr. ASHURST. I yield to the Senator.

Mr. KENYON. Before the Senator leaves the evidence, I should like to ask him if any explanation was made by anyone as to why these gentlemen sold armor plate cheaper to foreign nations than to their own country?

Mr. ASHURST. Mr. President, although I have not carefully read all the hearings, my remembrance is that there is no explanation in the hearings as to why it was that they sold it to Russia, Italy, and Japan at a much cheaper price than to our own Government.

Mr. KENYON. May I ask the Senator another question? The newspapers stated that notice of some kind was served upon the committee that if an armor-plate factory was to be built by the Government or the construction in any way commenced the manufacturers would raise the price of armor plate to the Government \$200 per ton. Is there evidence of that kind or is it a newspaper story?

Mr. ASHURST. I saw the article in the newspapers, but not finding it in the testimony I refrained in my address from advertising to it.

Mr. KENYON. The Senator finds nothing of that kind in the testimony?

Mr. ASHURST. I did not find anything in the hearings. If such a statement was made, of course it was a most offensive and stupid thing for anyone to say.

Mr. TILLMAN. Mr. President—

The PRESIDING OFFICER. Will the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. I yield to the Senator.

Mr. TILLMAN. I will state to the Senator from Iowa that when the Senator from Pennsylvania [Mr. PENROSE] comes back and makes his own speech, I wish he would ask him the question. He is the man who notified the committee of that fact. He said they would raise their price \$200 a ton.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator from New Hampshire. Mr. GALLINGER. I think no one has suggested that the Senator from Pennsylvania [Mr. PENROSE] was voicing the views of any of the manufacturers when he made that observation. I have seen it suggested that he made the observation, but I imagine that he did it entirely on his own responsibility.

Mr. LEWIS and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I will yield first to the Senator from Illinois, as he rose first, and then I will yield to the Senator from Missouri.

Mr. LEWIS. Mr. President, I take the liberty to make a response to the inquiry of the Senator from Iowa and to say to him that when investigations were on touching the question of the armor plate being sold to foreign nations at a price less than that sold to our Government, I happened to bear an insignificant relation to the query, being then a Member of the House and serving in rather an incidental capacity. The present chairman of the Naval Committee of the Senate [Mr. TILLMAN], then a Member of the Senate, began the conflict here in this body, as the Senator from Arizona in his opening address stated. A few Members of the House, including myself, assumed to open an inquiry in the House. I recall that this statement was made in answer to the two inquiries. One was that what was sold to Russia was of a quality that did not comply with the specifications of our own Government for our own use and therefore was useless to the United States. Second, as to the other Governments, that it was a surplus, a matter which there had been no demand for, and it was to save a loss to themselves. Such were the only responses we received.

Mr. ASHURST. I thank the Senator. I yield to the Senator from Missouri.

Mr. REED. Owing to the time that has elapsed, I shall not ask the Senator to yield to me now.

Mr. MYERS. Mr. President—

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

Mr. ASHURST. I do not want to lose the right to the floor, but I cheerfully yield to the Senator from Montana.

Mr. MYERS. I understand from the tenor of the Senator's remarks and his quotations that this evil practice of noncompetitive bidding was really the fault of the Government under former administrations and not the fault of the bidders at all. It was encouraged by the Government under former administrations, was it not?

Mr. ASHURST. There was no doubt of that.

Mr. MYERS. But the present administration is not indulging in that reprehensible practice?

Mr. ASHURST. That is very true.

Mr. MYERS. The Senator ought to make it plain that the present administration is not indulging in any such reprehensible practice.

Mr. ASHURST. I thank the Senator from Montana for calling my attention to that point.

Mr. THOMPSON. Mr. President—

Mr. ASHURST. I yield to the Senator from Kansas.

Mr. THOMPSON. The point I really wanted to bring out more clearly was, because of the suggestion of the Senator from New Jersey [Mr. HUGHES], that it was the policy of the Navy Department to divide the contracts among different bidders. It is not the present policy of the Government to do so under this administration.

Mr. ASHURST. I thank the Senator for his suggestion.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator from New Hampshire. Mr. GALLINGER. Mr. President, it is interesting to be told by the Senator from Montana [Mr. MYERS] that the present administration is purer than the Republican administration.

Mr. MYERS. I simply asked the question.

Mr. GALLINGER. What was done in that regard during the years of the Cleveland administration?

Mr. ASHURST. Will the Senator from Montana permit me to answer?

Mr. MYERS. Yes.

Mr. ASHURST. Mr. President, whether Democrat or Republican, all, I think, respect the memory of Grover Cleveland. His administration was the pioneer in the movement looking toward securing cheaper armor plate. It was under his administration that one of these companies now charging the Government extortionate prices was fined \$150,000 for palming off on the Government fraudulent, defective, treacherous armor plate.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I yield.

Mr. SMOOT. Of course, the Senator has not answered the question asked by the Senator from New Hampshire.

Mr. ASHURST. I will try to answer it. I do not want to dodge it.

Mr. SMOOT. But I want to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Arizona yield?

Mr. ASHURST. I yield.

Mr. SMOOT. I understood the Senator to say that the present Secretary of the Navy, Mr. Daniels, had received bids for armor plate at the price of \$454 a ton; that he thought the price was too high and asked for other bids; and that the three bidders named by him then bid \$440 a ton. Then the Secretary of War followed the same practice that was followed by other administrations—by dividing the amount of armor plate purchased by the Government among the three concerns.

Mr. ASHURST. In answer let me read again—

Mr. SMOOT. Is not that correct?

Mr. ASHURST. Let me read what the honorable Secretary himself said:

Secretary DANIELS, 1913. I rejected all these bids on the ground that there had been no competition. Later I had a talk with the gentlemen representing these three companies and told them that we wished competition and that I could not understand how they could hit upon identically the same figure to a cent. Their answer was this: The Midvale people said that some years before that, when bids were offered, they had made the lowest bid but were not awarded the contract and that the department adopted the policy of dividing the contract between the three concerns; and they said, of course, "Why should we bid a lower figure if it is going to be awarded one-third to each of us at the same price?" But I advertised again, and they came down to \$440 per ton, enabling the department to effect a saving of \$111,000 on that contract.

Since then we have had bidding which has varied very little and we have had, of course, practically no competition.

Mr. SMOOT. But the Senator knows that the contracts were awarded to the three companies who bid, and for this reason the Midvale Co. could not produce in the time specified in the call for bids the amount of armor plate that the Government asked for, and in order to get the amount of armor plate it required, the Secretary of War had to divide the bids among the three bidders.

Mr. ASHURST. Is the Senator talking about 1903 or 1913?

Mr. SMOOT. I am talking about 1913.

Mr. ASHURST. I have no evidence indicating that the Midvale Co. could not furnish all the armor plate.

Mr. SMOOT. Is it not generally understood—

Mr. ASHURST. I do not know.

Mr. SMOOT. That the armor-plate plants of the United States are built with a view of producing the amount of armor plate that the Government of the United States requires? That is as I understand it, Mr. President.

Of course the policy was in the past to divide the purchases among the three companies. I think the Senator also knows that in the past the Government, in receiving bids for powder, in many cases decided to award the bid to more than one company. The Government felt that when it went into the manufacture of powder it would be very unwise for the Government to manufacture all of the powder needed for the Government, because if that were the case and trouble came and a great demand made on the Government for munitions of war, if all the private institutions had been driven out of the business the Government would find itself in a very helpless condition. That was the policy in relation to powder, and I understand the policy in relation to armor plate has been to encourage more than one firm to manufacture the same.

Mr. ASHURST. So far as I am advised, I am not aware that the policy of the Secretary of the Navy or of Congress has been to try to drive the manufacturers out of business, but the Secretary insists that the Government shall have its own plant, where it may manufacture 10,000 tons or 20,000 tons a year, so that it may procure its armor plate at a reasonable price and will not be forced to submit to extortion, and may, if it wishes, manufacture all its armor plate. The same is true as to powder.

Mr. SMOOT. My remarks to the Senator had no reference whatever to the question as to whether the Government at this time should enter into the manufacture of armor plate. My remarks only referred to the past policy of the Government in relation to the purchase of powder and also the purchase of armor plate.

Mr. MYERS. Mr. President—

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield.

Mr. MYERS. I wish to rejoin to the remark made by the esteemed Senator from New Hampshire [Mr. GALLINGER] by saying that when it is proven from the records that his party had been bad in the past I am quite willing for him to have the poor consolation of recording that the Democrats have been just as bad at times in the past, if he will couple with it the further fact that the Democrats have quit those practices and under this administration have put an end to all of the bad practices of the past of both political parties and have set a new standard of honesty in public matters.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield.

Mr. GALLINGER. My view of the Democratic Party is that which was expressed by the old lady who said that her son was totally depraved and growing worse every day. [Laughter.]

Mr. MYERS. Mr. President—

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

Mr. ASHURST. Just let me say a word. With all respect to my distinguished and beloved friend, the Senator from New Hampshire [Mr. GALLINGER], when the Democratic Party merits his hearty condemnation it is entitled to a certificate of good character. [Laughter.]

Mr. MYERS. I accept the rejoinder made by the Senator from Arizona.

Mr. ASHURST. I do not want to be discourteous, but I want to conclude as soon as possible.

Mr. GALLINGER. Just one word, Mr. President.

Mr. ASHURST. I yield to the Senator from New Hampshire. I did not intend my remarks to be discourteous.

Mr. GALLINGER. Of course not.

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield.

Mr. GALLINGER. I desire to ask a question of the Senator for information. He has been looking into this matter much more carefully than have I. It has been stated to me by parties whom I supposed knew something about the matter that foreign Governments were now paying more for armor plate than is the United States. Does the Senator know anything about that?

Mr. ASHURST. I am unable to supply that information. There are some data in the hearings with reference to it; but I did not deem it necessary to include them in my remarks.

Mr. President, surely we all may congratulate ourselves that the successful consummation of this legislation is about to be realized. The Nation cares very little for the expression of Senators; it cares very much as to what they do. The American people care but little as to what the Democratic Party or any other political party may say; the people care very much as to what a political party may do. The duty to create an armor-plate factory is before the party which has control in both Houses of Congress. Every mainspring and every motive that could influence a Senator to perform a patriotic act now calls upon him to vote for this bill. I have no criticism to make against any Senator who votes against this bill or views it differently from the way in which I do. He is doubtless just as sincere in his views as I am in mine; but, according to my view, it is our duty to pass this bill. The interests of this Government—interests sacred and stupendous—have been committed to us. Therefore we should in all things demonstrate that we have the ability, skill, and courage to meet those duties in a high and noble way. Congress has investigated for over 20 years; now is the time for action.

When I first entered Congress I began to give attention to this matter, for I believed then, as I believe now, that the Government should not be left to depend wholly upon private parties for its supply of those articles which it might, unhappily, be required to use for its defense.

Another and an important reason why the Government should construct its own armor plate is that under the present arrangements we have no knowledge whatever as to the class of armor plate that is being furnished to the Government. We are left to depend almost wholly upon the patriotism of the armor-plate makers. If they see fit to do as some of them did two decades ago, furnish the Government with armor plate full of "bubbles" and blowholes, we have no adequate means of knowing whether the armor is sound and perfect or treacherous and defective until that day when it may be put to the test. After an engagement has commenced and we find that some of our dreadnaughts have been covered with defective armor, it is too late to do aught else than utter vain regrets and curse ourselves for not taking precaution and provision to be absolutely sure that defective armor plate was not furnished to us.

It will be recalled that one of these companies, over 20 years ago, was fined nearly \$150,000 for palming off fraudulent armor plate upon the Government.

I have now said, Mr. President, all I wish to say about the manufacture of armor for vessels of the Navy. I will conclude my remarks on that subject by venturing the prophecy that the bill to erect an armor-plate factory will soon become a law.

I will now advert to another matter equally as important, if not more important than even the armor-plate factory, and that is the necessity for a Government plant for the fixation of atmospheric nitrogen. It is a very happy circumstance that I find another distinguished Senator from South Carolina [Mr. SMITH] has introduced a bill to provide for the construction of such a factory. As I said in the beginning of my remarks, South Carolina has furnished many statesmen to the Nation. We have evidence here that her loyal and devoted sons have been in the forefront of these great movements. I advert to Senate bill 4971, introduced by the Senator from South Carolina [Mr. SMITH], proposing to appropriate \$15,000,000 for the purpose of constructing a plant for the fixation of atmospheric nitrogen; and my attention also is very happily called to a bill introduced by the distinguished Senator from Montana [Mr. MYERS] on March 9, 1916, proposing to appropriate a sum of money to allow a board of Army engineers to search for, locate, and make a report upon the necessity and feasibility of plants for the fixation of nitrogen. That bill, as well as the bill introduced by the Senator from South Carolina, exhibits statesmanship. What they may say we will listen to; but it is what a Senator does—what he does for the present and the future—not for his own particular State especially, but for the whole country, that measures him as a statesman, and I say the Senator from Montana

[Mr. MYERS] and the Senator from South Carolina [Mr. SMITH] exhibited statesmanship when they introduced those bills, and I hope they will press them to a successful conclusion.

Mr. MYERS. Mr. President—

Mr. ASHURST. I yield to the Senator.

Mr. MYERS. In that connection, I wish to call attention to the fact that my bill provides for inquiring into the feasibility of locating a plant at the town of Polson, Mont., where there is a splendid water-power site withdrawn by the Government, and where all the facilities for such a work, I believe, are at hand and may be found convenient.

Mr. ASHURST. I know the Senator will press his bill diligently.

One of the chief reasons why I am inclined to favor the Ferris bill, House bill 408, which is now the unfinished business, is that I have the hope that, if that bill or some similar bill becomes a law, sufficient quantities of hydroelectric power may be generated so that atmospheric nitrogen may be manufactured, for the necessity of nitrogen now is becoming just as great as the necessity for food and water.

The data which I employ to-day with reference to the fixation of nitrogen I secured from a lecture delivered by Mr. Henry J. Pierce, of Washington State, and from various governmental publications, which I have been perusing for the past month.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator.

Mr. GALLINGER. Mr. President, I will ask the Senator if it is not a fact that a great many men eminent in their profession as chemists are investigating this very subject?

Mr. ASHURST. Yes, indeed.

Mr. GALLINGER. And is it not a fact that already there have been some plants constructed and that the operation of getting nitrogen from the air has been proved something of a success by private parties?

Mr. ASHURST. Absolutely a success. If the Senator will permit me, I am going to deal with that subject somewhat in detail a little later, and I will answer his question more in detail as I proceed.

Mr. GALLINGER. My thought simply is whether we are going to put the Government into all kinds of business. The taking of nitrogen from the air has been proven a possible thing by private parties and by the investment of private capital. Now, if we are going to put the Government into this business, the Senator can think of a hundred other kinds of businesses that the Government can engage in. I do not know but that the Senator believes that it would be a good thing for the Government to take over all the business of the country.

Mr. ASHURST. No; I do not. But, Mr. President, one of the chief arguments against the erection of an armor-plate factory was that we would drive out capital already invested. It is a potent argument; but, so far as I know, no considerable amount of capital, if, indeed, any capital, has been invested in the United States with respect to the fixation of atmospheric nitrogen. A plant was intended to be located in the southern part of our country, but it went to Niagara Falls, Canada, instead of Niagara Falls, United States. I do not know that there are any such investments at all in this country; so the argument that we are driving out private capital on this score is not tenable.

Mr. GALLINGER. Mr. President, I did not make that argument at all. If I were to express a thought on that point, I would say that if private capital can not develop that industry I do not believe the Government can.

Mr. ASHURST. But, Mr. President, other Governments have done so. England has her hydroelectric plants in Iceland for the extraction of nitrogen from the air. Germany does not import any nitrogen for the manufacture of explosives; she takes it from the air. There are great plants of this kind in Norway. It is absolutely a success, beyond the peradventure of a doubt.

Mr. GALLINGER. But does not the Senator think that, if this is an enterprise that promises fair returns, the enterprising business men of the United States will go into it and make it a success?

Mr. ASHURST. Mr. President, Congress has not given to business and to the capital which would be required to erect these plants sufficient law under which they could make development. That is the very reason why the distinguished junior Senator and the distinguished senior Senator from Montana have so earnestly pressed the Ferris bill, in the hope and in the belief that some adequate legislation will be afforded, so that this may be brought about.

Mr. GALLINGER. Then, the burden does not rest upon the private citizen or upon the capitalist, but upon Congress, which has closed the door to the possibility of this development. Is that it?

Mr. ASHURST. The conservation movement of some seven or eight years ago closed the door to all kinds of development, and we are trying to have it unlocked and opened up.

Mr. GALLINGER. Then, I wish to ask one further question. Supposing the door is opened, that the conservation bills are passed, and that sufficient hydroelectric power can be developed, does the Senator not think that the enterprising, progressive people of this country and the capital of this country will engage in the manufacture of nitrogen from the air?

Mr. ASHURST. I think so; I hope they will.

Mr. WALSH. Mr. President, will the Senator from Arizona allow me to interrupt him?

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

Mr. ASHURST. I yield to the Senator.

Mr. WALSH. I desire to refer to a matter suggested to me by the queries of the Senator from New Hampshire, that the proposition for the Government to construct and operate nitrate works at Polson, in the State of Montana, as contemplated by the bill introduced by my colleague, does not present the ordinary question of the Government going into a business enterprise. When it does, it must, of course, provide itself with all of the facilities; it must go out into the market and buy them. Here is a case where it owns all that is necessary in the way of power possibilities. Of course the first requisite to a nitrate plant is cheap power. Probably such a plant could not be made profitable where the power would cost more than \$12 to \$15 a horsepower. Likewise there must be a great quantity of it. A project of that kind can not be profitably or economically carried on unless at least 100,000 horsepower is available. At Polson there is a matter of from 200,000 to 250,000 horsepower available, the Government already owning the land. Now, it is a question as to whether we shall dispose of that land to private individuals under the provisions of the bill which is now the unfinished business, if it shall become a law, and allow private individuals to utilize that power and produce the nitrate and then buy the nitrate from the private company in order to supply the Army with proper ammunition, or whether the Government, having the basis already upon which the production rests, would be justified in going and building the plant.

Mr. ASHURST. Mr. President, I will now read a clipping from the New York American of March 12, 1916:

AMERICAN SHIP SEIZED BY BRITISH OFF CHILE COAST—STEAMER EDNA, LADEN WITH NITRATE, IS TAKEN BY CRUISER TO FAULKLAND ISLANDS. WASHINGTON, March 11.

The American steamer *Edna*, formerly the Mexican steamer *Masatlan*, now owned by Sudden & Christenson, of San Francisco, has been captured by a British cruiser. She was taken to Port Stanley, Falkland Islands.

The *Edna* left San Francisco some time ago with a domestic cargo for the west coast of South America. Returning she was loaded with nitrate, valuable in munitions manufacture. Her destination was Barbados and Martinique, and she left a Chilean port February 27, with orders to coal at Talpal, Chile. She never reached the latter port. No reason for her seizure was given, but it is assumed the nature of her cargo caused the capture.

Mr. President, in discussing the preparedness question we must not be oblivious of the fact that if we had a contest with a great naval power it could seize the Chilean nitrate deposits or interrupt our communication by ships between the Chilean deposits and this country, and cause our country a great deal of distress and trouble, without coming within 3,000 miles of us, simply by shutting off our supply of nitrate. I call the attention of Senators to the significant line in the newspaper clipping, as follows:

Returning she—

The *Edna*—

was loaded with nitrate, valuable in munitions manufacture.

Nitrogen comprises four-fifths of the atmosphere, and is a constituent of all organized life and tissues. It is a colorless, tasteless, odorless, gaseous, nonmetallic element. We live in it, we breathe it, we eat it, and it constitutes a portion of our human frame. It is absolutely necessary to the existence of animal and plant life. Without fixed nitrogen the earth would soon become an uninhabited desert waste. While the atmosphere contains an exhaustless supply of nitrogen, it being estimated that 20,000,000 tons exist above each square mile of the earth's surface, yet 90 per cent of the plant life that lives in it does not absorb it and the remaining 10 per cent absorbs but a small proportion of that which it requires. The world has been dependent for most of its supplies of fixed nitrogen upon the nitrate of soda beds of Chile, where, during some convulsion of nature at some remote past time, the soda absorbed quantities of nitrogen from the air. During 1913 the United States imported 625,000 tons of Chilean nitrates, valued at \$21,000,000, upon which the Chilean export duty was 60

per cent. The richest nitrate beds of Chile, however, will be practically exhausted by 1923; and were it not for the discovery of processes whereby it is now possible, with the aid of electric energy, to obtain supplies of fixed nitrogen from the atmosphere, the world would stand in imminent deadly peril and the perpetuation of the human race would be endangered. It is a wonderful providence that perpetual and inexhaustible supplies of nitrogen may be obtained from the atmosphere by the use of electric energy obtained from our water powers, whose flow is also constant and everlasting, and that thus our limited supplies of fuel, laid aside by nature, may be conserved for other uses.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. I yield to the Senator.

Mr. SMITH of South Carolina. Mr. President, the Senator from New Hampshire [Mr. GALLINGER] referred to private capital entering this field, which has now passed the empirical stage and has become a fact. The necessity of securing potash for the manufacture of munitions of war is no greater than for another industry quite as potential in our preparedness plans, namely, the sutlers' department, supplied by the agricultural interests of this country. The fields of the Atlantic seaboard from Maine to Florida are absolutely dependent upon the presence of potash, nitrogen, and phosphoric acid, and, of course, those three ingredients enter more largely than any others into the manufacture of explosives; in fact, they constitute the bulk of them.

This country to-day is largely dependent for its supply of available chemical potash upon the potash wells of Germany. From September, 1913, to October, 1915, the price of muriate of potash rose from \$40 a ton to \$500 a ton in the wholesale market of this country, and to-day it is without price at all. We stand face to face with that fact, although from the coast of Alaska to the southern point of southern California there are untold millions of pounds of potash in the form of kelp which is easily accessible and has only to be dried, ground, and sacked to be ready for use. The chemical process of extracting the liquor from which the crystals of the potash are to be obtained is comparatively simple; but because the field is large and competition might be certain and huge profits are not in sight, except by holding up the agricultural interests of this country, nobody has entered that field.

At the proper time, in connection with the bill which I have introduced, I shall call attention to the fact that the patriotic, progressive sons of America are more patriotic and more progressive when they can hold up their fellow Americans. That kelp field lies there now easy of access, but no one may preempt the field and get a monopoly to hold up the agricultural interests, and therefore nobody enters it. If I can possibly do so, I shall try to get this Government to enter it to save the agricultural interests first and foremost from being absolutely impoverished, in my section at least, and in order to enable the Government not only to defend us from enemies abroad by providing for an adequate supply of munitions and explosives, but to take care of our friends by promoting the fertility of the soil.

Mr. WALSH. Mr. President, will the Senator yield to me?

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

Mr. ASHURST. I yield to the Senator.

Mr. WALSH. I wish to refer to another matter. The Senator from South Carolina has told you of the desperate situation in which this country is to-day by reason of the fact that it is entirely dependent upon Germany for its supply of potash. The celebrated Searles Lake deposits, in the State of California, can easily supply any possible domestic demand, but there is no law to-day under which those deposits can be appropriated. On the first day of the present session of Congress I introduced a bill looking to the disposition of deposits of that character, and in the hope that it might speedily come before the Senate I asked that it be referred to the Committee on Mines and Mining, of which I have the honor to be chairman. It was, however, referred to the Committee on Public Lands. I advised the Senate at that time as to what the significance of that move was. The bill is still there. I understand it is going to be before the Senate soon, however.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I gather from the suggestions of the learned Senator from Montana that we have an abundance of these products that are so essential to agriculture and to military affairs, but the Government has tied the matter up in such a way that private capital can not enter upon their production.

Now, if the Government has done that, it strikes me as most extraordinary that we should step in and put the Government in the business? Why not loosen the hold that the Government has thrown around these matters?

I want further to add that it is inconceivable to me, knowing the genius of the American people, the enterprise of the American people, the capital that American citizens can command, that there are these fields of nitrates with such fabulous profits in sight, and that the private citizen will not enter. I can not conceive of it.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. Yes, I yield.

Mr. SMITH of South Carolina. I can not speak for the condition of affairs with reference to the deposits of potash in the State which the Senator from Montana represents, but, in reply to the Senator from New Hampshire, I want to say that I was startled when the figures by a bureau of this Government were sent to me, upon my inquiry, as to the possible supply and cost of the production of commercial potash. They referred particularly to the kelp beds within the 3-mile limit from Alaska down as far as Southern California. The reason assigned by them why these almost inexhaustible kelp beds, rich in potash, had not been exploited was because they could not be monopolized. Potash is one of the ingredients that enters into the composition of explosives as well as nitrogen. In addition to potash, they state that 2½ per cent of the chemicals extracted from kelp is pure nitrate.

Mr. POINDEXTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield to the Senator.

Mr. POINDEXTER. I shall delay the Senator from Arizona but for a word in reference to the statement of the Senator from South Carolina [Mr. SMITH] as to the available source of potash on the Pacific coast in the kelp beds. I will say that it is a matter of very recent discovery that those beds of so-called giant kelp contain a considerable amount of potash, and that, I believe, accounts for the fact that they have not been more utilized.

I take advantage of this occasion to advertise the fact that a short time ago I secured an appropriation, through the courtesy of the Committee on Agriculture and Forestry, of \$9,000, which has been used by the Agricultural Department in printing maps of the surveys which the department has made of those kelp beds on the Pacific coast.

Mr. ASHURST. Of course, I was speaking of our lack of large quantities of fixed nitrogen or saltpeter. What the Senators say as to potash I have no doubt is true.

Mr. MYERS. Mr. President—

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

Mr. ASHURST. I yield to the Senator.

Mr. MYERS. I desire to say at this time in reference to the bill to which my colleague [Mr. WALSH] made reference, the mineral-land leasing bill, that I expect it very soon to be reported favorably by the Senate Committee on Public Lands, the committee of which I have the honor to be chairman. The Committee has not expedited the consideration of the bill as fast as I should have liked; nevertheless I have pressed that bill and other business of the committee with all of my power, continuously and assiduously, this winter. Owing to the very slow rate at which the business of the Senate has progressed at this session, the nature of the bills which have been before it, and the fact that practically all the time of the Senate has been occupied with important administration measures, I hardly see how, even if the bill referred to by my colleague had been reported out of the committee before now, it could have been considered by the Senate before this time. Of course that does not excuse any delay of the committee. I confidently assert that the Senate Committee on Public Lands has more work, handles more business, and has more demands upon its time the year round than has any other committee of the Senate. The demands upon it this winter have been simply enormous, beyond conception; hearings, correspondence, sittings without end. I have done the best I could under the enormous pressure of work.

Mr. ASHURST. I have no doubt of that fact.

Mr. MYERS. I have struggled very hard this winter to expedite the business of the committee; I have done my best, but, as I say, matters have not progressed as rapidly as I would have liked. I am glad to say, however, that I believe that the bill of my colleague will be reported out with a favorable report in a very short while. It is only one of very many highly important

bills which have been before my committee this winter, each of which has consumed much time and been the recipient of great labor. I arrive at my office at the Capitol every morning at 7 o'clock, and seldom retire before midnight, and every minute of the time between those hours, except when at my meals, is devoted to official business. I am expediting the arduous work of the committee as much as possible.

Mr. ASHURST. Mr. President, the very fact that the distinguished senior Senator from Montana [Mr. MYERS] is the chairman of that committee is sufficient evidence to us that it is a diligent and hard-worked body of Senators and is assiduously performing its duty.

Mr. President, I should like to conclude without further interruption, as I have already held the Senate too long.

As I was about to say, nitrogen, in the form of nitric acid, is the principal constituent of explosives, such as gun-cotton, dynamite, and smokeless powder. We are annually producing about 250,000 tons of explosives, valued at \$40,000,000, and we pay \$23,000,000 for the raw materials that enter into them, most of which are imported. Had it not been for the discovery of the nitrate fields of Chile, the explosive industry, as it is known to-day, would have been impossible; and, as coal and minerals could not have been mined without the use of explosives, the development in mining and transportation, which has characterized the last half century, could not have been made.

In case of war we would be almost entirely dependent upon foreign nations for our supply of nitrogen for the manufacture of powder, and we would be practically defenseless unless we could obtain it from other nations. If the country with whom we were at war should be strong enough to seize the nitrate deposits of Chile, or to prevent shipments to this country, it would leave us helpless, in spite of our 100,000,000 of people and our Army and Navy. We would be forced to commandeer all sources of nitrogen, including fertilizer, and it might come about that some of our agricultural regions could no longer be devoted to food production, even though the scene of conflict never penetrated to them. The War Department is greatly concerned over this weak point in our national defense, and writers who are authorities upon the subject, from the military standpoint, urge the immediate development of our water powers, and establishment of atmospheric nitrogen plants, in order to insure the production of our requirements of nitrogen within the borders of our own country; and they strongly recommend that the nitrogen plants be so strategically located throughout the country as to be reasonably well protected against attack, in case of foreign invasion. Lindley M. Garrison, former Secretary of War, in his last annual report, said in vigorous language:

Our only present source of supply [of nitrogen] is the natural nitrate beds of Chile, which in time of war might be shut off from us. Obviously in the matter of munitions, especially where the source is so limited and localized, we should neglect no provision so easily available as this to make the country self-sustaining. Plants producing nitrogen for industrial purposes in time of peace would be a great national asset in view of their availability to supply us with the necessary nitrogen in time of war.

In the early days of our country, especially during the Revolutionary War, most of the niter, or saltpeter, was obtained by scraping ancient deposits from the walls of caverns and caves, and even during the Civil War recourse was had to scrapings of ancient deposits from walls, cellars, and caverns for the manufacture of gunpowder for the Armies of both North and South.

I desire to read from the report of the Chief of Ordnance, Brig. Gen. William Crozier, to the Secretary of War, dated October 1, 1915, pages 25 and 26, the following:

In a country of even the very large natural resources of the United States there are nevertheless some articles, essential in time of war, for which it is dependent upon foreign sources of supply. If these sources are so placed as to necessitate ocean transportation, the possibility of being cut off from them is great enough to call for provision against it. I do not know of any article of this class which, at the present time, should cause more concern with reference to the wartime supply than should nitric acid. The principal ingredient of the gunpowder of the present day, as well as of certain other explosives, is formed by treating ordinary cotton with nitric acid. The nitrogen in the nitric acid is obtained from sodium nitrate which comes from Chile, and the country is therefore dependent for its powder manufacture upon Chile. Some attempt has been made to place in storage a sufficient quantity of sodium nitrate to serve the country during a considerable period of interruption of supply; but there is no difficulty in saying now that the amount in store would produce a quantity of powder which would be insignificant in comparison with the requirements of a war, although it would undoubtedly be serviceable in tiding the country over a period which might be sufficient for setting in operation other methods of securing nitrogen for nitric acid, which would have been prepared in advance. A suggestion for improving the situation would be the accumulation of a larger store, but the experience of the expenditure of powder in the European war has shown that any estimate which could be demonstrated to be reasonable in the light of existing knowledge might be shown by an emergency, when it should arise, to be entirely inadequate. The military nations of Europe find themselves in this situation at the present time, and it would be

hopeless to expect that the people of the United States could, even in the light of the lessons which the world is now receiving, be induced to consent to an investment in a store of this class of matériel which would provide for as great an increase over an estimate which could now be justified as the actual increase of the present European expenditure over the amount whose necessity was there foreseen before the war.

These facts point to the necessity for inquiry into the possibility of the establishment within the limits of the country of a source of supply of this war essential. Fortunately the possibility exists. There are in successful operation in Europe, in several countries, plants for the fixation of atmospheric nitrogen and rendering it available for use in the manufacture of nitric acid. These plants require for their manufacturing processes electric current in large amount. In order that they may be commercially successful the current must be very cheaply obtained, and it is generally thus cheaply obtained by the employment of water power. In this country the expense of the employment of steam-generated electric current would not, in my opinion, be such as to render this method prohibitive for such an amount as would be required for the manufacture of nitric acid for gunpowder and other military explosives.

I believe that a steam plant could be established which would contribute effectively to the supply of the nitric acid which would be needed in the manufacture of powder for the current prosecution of a considerable war; but the expense, while not prohibitive, would still be such that this kind of a plant could probably not maintain itself commercially in ordinary times as against the production of nitric acid from imported nitrates, and the plant would, therefore, in all probability, remain in disuse in peace time, being held in reserve for time of war. Such a solution of the problem would be advisable if no better solution could be found; but the possibility of a better solution is apparent. There are in the United States various opportunities, under the control of the Federal Government, for the development of great water power. Some of these, I am informed, are such as to warrant their development for the purpose of power alone, and others would justify development for power in connection with or as an incident to the improvement of navigation. Estimates have been made of the cost of the power which could thus be made available, and have shown it to be such as to permit the fixation of atmospheric nitrogen in compounds which could be used in the manufacture of nitric acid at such prices as to enable water-power plants to maintain themselves in successful competition, in the nitrate industry, with foreign sources of supply of nitrates. In view of the right of control of the Federal Government of the sources of water power, it ought to be possible to permit their development by private parties, under such conditions of consent that the Government would be assured of their utilization for military purposes, when needed, at a reasonable cost; and as the great bulk of the output of the plants would be for commercial purposes it would not appear that the Government should itself embark in this development and production. If it should not be found practicable to devise a form of grant upon condition which Congress should consider such as to justify the exercise of its powers in such manner as to afford inducement to private enterprises to take the subject up, I consider the matter of sufficient importance to justify the Government itself in the development of power sufficient for its own military purposes. As some of the processes of fixation of atmospheric nitrogen are such that the resulting product is not immediately and directly available for the manufacture of nitric acid, but forms in itself an article of sufficiently profitable commerce to justify the stoppage of the process at the point of its production, means should be provided in advance, in case of the establishment of such a plant, for a continuation of the process, within a reasonable time, to a point such as to meet the needs of the country in the manufacture of powder. Under such conditions the store of sodium nitrate should be sufficient to tide over the interval necessary for the transformation of the industry.

Mr. President, one of the chief services, indeed, one of the most important services rendered to mankind by chemistry during the nineteenth century, was to reveal the absolute dependence of animal and vegetable life on nitrogen, to define clearly the part played by this element in nature, and to increase the number of technical products containing nitrogen.

I have heretofore shown that the United States is now spending millions of dollars in Chile annually for the purchase of nitrogen in its various combinations. The fact that the United States, in common with other countries, and especially with some manufacturing countries, is so dependent upon this one source, and the additional fact that the deposits of Chilean nitrate or saltpeter are not inexhaustible, and are destined at an early date to be completely exhausted—in fact, the Government reports say they will be exhausted in 1923—constitute what is called our nitrogen problem and must be met, and, in my judgment, met immediately by practical remedies. We must prepare for the fixation of the nitrogen we use for our explosives and for soil fertilizers. The Members of Congress who could for a moment refuse to consider this important question would, in my judgment, be worse than defaulters. A supply of nitrogen is as necessary as a supply of food or water. We should not hesitate a moment to take proper and practical steps toward the erection of plants for the fixation of atmospheric nitrogen.

The nitrogen problem of the day is almost unique in one respect—the material is abundant, in fact it is unlimited. The difficulty is to bring it into form available for the wants of mankind.

The atmosphere enveloping the globe consists chiefly of nitrogen, which constitutes 78 per cent of its volume and 75.5 per cent of its weight. It has been estimated that the column of air resting upon each square yard of the earth's surface contains 5.8 tons of nitrogen in the free elementary state. Recent investigations show that the rock forming the solid crust of the globe contains a measurable amount of combined nitrogen—about 350 grams per cubic meter. Assuming a thickness of

10 miles for the crust, this represents a weight of about 4.5 tons of nitrogen beneath each square yard of surface. The atmospheric nitrogen above 1 square mile of land, amounting to about 20,000,000 tons, is equivalent to what the world would require in the next 50 years at the present rate of consumption.

Of this enormous reserve, a minute fraction, about 0.000002, is in the active service of the vegetable and animal kingdoms. In the soil, in the form of nitrate, it is a chief factor of plant food. With the plants it passes into the bodies of animals, whence it returns to the soil. Through the action of bacteria a small portion reverts to the elementary form of atmospheric nitrogen. Through the action of other bacteria, with the aid of certain legumes, and by electric discharges in the air, a corresponding amount is constantly brought into a combined form and enters the cycle of changes. The amount of this "nomadic" nitrogen, as it has been aptly termed, is on an average about 20 grams for each square yard of land.

Our duty is plain. In these troublous times we in charge of the Nation's destiny, we who now hold the most sacred deposit ever confided to human hands, should not shirk nor shrink. If we perform these duties, glory will be our portion; if we fail, it will be to our shame. There is no remorse so deep, so poignant, so inveterate, as that which comes from the consciousness that we have failed at a supreme crisis to avail ourselves of an opportunity to perform a real and needful public service, and there is no happiness more sustaining, more enduring, or more unselfish than the consciousness that we have met in a worthy manner the responsibilities upon us.

One self-approving hour whole years outweighs  
Of stupid stares and loud huzzas;  
And more true joy Marcellus exil'd feels  
Than Cæsar with a senate at his heels.

Fortune, success, and opportunity soar aloft on high and rapid wing. They must be seized as they pass by. It is a difficult task to overtake them once they have left us behind, or found us asleep or afraid.

All success, whether of a nation, a political party, or an individual comes only from exacting toil and diligent labor, coupled with the ability to recognize an opportunity, however vagrant and disguised it may present itself. The individual, the party, the State that succeeds is the posthaster, not the postponer.

Pass these two bills—the bill providing for the erection of an armor-plate factory and the bill providing for a Government plant for the fixation of atmospheric nitrogen, and we will have the sympathy and support of honest and reasonable people, because we shall be entitled to it.

I thank the Senate for its attention.

Mr. MYERS obtained the floor.

Mr. SMITH of South Carolina. Mr. President, will the Senator from Montana yield to me for a few moments?

Mr. MYERS. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. I wish to state, at the conclusion of the speech of the Senator from Arizona, that possibly we do not realize just the condition in reference to this essential chemical element, not only for agricultural purposes, but for the explosives which are essential to the conduct of modern warfare.

I made some inquiry as to the available supply of nitrogen in this country for commercial purposes, and I quoted to the Senate the difference between the price two years ago and the present price of potash to be about \$40 in 1913 and \$500 in 1915. I find that the Chilean nitrates have now risen from about \$36 or \$37 a ton to \$85 or \$90 a ton, and that in its crudest form; and as to the available supply for agricultural purposes it is practically unobtainable.

Those from the western part of the country do not realize that agriculture in the southeastern portion of the cotton belt—North Carolina, South Carolina, Georgia, eastern Alabama, and all of Florida—is practically dependent upon a commercial form of fertilizer.

My State, South Carolina, holds the world's record for corn production. Mr. Drake, of Marlboro County, made the fabulous yield of 250 bushels on 1 acre of upland. He did it largely by the use of high-grade nitrogenous fertilizers, because corn, unlike cotton, can be made with the use of nitrogen alone, or ammoniated fertilizers, which means the same. Nitrogen is a condensed form of ammonia. There is practically the same chemical formula in the case of one as in the case of the other.

I state now that we are beginning a new year. We felt the effects of fertilizer shortage last year. Our cotton crop dropped from 16,000,000 bales to a little over 10,000,000 bales from 1913 to 1914. You will have another drop if some provision is not made by which this chemical can be put in the soil.

We very often take the last term of any problem to solve it; it is like treating a symptom, we do not strike the disease. The credit of this country is largely maintained by the \$700,000,000 annually imported in exchange for American cotton. I will say nothing about the use of it universally. Nine hundred million people, according to statistics, use American-grown cotton; but the idea seems to prevail here that the Government should not enter into competition with private capital where private capital may develop a given industry. I think our experience with the armor-plate company, that has brought forth the introduction of the armor-plate bill, is more vitally true of what we may expect in nitrogen production. We might do without armor-plate factories being established by the Government, and pay the price of private concerns in furnishing us with these necessary materials in the defense of our country; but we have not yet found a substitute, either in modern munitions or in explosive power, for these nitrous substances, nor have we found a substitute for the same chemical in obtaining the food and clothing of the millions of Americans.

It is idle for us, clothed with the power that we have in a democracy, when the fundamental principle that underlies all preparedness, that underlies all of our prosperity, is the farm, to turn over to the tender mercies of a few fertilizer companies our farming population; who by the very nature of their work are incapable of organization in the larger and more powerful sense, and yet upon whose shoulders we stand and upon whose handwork we are dependent. It is a crime to leave them to the exploitation of private corporations, who, before ever the crop comes into existence that feeds and clothes you and me, take from the farmer the percentage that the corporation demands.

At the proper time I shall submit some statistics to show that in the State of South Carolina 50 per cent of the value of her cotton and corn crops goes to pay for the fertilizers upon which those crops are dependent, while from the Blue Ridge Mountains, a little over 100 miles distant, tributaries to our navigable streams are pouring into the ocean with power sufficient to take from the air, under the strong hand of our Government, sufficient nitrogen to enable these weak ones—weak individually, but strong in their numbers and in the result of their labor—to feed and clothe this country.

I have introduced this bill for the purpose of having the Government take the natural resources of the country and turn them over to the natural manipulators of these resources, those upon whom we ultimately depend, in order to enrich their soil and lay the foundation for the Government's and the Nation's prosperity in the form of an abundant food and clothing supply, and then also to give a source of supply to those very ones who respond when the cry of battle comes, when there comes the need of an Army. The very ones who feed you in time of peace will be the ones to protect you in time of war.

I have no apologies to make for asking the Government to come in and appropriate \$15,000,000 as a contribution to that vast army who, in season and out of season, every month in the year and every day in the month, are toiling in that battle which makes it possible for us to sit in the Senate Chamber of the United States and enjoy the comforts of clothing and food and all that contributes to the health and comfort of the individual.

I have introduced this bill because I believe the Senate of the United States will see to it that preparedness in its real sense, in the sense that should appeal to us all, shall begin at the foundation of things and put in the proper shape those upon whom in every crisis, in time of peace and in time of war, the welfare of this country depends—the laborers.

I thank the Senator from Montana for allowing me, in his time, to have this to say. When my bill shall have been reported, as I hope it will be in the near future, I shall submit to the Senate some statistics that I think some of us stand sorely in need of knowing, and I shall address myself more fully to this particular subject at that time.

#### WATER-POWER SITES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Mr. MYERS. Mr. President, I am very glad to have yielded to the Senator from South Carolina. I think his remarks are very pertinent and embody much wisdom and useful information. I hope to hear from him further on the subject at some future time.

I will resume my humble argument on the unfinished business of the Senate, House bill 408, in an attempt to explain

the measure, and express my views of it. My remarks yesterday, I realize, were very much disconnected owing to many interrogatories and other interruptions, and extended remarks of others being interjected. I shall try to begin, though, where I left off if I can determine where that may be.

I will say that if I am not interrupted very much I think I can conclude the remarks I have to make without consuming a great deal of time. While I shall hold myself ready and willing to answer questions, I would rather not be interrupted any more than Senators feel is necessary, and would rather not have extended remarks interjected into the body of my remarks and in my time. I would prefer to be interrupted as little as Senators may think proper according to their ideas of the drift of the discussion. At the same time I hold myself ready to answer any questions which may be propounded to me.

I will begin by saying that there was considerable said yesterday about the right of the Federal Government to make withdrawals of public lands and about the wisdom of the policy and the extent to which it has been carried, especially in the State of Colorado. I admit that the State of Colorado appears to have been made an example of what the Federal Government can do in that respect, and that in the State of Colorado the policy appears to have been carried to a very great extreme, perhaps an unjustifiable extreme. I am not a defender of the extent to which that policy has been carried in the State of Colorado. I think doubtless it is unjust to the State of Colorado. Neither am I a defender of carrying that policy to that extreme anywhere. It may be easily abused, like any other right. But as far as the legal and constitutional right of the Government to make withdrawals of public lands is concerned, I think it is established beyond question. I do not think there is any doubt about it. I do not think the legal right or the constitutional right can be questioned. The moral right may be questioned as a matter of policy; but, as shedding some light upon the legal right, I will refer to some matters of history.

Prior to the adoption of the Articles of Confederation certain of the States, including Maryland and New Jersey, six in all, insisted that the western lands claimed by the remaining seven States of the Confederation ought to be handled for the general good of the entire Confederation and not retained and disposed of by the individual States alleging ownership thereof. The matter was formally laid before Congress by the State of Delaware February 23, 1779; by the State of Maryland May 21, 1779; and New York claiming 202,187 acres, was the first to respond, her delegates, on March 7, 1780, presenting an act proposing to relinquish the lands claimed by her in the West.

On receipt of this document the Congress of the Confederation adopted a resolution, providing—

That the unappropriated lands which may be ceded or relinquished to the United States by any particular State \* \* \* shall be disposed of for the common benefit of the United States; \* \* \* that the lands shall be granted or settled at such times and under such regulations as shall hereafter be agreed on by the United States in Congress assembled, or any nine or more of them.

Thereafter, and in compliance with the resolution, the following States made cessions of their territory in the West to the United States: New York, March 1, 1781; Virginia, March 1, 1784; Massachusetts, April 19, 1785; Connecticut, September 13, 1786, and May 30, 1800; South Carolina, August 9, 1787; North Carolina, February 25, 1790; Georgia, April 24, 1802.

The lands so ceded involved a total of 259,171,780 acres, extending as far south as the Gulf of Mexico, as far west as the Mississippi River, and as far north as the Great Lakes.

The enabling act passed preliminary to the admission of the State of Colorado into the Union (18 Stat., 474), like that of all of the western States admitted into the Union, provided that the admission should be upon certain conditions irrevocable without the consent of the United States and the people of the State, among the said conditions being that the people inhabiting the proposed States agree—

That they forever disclaim all right and title to the unappropriated public lands lying within said territory and that the same shall be and remain at the sole and entire disposition of the United States.

Ever since the beginning of our Government the lands ceded by the original States to the General Government and those acquired by conquest, cession, or purchase have been disposed of by the Federal Government under general laws enacted by Congress designed to procure their settlement and development, laws as nearly as possible uniform and alike as to lands of similar character wherever situated in the public domain. Each of the Western States has been given a generous grant or donation, ranging from two to four sections per township, for educational purposes, with additional grants for the support of institutions of higher education, reformatories, penal institutions, and so

forth. Any reservations made within public-land areas by the Federal Government have been designed for the public welfare or general good not only of the Nation at large but of the State within the limits of which the reservation was created.

I know it is claimed that because the enabling acts of the several public-land States provide that the public lands within the boundaries of those States are retained for "disposition" by the United States and because the words "dispose of" are therein used such lands must be, as soon as may be feasible and expedient, alienated—transferred to State or individual ownership.

But the Supreme Court of the United States has settled that and has held several times that it is within the jurisdiction and province of Congress to lease public land; that the words "dispose of" in that connection do not mean absolutely and necessarily a sale of the land.

I think that the system of the withdrawal of public lands within the boundaries of the States within judicious and discreet limits may be productive of good. Of course the right may be abused, as any other right may be; but I do not believe that the utilization of such land as may be discreetly and properly withdrawn for power-site purposes, if really adapted to power-site uses, is an abuse of the right or will result in any harm to the States in which the withdrawals are made. On the other hand, I believe it may result in good and that it will result in increased taxation to the State.

As I was saying yesterday when I discontinued my remarks, the Government owns the land adjacent to the waters in the public-land States where you find streams running through public lands. The Federal Government owns the land and the State owns the water, and I insist that this bill in no manner attempts to take the water away from the State. In such cases both the land and the water are absolutely essential to the generation of hydroelectric power. The land without the water will not produce hydroelectric power; neither will the water without the land; and as the Federal Government owns the land and the State owns the water, I see no possible way out of the present stagnation of water-power development other than that the Federal Government and the State government, acting jointly in cooperation, each contributing its share of assets and resources, shall work together for the common good of the people, who are citizens of both State and Nation.

The highest object of government, both in a Federal and State sense, is the promotion of the common welfare of the people. What higher motive can there be? Here is an opportunity for the Federal and State Governments combined to act very happily in the promotion of the common welfare and the production of general prosperity. I think we will be culpable if we do not invoke that power and enact some adequate and feasible legislation for the development of water power in the public-land States.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Montana yield to the Senator from Connecticut?

Mr. MYERS. With pleasure.

Mr. BRANDEGEE. In the States where the State owns the water and the Government owns the land through which the water runs, how does the Senator contend that the Government has a right to take or regulate that which is the exclusive property of the State except with the consent of the State?

Mr. MYERS. I do not claim that at all. The Government merely fixes the compensation for the use of the land.

Mr. BRANDEGEE. But it gives the permit to use the water.

Mr. MYERS. No; not at all.

Mr. BRANDEGEE. Does not the bill provide for that?

Mr. MYERS. It provides that that shall be done under the laws of the State.

Mr. BRANDEGEE. Therefore, unless the State consents, there can be no permit granted?

Mr. MYERS. Unless projectors first make an appropriation of water under the laws of and by virtue of the authority of the State in which the project is to be located, they can not get any permit under the Federal Government to the use of the land.

Mr. SHAFROTH. If the Senator will permit me, it is a lease, as I understand it, for 50 years.

Mr. MYERS. Yes; a lease of the land.

Mr. SHAFROTH. A lease of the land. And it is proposed in such a situation that it shall hold up enterprise as soon as the Government does lease it. In other words, a company can not operate or locate or claim or take possession of or condemn or anything of that kind; but this blocks an enterprise unless the parties make terms with the Government in regard to the lease.

Mr. MYERS. That is true as to that which the Federal Government owns. It owns the land. The Federal Government is the proprietor of the land, and I think it ought to make some charge for the use of it. Unless a man will pay some compensation for the use of the land he can not get a lease of it under the terms of the bill; and I do not think it ought to be otherwise.

Mr. SHAFROTH. Does the Senator think that the State or the individual has a right to condemn the land?

Mr. MYERS. We discussed that at some length yesterday. I stated yesterday—and a number of Senators agreed with me—that some authorities hold that a State or individual may condemn public land for a public use; but it has never been passed upon by the Supreme Court of the United States. It is a mooted question, and probably always will be until it gets to the Supreme Court of the United States. The Senator's colleague [Mr. THOMAS] indicated very strongly yesterday that he thought the Supreme Court of the United States would uphold that right, and in his remarks cited some authority justifying his opinion.

It is no secret that we have stopped building hydroelectric plants in the United States. There is not to-day a single such plant of appreciable size under construction anywhere in the country. A number of large enterprises have been planned, and still others are under consideration, waiting for Congress to enact laws which will make financing and construction possible. Hundreds of engineers and thousands of skilled and unskilled workmen, dependent upon such work, are out of employment awaiting the enactment of this kind of legislation. Manufacturers of water-power machinery, materials, and supplies, with millions of dollars invested in their plants, are without orders, and asking Congress to pass such laws as will restore their business.

The country is in a deadlock over legislation for the development of water power. There is one class of people who claim that the land embraced in the withdrawn power sites should be turned over to the States and that the several States should be allowed to go ahead, each one of the 48 States independently and for itself, with full control over legislation for the development of water power within its borders. I can not and do not subscribe to that doctrine. I think it would be dangerous, unfeasible, unworkable, impractical. I do not believe that the people of the United States who, as a whole, own these valuable power-site privileges and advantages should surrender their heritage to the various States. They should retain them and utilize them for the common good and hold them for future generations.

There is another class of people who claim that the Federal Government should take charge of everything. Now, as long as those two extremes stand deadlocked with each other there is going to be no water-power development; there will be no legislation; there will be a continuation of the depressing stagnation which we have experienced for the last 10 or 15 years. I say that we should come to some compromise of that deadlocked situation. We must give and take some in our views, if we are to have any legislation that will revive the development of water power in this country, and that is what this bill undertakes to do.

The bill recognizes the rights of the States over the water flowing within their boundaries, and the right of the Federal Government as proprietor—under decisions of the Supreme Court of the United States—of the public land adjacent to those streams. The bill gives to each, the Federal and the State government, its proper function and sphere of activity in this field of development. It is a compromise; and if we are to have any legislation whatever on the subject, there must be some compromise, or there will be a continuation for an indefinite number of years of the stagnation which now prevails.

I say that we should by all means compromise conflicting views and have some legislation on the subject which will contribute to the wealth, prosperity, development, and welfare of the country. It is not a question of what we can get. Some of my fellow Senators seem to hold to the attitude of refusing to take anything unless they can get exactly what they want. It is not a question of getting exactly what we want that will ever start the wheels of development in this long-neglected field of activity. We must take what we can get, if it presents any fair solution of the matter at all.

Mr. SHAFROTH. Does not the Senator believe that when an enterprise is to be undertaken, if there are private lands along the way, the parties have the authority to begin condemnation proceedings and to condemn that private land, and that we should, under this bill, have the right, whenever Government lands are along there, also to have the right to condemn those lands?

Mr. MYERS. That I thought we all expressed our views about yesterday, and I had to admit that there was some uncertainty about the question.

Mr. SHAFROTH. This proposed law does not provide for it or authorize it. I have no doubt that it would be perfectly constitutional and legal to provide in the bill that any person or company undertaking the erection of a power plant shall have a right to condemn the land, not only of the private individual, but any land, whether owned by the Government or not, upon paying due compensation therefor—that is, the value of the land for all the uses it may be put to.

Mr. MYERS. I am not a believer in that theory. The Federal Government is the proprietor of the public land withdrawn for power-site purposes, and I believe it should retain jurisdiction of it and have some hand in the development of the resources. This business—the generation of hydroelectric power—must necessarily result, in a large measure, in interstate-commerce transactions, in the transmission of electric power from one State to another, and I believe, on account of that, the Federal Government should retain some jurisdiction, so that within its proper sphere it will have something to say about it. I am not a believer in turning over all these water-power sites to the States, to let 48 States enact each one different laws to suit itself and regulate affairs according to its own ideas, and have a thousand conflicts in a business which must necessarily in its nature be more or less an interstate-commerce matter. I believe the bill pursues the right course in that regard. It provides that in interstate business there shall be Federal control and in intrastate business there may be State control, subject to Federal proprietorship of the land. That is right. It is the ideal arrangement. It is analogous to our control of railroads—Federal control of interstate traffic, State control of intrastate traffic.

I spoke briefly yesterday on the wonderful benefits that will result from this class of legislation if we are successful in getting it through Congress. There are a great many uses to which electrical power was a stranger a few years ago that are now common. It is found that there are many uses in everyday life for that cheap class of power, and there will be many more in a few years. The development of water power in the Western States would result in many different ways in increased prosperity for the people, for the communities, and for the States themselves as Commonwealths. A few of the uses to which electrical power has been in recent years put successfully and will be put more successfully in the next few years are the following:

Cheap electricity for fuel and power, light and heat, in the cities and on the farms.

Reclamation by irrigation of vast areas of land now idle and useless.

Establishment of new industries, around which will grow new towns and cities, creating employment for hundreds of thousands of people and new markets for agricultural products.

New steel and iron industries in new sections.

Cheapened production of metals from low-grade ores.

Cheaper agricultural fertilizers and consequent larger agricultural crops.

The establishment in this country of electrochemical industries for the fixation of atmospheric nitrogen, now unknown in the United States, but which may be expected to grow to astonishing dimensions with the development of cheap water power, alone makes possible a long line of new manufacturing and mining operations, which promises an era of prosperity and activity greater than any the country has probably ever known.

One of the principal benefits which will arise in the West from this legislation is in the irrigation of arid lands which are not now susceptible to irrigation by the gravity system. Millions of acres of public lands in the arid-land States, hundreds of thousands, perhaps millions, of acres in my own State, not now cultivated, practically waste lands, productive of no good to anybody, may be converted into fruitful farms of great productivity if we may have legislation to produce cheap water power.

It is estimated that there are at least 10,000,000 acres of arid lands located in the far Western States, lying above the reach of gravity water that can only be reclaimed through water raised by pumps, operated by the cheap hydroelectric power now latent and wasting in the various streams from which the water would be pumped. Thus the land, and at a lower level the water to irrigate it, and the power to raise the water to the land are often all assembled at one point.

Given water these lands will produce every fruit, vegetable, and grain that is native to the temperate zone, and are capable of supporting a population of 2,000,000 people.

If capital can be interested, it is safe to say that hundreds of thousands of water horsepower will be utilized within the next 10 years after the enactment into law of this measure, in connection with the reclamation of arid lands, and that in addition to what the Government service will accomplish, hundreds of millions of dollars of private capital will be used for the establishment of reclamation projects in connection with pumping plants.

With a bill of this kind enacted into law and in successful operation, as I believe would result, there would be scarcely an excuse for a single quarter section of arid land in the Western States remaining arid and unproductive. The result would be that the agricultural output of our country would be largely increased and the cost of living to the masses of the people cheapened. I verily believe that it would be a happy method of securing what statesmen, economists, and theorists have long sought to find, a method of reducing the present high cost of living which has prevailed in this country and all over the world for years past.

Two splendid arguments as to the result of legislation of this character in benefiting the people have been heard in the addresses this afternoon in the Senate of the Senator from Arizona [Mr. ASHURST] and the Senator from South Carolina [Mr. SMITH]. Two of the principal results flowing from this legislation would be the production of fertilizers and the fixation of atmospheric nitrogen. The production of fertilizers would be of enormous benefit to the farmers of this country. Their land is rapidly being depleted and exhausted. It is diminishing each year in productive capacity, and some means must be found of restoring its virgin fertility or this country will be unable in time to compete with some other sections of the world in the production of agricultural resources. Here is the opportunity for the farmers of the United States to have put in their hands the greatest possible agency of restoring the fertility of their lands, increasing their crops, and making this country the storehouse of the world for agricultural products.

At the same time legislation of this character will enable both the Government and individuals to engage in the business of the fixation of atmospheric nitrogen. It will not only aid in the production of fertilizers, but it may be utilized by the Government in the manufacture of munitions of war. As has been said by those Senators, this country is dependent almost entirely now upon the Chilean beds of nitrate for their nitrate products, and if by war or for any other unforeseen cause which might intervene we should be cut off from that source of supply the people of this country would have no way of obtaining nitrate, either for fertilizer or for the manufacture of munitions of war.

So this measure is really not only a development measure and a conservation measure, in the true sense of those words, but it is a part of the preparedness measures which should be put through Congress with a view to putting this country in a proper state of preparedness to defend itself from the encroachments of foreign nations, in the event we should have foreign troubles. With legislation of this character, the country would be enabled at any time to manufacture all the explosives which go into the make-up of munitions of war, and it would make the country absolutely independent in a highly essential feature of national existence in which it is now not by any means independent.

I know that one great objection to this measure is the leasing feature of it. I shall not say much about that, because there are irreconcilable differences existing in the Senate over that question, and each school of thought is going to keep its opinion in that regard.

I am not in favor of any general leasing system of our public domain. I would not for an instant approve of leasing agricultural land which is capable of being homesteaded and of making homes and farms for our citizens. I would not approve of leasing grazing lands. I do not believe in carrying the leasing system to that extent.

The object of the homestead law is to make homes for the people, and that is the true and correct disposition of the public domain which is capable of adaptation to agricultural purposes. But this bill merely provides for leasing little strips of land along the banks of flowing streams. A man can not make a home on a dam site; he can not make a living there. If these sites were susceptible of being made into homes for the people, if we were taking homes away from the homeless by these withdrawals and by this very inconsequential system of leasing, I would not favor it; but it does not interfere in the least with the true spirit and intent of the Government in devoting the great body of our public domain to homes for the people. It does not interfere with that a particle.

Mr. SHAFROTH. Mr. President—

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

Mr. MYERS. With pleasure.

Mr. SHAFROTH. Does not the Senator recognize that in that clause of the Constitution which provides that Congress shall have power to control and regulate the territory and make rules and regulations concerning it until disposed of it was meant by the Constitution to be the determination of the Government to absolutely part with the title and not lease the land?

Mr. MYERS. The Supreme Court of the United States has held that Congress has power to lease public lands.

Mr. SHAFROTH. Yes; it so held in a case where the leases were 5 years in extent. It has said that 5 years was a very limited time in the life of a nation, and I expect they would hold perhaps to 50 years so far as saying that the act is constitutional. It is all expressed in the decision that the object is to hold only the land until disposed of in good faith. Outside of the constitutional question imposed upon the Government, it seems to me it is to dispose of the land so that the States can live by taxation upon the land. It seems to me that the words "disposed of" have an important bearing. It can be avoided by saying 50 years or 25 years or 5 years, and it may come within the strict letter of the Constitution, but it seems to me everyone must recognize that leasing land is not disposing of it. Investment in land is the most conservative and perfect way for a permanent investment that can be conceived of, and leasing is not disposing of the land. It is in violation of the spirit of the Constitution, it seems to me, not to the extent of saying that it would be unconstitutional but from the fact that it was the intention of Congress and the intention of the Constitution makers that the Government should not permanently and forever hold lands within Territories, because it severs the relation, as it were, between the States and the Nation. Now, I ask the Senator, does he not think that that clause in the Constitution "until disposed of" meant by the Constitution makers at that time that the United States Government should not lease but should dispose of land?

Mr. MYERS. No; because the Supreme Court of the United States has said differently. I recognize that as good authority and accept it.

Mr. SHAFROTH. Does not the Senator believe that if by this bill we would say that we propose forever to hold these lands and never part with them it would be declared unconstitutional by the Supreme Court?

Mr. MYERS. It might; but this bill does not provide anything of that kind.

Mr. SHAFROTH. The Supreme Court might say that 50 years is a limited period—

Mr. MYERS. I think it would.

Mr. SHAFROTH. A limited period in the life of a nation, and therefore we will not say it is unconstitutional, but we will leave that to Congress, but in spirit it violates the Constitution. I believe when this system is fastened upon us it is going to remain forever, although it is not expressed in the bill that way. Consequently, if it does mean forever, it then follows, it seems to me, that it is not a constitutional provision.

Mr. MYERS. The principle is the same. If the Government can lease for 5 years, it can lease for 50 years. I believe the Federal Government should get something out of these valuable water-power sites for the benefit of the people of the country, who own them. I am not a believer in giving them away nor of parting with them for nothing. The enabling acts of all the Western States say that the people of the States disclaim forever all right in and control over these lands, at least without the consent of the United States Government, and the people of the whole country own these public lands. The people of the States have solemnly renounced all right, title, and interest in them and all claim to them.

Mr. SHAFROTH. That is right; but would not the Government get something out of them if they were to require the States or any person attempting to obtain them to pay what was the fair value as fixed in a condemnation suit? If you can attach to that any specific purpose, or all purposes whatever, the value of the land, it seems to me, would give compensation to the Government. I wish to call attention to this fact: We have acquired all this public domain and it has cost us just  $4\frac{1}{2}$  cents per acre. Is it possible that the United States Government ought to try to take millions out of what cost  $4\frac{1}{2}$  cents per acre? We condemn that in the case of a private individual. Should we not condemn it in the case of the Government holding up enterprises by reason of doing that?

Mr. MYERS. No; these lands belong to all the people of the whole country, and the Federal Government ought to try to get something like what they are reasonably worth for the benefit of the entire people. I believe we would come nearer to doing that by lease than by sale. If we sold them they might be sold for a song and future generations would get no benefit what-

ever from them. The better way is to keep them. They will become more valuable with the passing of time, and our children should have some benefit from them. They should be considered and kept in mind.

Mr. SMOOT. Mr. President, if that is the position the Senator takes, why does he not go further than the bill for the leasing of oil and gas lands and apply the leasing system to gold and silver and copper and all the precious metals? The Government of the United States no doubt could secure more than \$5 an acre for such land. If it is a question of the Government of the United States making every dollar possible out of the lands of the United States, why not make it universal and have it apply to everything? I think if that was done the West would be completely paralyzed.

Mr. MYERS. I will give a few of my reasons for differentiating. Water power is something which concerns all the people of the country. The whole community, everybody, uses it in the shape of electric power nowadays; and they are all interested, they are all concerned. Hydroelectric energy is produced from a power site. Everybody in the community is interested in that, everybody in the community uses it, and everybody in the community is entitled to get it at a fair and reasonable rate of compensation. But if you take gold out of a gold mine everybody in the community is not interested in that. It is not everybody who has a voice in the disposition of it. Everybody does not have to have it. The man who prospect and discovers a gold mine or any other mine of precious metals and develops it and puts his capital into it is entitled to all the profit there is in it, because it does not concern the public at large. Water power does. It is a public utility.

Mr. SMOOT. I certainly would have to take issue with the Senator there. When power is developed it only concerns the people to whom that power can be carried profitably. Up to date it can be carried over a wire perhaps four or five hundred miles. But take gold from the mine, it goes into circulation; it is the life blood of commerce; it is felt in every part of the country. The Senator well knows that in 1849 when gold was discovered in California it was virtually the thing that saved this country from the worst sort of a panic. There is not a person in the United States, business man or workingman, who is not benefited directly or indirectly by every dollar that is taken from the ground and put into circulation.

Mr. MYERS. They are entitled to it when they can get it, when they do something to earn it, but in the case of hydroelectric energy, whether everyone does something or not, the community is benefited just the same by its development. It has reached the point now where practically everybody in the community uses it, and they are all interested in it, and have a right to be served at a reasonable rate of compensation. Precious metals are not of common and general use like hydroelectric energy. Let the man who discovers and develops a gold mine have the gold he gets out of it. He earns it. It is his. I have no interest in it, no right to it. He may do what he may please with it. He may hoard it if it pleases him to do so. But the man who develops electrical power has no right to do with it what he may please. I am interested in it. I need it and have a right to be served with it at a reasonable price. That is the difference.

Mr. SMOOT. It is not going to lessen the price of electric current to the consumer by charging a royalty upon all the power that is produced, because whatever royalty is placed upon the producing of electric power and the royalty paid to the Government, it has to be collected from the ultimate consumer.

Mr. MYERS. We really ought to have something for administrative purposes under a law of this kind; but whatever is collected is to go entirely and absolutely to the State; the Federal Government is to get nothing out of it. There is not even anything reserved in this bill for administrative purposes, as there might well be.

Another feature of modern use to which electrical power is being very successfully put and which will result in great and untold benefit to the people of the West and the amazing development of their resources is the electrification of railroads.

Resuming my discussion of the beneficial uses of electrical power, United States railroads are commencing to electrify parts of their systems, and a number of roads are now using electricity. The possibilities of future and more general electrification is merely a matter of making the economy of cheaply generated electricity overcome the heavy expense necessary to be expended in power plants, transmission lines, and reconstruction of the roads for electrical traction.

The most extensive main-line railway electrification in the United States, or in the world, thus far is that of the New York, New Haven & Hartford Railroad, which has electrified upward of 500 miles of track leading into New York City and is operat-

ing more than 100 electric locomotives and a slightly lesser number of multiple-unit cars. This road's electrification includes its Harlem division freight yards, which are among the largest in the world, and its motor equipment includes high-speed engines for passenger service, heavy engines for freight and express service, and slow engines for switching service. The power for this electrical service is generated from a steam plant at Stamford, Conn., and it is said that the cost of operation, including interest on the expensive equipment, is more costly than would be the cost of operation with steam locomotives.

Until a few years ago it was thought that electrification of railroads would be carried out by one of two systems—the 600 to 700 volt direct-current third-rail or the high-tension, single-phase alternating-current overhead system. These earlier difficulties, as to nature of current, contact device, and so forth, have, however, been fully overcome, and the Pennsylvania Railroad uses 11,000-volt single-phase current in the electrified zone in and about the Philadelphia terminals, while for heavy, mountain-grade work the Norfolk & Western uses three-phase alternating-current induction motors on their locomotives, but take the power from an overhead 11,000-volt single-phase line.

The Norfolk & Western hauls heavy trains over its mountain grades with 6,000-horsepower locomotives, which are motors when climbing grades and which become dynamos on the down grade, generating power from the motion of the descending train and returning to the overhead line a considerable portion of the current used in climbing the hill.

I want, while I am on that subject, to refer briefly to what electrical power has done for Montana. I believe the enactment of this bill into law would, in the next few years, mean the investment of many millions of dollars in the State of Montana. The generation of electrical power has already done a great deal for that State. It has given it a tremendous advance in industrial lines, and has brought very much prosperity to the State; but all the power which has been developed there so far has been on privately owned land. If this bill were passed and enacted into law, it would open up a much wider and more feasible field of generation of electric power, which is now closed entirely to capital. There are in the State of Montana withdrawals of some splendid power sites, which, if open to investment under fair and adequate legislation, would be utilized, and, I believe, would more than double the amount of electrical power generated in Montana and more than double the prosperity and the development which has been brought along that line to the State of Montana.

Mr. SHAFROTH. Mr. President, the Senator from Montana recognizes, does he not, that before the passage of the act of 1901, and really until withdrawals were made about 1907, the great development took place in electricity, in power plants, which was referred to by the colleague of the Senator some days ago. That development was proceeding very rapidly. The conservationists came in with the proposition that they wanted genuine development, but pleading that it was being hampered by the filings that were made in the Interior Department, and, in order to get rid of those filings, they wanted the permits revocable. You can readily see that they no doubt thought that they were going to provide a means of great activity, but instead of that it was an absolute stoppage.

The question in this bill is whether it does not contain restrictions which will hamper development, instead of making development. If you resort to a system that has proven a success, why is it not better; why is it not wiser?

Mr. MYERS. Practical water-power men and water-power investors tell me that the provisions of this bill will not hamper investment and development.

Furthermore, would the Senator from Colorado absolutely repeal the revocable permit law of 1901 and not enact any law in its place? Would he be satisfied to leave things in that condition?

Mr. SHAFROTH. Certainly, because each State has a public-utility commission, which requires that the power shall be furnished at cheap rates to the people; and with that power over these companies there will be no such thing as imposition upon the people in connection with the rates charged.

Mr. MYERS. How would the Senator get possession of or title to the land which enters into power sites if the law of 1901 were repealed?

Mr. SHAFROTH. I would file on them just exactly as we filed on them before.

Mr. MYERS. As homestead entries?

Mr. SHAFROTH. No; not as homestead entries. They have a law there which provides a definite method of location. One makes application for a power site just as in the case of irrigation. In that case it is necessary to file with the State engineer, as is also true in the case of power sites, an exact plat show-

ing the exact number of reservoirs, where they are located, the contour of the reservoirs, and, if it is in a stream, the kind of dam that is going to be erected. After that is filed in the State engineer's office it is checked up, and then, when it is approved, it is sent here to the Secretary of the Interior for his approval or disapproval. If it is approved, as it ought to be, as was customary up to 1901, or, in fact, up to 1907, the construction is proceeded with, subject to regulation by the utilities commission of the State. I want to say that the rates are very low in my State, not perhaps for power furnished by franchise companies in the cities, but by development companies. I know of one company that furnishes electricity at a rate of one-half cent per kilowatt hour, and I noticed in the hearings here the other day the case of a California company concerning which the commission made a ruling—and they have adhered to it ever since—requiring them to furnish electricity at the rate of 6 $\frac{1}{2}$  mills per kilowatt hour. When you consider that here in the city of Washington we pay 8, 9, and 10 cents per kilowatt hour, it will be seen that the former is a very low rate indeed.

Mr. MYERS. I know that it was not many years prior to 1901 that power sites could be homesteaded or secured with scrip or any other form of entry.

Mr. SHAFROTH. That ought not to be permitted. I perfectly agree with the Senator as to that.

Mr. MYERS. And the Federal Government would get nothing out of them. But, so far as the method of filing plats and getting permits and approvals from the Interior Department is concerned, I do not think that any Senator on this floor has complained more of the arbitrary exercise of bureaucratic power than has the Senator from Colorado. This bill is designed to get away from that abuse and to enact a plain law by Congress, so that everybody will know what he can do.

Mr. SHAFROTH. I am perfectly free to say that I think this bill will make a bureaucracy as to this matter just as there has been in other lines in the various departments.

Mr. MYERS. I regret to say that the Senator from Colorado can see nothing in the Federal Government but bureaucracy. Every time you raise the United States flag he has stage fright because of the specter of bureaucracy.

Mr. SHAFROTH. No; I do not; but the administration of the public lands has been by bureaus in Washington, and they have treated us very unfairly.

Now, I want to ask the Senator a question, which, it seems to me, is in line with what he is saying. The Senator knows that if you are going to construct a railroad which is to go over public land, you must file in the Interior Department a definite plat of location of the railroad. Do you think the Government ought to say, "No; we will not let the railroad be constructed unless you give us a part of the net earnings of the company each year?" Would not that hamper railroad building? Would it not have a tendency to prevent railroad companies from proceeding with railroad construction? Would they not say they did not want to be hampered by regulations, and would it not be almost absolutely destructive if we should say, "We are going to charge you for every ton that goes over your railroad, because you go over our land"?

Mr. MYERS. But a railroad is a common carrier, and for that reason also has the right of eminent domain under the English common law and under the law of this country.

Mr. SHAFROTH. So is a company for the distribution of electric power a common carrier. It has been so decided in our country; and it seems to me that the more restrictions you put around it the less development you will have and the higher the rates the companies will charge the people.

Mr. SMOOT. Mr. President, in the State of Montana there is a power company to-day developing a great amount of electrical power.

Mr. MYERS. Yes; that is true.

Mr. SMOOT. I understand that they have sold power at \$20 per horsepower per year for the purpose of operating a certain railroad.

Mr. MYERS. I think that is correct. I have the figures here.

Mr. SMOOT. That has been accomplished without the passage of any such law as is contemplated by this bill.

Mr. MYERS. They generate all their power on privately owned land. Would you not have anybody come in competition with them?

Mr. SMOOT. Oh, Mr. President, that is not what I had in mind. I want to say to the Senator that if the conditions existed as they existed before the passage of the act of 1891 one could secure title to the lands and develop electric power. If a private concern upon private land has developed power in the State of Montana and sold it at \$20 per horsepower for the operating of a railroad, what reason has the Senator to fear that that could not be done in other States if the title to the

land could be secured? What reason has the Senator to fear, if the water power to be developed within his own State is developed in the same way, that any greater amount would be charged the people than is now charged?

Mr. WALSH. Mr. President—

Mr. MYERS. I yield to my colleague.

Mr. WALSH. If my colleague will yield to me, I will ask the Senator from Utah a question in that connection.

Mr. MYERS. I have yielded.

Mr. SMOOT. As soon as the Senator answers my question, then I will answer the Senator's question.

Mr. MYERS. I am very glad to answer it. Although the rate cited by the Senator from Utah is a cheap rate for power, I do not see how any harm could result from throwing open to the public under feasible legislation other splendid power sites which are not now available, enabling new investors and new companies to compete with those which are already in the field.

Mr. SMOOT. I want to say that if the new investor and the new company are hampered by regulations and by a charge upon every horsepower developed, they will not stand upon the same basis as the company which is already established and is producing electrical power upon lands over which there is no governmental control or charge imposed per horsepower.

Mr. MYERS. They will know that when they go into the business, and, if they make arrangements to compete under those conditions, the assumption is that they will be able to compete, or they would not invest their money and go into the business.

Mr. SMOOT. The very thing I am afraid of is that they may not be able to compete.

Mr. WALSH. If my colleague will yield—

Mr. MYERS. I yield to my colleague.

Mr. WALSH. I should like to advise the Senator from Utah that the power sites now being developed in Montana have long since passed into private ownership by virtue of homestead entries, through the location of Sioux half-breed scrip, soldiers' additional homestead scrip, Valentine scrip, forest reserve scrip, fake mining claims, and other entries of that character. Does the Senator mean that he would like to have that system continued?

Mr. SMOOT. Oh, no; the Senator from Utah has not intimated any such thing; and even if what the Senator from Montana states were universally true—and perhaps there are some such cases as those described by him; I have no doubt that there are—but even if all locations were of the character which the Senator has described, the Senator will admit that the price of electricity in the State of Montana now is exceptionally low?

Mr. WALSH. I agree with the Senator about that; but that is not the question. The Senator from Utah addressed to my colleague the question whether these power sites could not be put to a public use in exactly the same way that the power sites were prior to the passage of the act of 1901. I want to know from the Senator from Utah if he would like to have power sites now appropriated under these other acts?

Mr. SMOOT. Mr. President, I never did approve and never will approve of any evasive way of securing public lands of any character for any purpose. I am well aware that there were evils in obtaining title to public lands not only for power sites but for timber and stone as well.

Mr. WALSH. If the Senator will pardon me, I do not mean to say that they were fraudulently procured at all.

Mr. SMOOT. I say there were such cases.

Mr. WALSH. I mean to say that they were secured under those acts, there being no law whatever for the disposition of the land as power sites.

Mr. SMOOT. Mr. President, I will go further than the Senator, and say that title was fraudulently obtained in very many cases. I know of great tracts of timberlands in this country which have been secured under the law governing placer-mining claims. I know that there are many acres of land of different character which have been obtained fraudulently; but we are not considering that question now. No one approves of any such acts to-day.

Mr. WALSH. Certainly not. It is far from me to say that the Senator from Utah approves of them; but let us dismiss the other consideration entirely and go back prior to 1901, when these properties, these valuable power sites, were appropriated as homesteads. They were appropriated under the timber and stone act, they were appropriated under the various scrip acts. Now, when the Senator asks, Can not these power sites on public lands be disposed of in exactly the same way that they were before? I want to know from the Senator if that is really his attitude.

Mr. SMOOT. No; Mr. President, I want them disposed of under some proper system. As the Senator knows, one seeking a location would have to file with the State engineer, I think in every State, an application for water.

The Senator knows that the applicant would have to get consent from the State before the power site could be used for the development of power. He knows that the Secretary of the Interior would have to approve of the application, and that up to 1891 those who secured title other than by the use of scrip, which the law allowed, obtained it in this way; and it seems to me that is the proper way to do now, or, so far as I am concerned, I would be more than willing to grant the State the right to make application for every water-power site within the State, just as the substitute for this bill which I have offered provides, and make the State responsible—give the State the power to say when an electric-power plant shall be established and give the State control of the rates which may be charged by the company.

Mr. WALSH. I should like to ask the Senator from Utah if he thinks that Congress would pass a law turning these power sites over to the States?

Mr. SMOOT. I think, Mr. President, that ultimately that will be done. I do not know whether or not public sentiment is such to-day that Congress would do it.

Mr. WALSH. Let me ask the Senator whether he thinks that the relatively low-valued agricultural lands could be turned over to the States?

Mr. SMOOT. I think the Senate of the United States would turn the remainder of the public lands over to the States.

Mr. WALSH. I am speaking now of Congress, not of the Senate.

Mr. SMOOT. And I will say to the Senator that I think the same sentiment is growing in the House.

Mr. WALSH. I apprehend that the Senator speaks frankly about this matter, as he usually does. Will he agree that it is impossible to get public sentiment to approve of turning over to the States even the relatively low-valued agricultural and grazing lands?

Mr. SMOOT. I will admit that is true.

Mr. WALSH. Now, does the Senator think that under those circumstances it would be possible to get them to turn over to the States these immensely valuable lands which exist in only small quantities?

Mr. SMOOT. Mr. President, they are not valuable except as they are made valuable by the investment of money under the laws of the State and the use of the water of the State. That is what makes them valuable. Otherwise they are only rocky mountain sides. They never can be used by any citizen of the United States for any other purpose than for the development of water power, and I believe that the Congress of the United States, if they understood the situation and knew that the States would control the rates at which the power should be furnished to the ultimate consumer and that there was no chance of a monopoly or of an injustice being inflicted on citizens of the United States, would pass a law giving them the right to secure title to such lands.

Mr. MYERS. Mr. President, I will ask the Senator from Utah if he would have the law of 1901 absolutely repealed and make no provision whatever by legislative enactment for the development of water power in the Western States?

Mr. SMOOT. I would greatly prefer that, Mr. President, to having the law of 1901, as construed by the department, stand on the statute books to-day. I am as positive as I am that I stand here that if it were repealed there would be a more rapid development of water power in the West than there will be under the provisions of this bill.

Mr. WALSH. Let me ask the Senator how would anyone get title to the land?

Mr. SMOOT. Just wait until I answer the question of the senior Senator from Montana. I want to say, Mr. President, that in a system of development, with the States having absolute control and the public-utilities commissions regulating the price of the power, no citizen in the United States would ever suffer from such control. I know it has been said that in the past franchises have been given to railroads without consideration or compensation, and that valuable franchises have been given to street railways in the cities. That is true; but that day has passed. You can not find a city in the United States which to-day would grant to a street railway a franchise for 99 years with no consideration whatever. You can not find a State that would give to a railroad company a franchise for 50 or for 99 years without requiring some return to the State. Public sentiment has changed; the ideals of the American people have changed. In saying that, I do not want to be understood as criticizing the Western States, for at the time such franchises

were granted in those Commonwealths the people there had but one idea, and that was to build up their cities and to develop their States. So they invited people to come, for they had resources which were undeveloped which needed capital, and without the development of which those communities could not grow. The people who were there were poor; they were pioneers; they went there to develop the country, and in order to develop it they offered inducements to others to come there and to invest their money. So I have no apprehension, Mr. President, as to a State to-day frittering away or giving away any valuable franchise to any corporation.

Mr. WALSH. Mr. President, the Senator having referred to the possibility of regulation, I want to ask him is there in the State of Utah a regulatory tribunal which controls the price of electrical power?

Mr. SMOOT. I have answered the Senator that question once before, but I am glad to answer it again. Up to the present time there is no public-utilities commission in the State of Utah, and I have stated why; but I have no doubt that the next legislature will enact such a law. I have no doubt that such a commission will be provided for.

Mr. WALSH. Let me ask the Senator whether the governor of his State did not veto a bill of that character which was passed at the last session of the legislature?

Mr. SMOOT. The governor vetoed a bill because of the form of the bill, but not because of the principle involved. I desire to say to the Senator that both parties in Utah have in their platforms declared in favor of the creation of a public-utilities commission; but the form of the bill passed did not satisfy the governor and he vetoed it. The Senator from Montana, however, need not worry one moment about the creation of a public-utilities commission in the State of Utah. A law creating such a commission is going to be passed. There is no question in my mind as to that.

Mr. MYERS. Mr. President, I will claim the floor again. Fifteen years ago the development of the electrical power of this country was in its infancy, and laws on the subject were very crude. If the Senator from Utah would be willing to go back to those laws and those conditions, then, truly, there is nothing progressive about him, and he is not at all in touch with the progress and the advancement of the times. I believe a different spirit prevails in this country to-day and that more is demanded than in the past.

I was on the subject of what the generation of electrical power has done for the State of Montana, as an example of what it might do for all of the Western States under favorable circumstances. I will recur to that subject and give a few more facts.

The mines of Butte, Mont., the greatest copper mines in the United States, were formerly operated by steam, at an average cost of \$85 per horsepower per year, and were using 35,000 horsepower, ranging in price from \$66 to \$130 per horsepower. The Montana Power Co., generators of electrical power, now furnish power from a distance of 130 miles, and have taken over all the business of operating those mines for the life of the mines at \$30 per horsepower per year, which is a great saving to those industries.

The mine owners can now carry on operations for \$2,000,000 per year less than before. They mine in that camp 4,000,000 tons of ore per year, and the reduced price of power makes each ton worth 50 cents more than before. The mine owners can now take out ore worth 50 cents per ton less than before, enabling the mining companies to extract, at equal profit, ore running very much less per ton.

The Montana Power Co. has recently made a contract with the Chicago, Milwaukee & St. Paul Railroad Co. to furnish operating power for 450 miles of its road in Montana and Idaho, 230 miles of which are now in operation. The contract is for 99 years at \$21 per horsepower per year, and will cost the railroad \$550,000 per year. That is what it is costing the road now to operate that part of its line. Before that it had cost the road \$1,750,000 per year for operating the same number of miles.

The Butte, Anaconda & Pacific Railway, a Montana road, 80 miles long, is all electrified. Before electrification it was paying \$22,500 a month for coal alone, and hauling it over its own line. The total cost of power now is \$8,000 a month—a saving of \$14,500 a month, or \$174,000 a year.

Those are a few of the things that the development of electrical power has done for Montana. It will do far more for my State if you will give it a chance. It will do as much for some other States.

If this bill becomes a law, I look for the time to come in the near future when all three of the great transcontinental railroads traversing the State of Montana will be operated solely

by electrical power, and I think the time will come when they will be operated by electrical power altogether from Chicago to the Pacific coast. I look for all of the transcontinental railroads crossing the country, all of the railroads in the Western States where electrical power may be obtained cheaply and readily, to be operated in a few years by electrical power, and at an enormous saving of cost, because there is where cheap power may be generated. There are numerous opportunities for the generation of it, numerous fine sites, and it will result in a great saving in the operation of all of the railroads of that section of the country, the West. The people who patronize those roads, the passengers who travel on them, the shippers who ship freight on them, ought to get the benefit of that saving, and I believe will get it, under our system of regulating railroad charges by the Interstate Commerce Commission in the case of interstate business, and by the State commissions in the case of intrastate business.

The mines of all that region may be operated more cheaply and economically, as is the case to-day in copper mines at Butte, in Montana. Factories will spring up in those States. Industries now unknown to those States will spring up. Cities and towns will spring up. They will draw people to them, and afford employment to those people. Electric-power development will redound in every way to the prosperity of the people of those States. There will be more people there, more people at work, more pay rolls, more money produced, more money in circulation, and more prosperity among the people of those States.

I do not think it takes a prophetic vision to see those results from the generation of cheap electrical power in that wonderfully blessed country, the great West. Now the question is, Are we going to stand still? Are we going to remain in a state of stagnation and utterly refuse to provide adequate legislation for the development of our resources and to bring about that era of prosperity, which I can easily foresee, just on account of some differences between Members of Congress over the rights of States and the rights of the Federal Government? Just on account of some notion of States' rights which prevails among some of the western Members of Congress and a fear that some mysterious power is going to take away from their States the constitutions under which they are operating, are we, just because of a stubborn difference over methods of procedure, going to maintain that stagnation which is now preventing general development in a wonderfully blessed section of the country?

Mr. SHAFROTH. Mr. President, I fully concur with the Senator that this development is going to take place; but the question is whether it will take place under this bill as well as it will take place where a person has the right to acquire the land for what it is worth. I do not know that the Senator has read the bill which I have offered as a substitute for this bill.

Mr. MYERS. I read it some time ago.

Mr. SHAFROTH. No; that is not the bill.

Mr. MYERS. I have not seen this year's bill, then.

Mr. SHAFROTH. The bill which I have offered as a substitute provides for practically the condemnation of the land of the United States just the same as the land of an individual, and thereby title to it is acquired. If you have a lease with the Government, you are going to have clauses in the lease that make it revocable. You are going to have provisions just like you have in a house lease. Certain things have to be done by the individual. He has to pay the rental at regular intervals of time, and whenever the time comes that the Government says "No," the Government can clamp down and oust the party. Those are things that every company on earth is afraid of, and they will not go into the enterprise as freely as if they owned the title to the lands. If you provide for acquiring the title to the lands, however, together with the supervision of the utility commissions, you will find that you will have the cheapest development that can be had in the world.

Mr. MYERS. I am not at all afraid of a lack of development under the provisions of this bill if it becomes a law. I am assured that if this bill becomes a law it will result in the investment of millions of dollars in the State of Montana in the next few years, and, in fact, almost immediately. I am not a believer, either, in selling to private individuals and parting absolutely with the title of the Government to these valuable water-power sites. The lands constituting them belong to the people of all of the United States, and I think some supervision and control over them ought to be retained by the people of all of the United States. If they were sold to individuals, they would likely be sold for a song; they might be condemned for a song, and then they would be gone forever out of the hands of the people who now own them.

Mr. SHAFROTH. The Senator does believe, however, in having the Government do exactly that same thing as to railroads, does he not?

Mr. MYERS. That is a long-established system, and Congress has long ago provided a method of parting with the title to lands that railroads are seeking. I do not consider the cases analogous at all.

Mr. SHAFROTH. That was the system we had up to the passage of the act of 1901, too, in the case of water-power sites, and there was great development under it.

Mr. MYERS. But it was subject to a great many things of which the Senator from Colorado himself has complained—bureaucracy and regulations, which he says are invariably carried to an extreme, and which hamper and restrict development—and the land was subject to homestead entry and scripping, and a number of other ways of acquiring it.

Mr. SHAFROTH. Oh, no; not to bureaucracy, because the bureaucracy has occurred since 1901. That is where the bureaucracy has occurred.

Mr. MYERS. The Senator is entirely satisfied with the situation up to 1901, then? He would simply return to that system?

Mr. SHAFROTH. No; I would be perfectly willing for them to file on water-power land for water-power sites and then let them pay to the Government whatever that land is worth, measured by what it would bring in a condemnation suit. It seems to me that is all the Government has a right to exact, and it seems to me it would result in that.

Some years ago there was hardly any such thing as a public-utility commission. Now every State in the Union, I think, except Utah, has a public-utility commission. They are sometimes called railroad commissions, but their jurisdiction extends to every public carrier that may be incorporated in the State. I want to say, as to these Western States, that Arizona has one, California has one, Colorado has one, Idaho has one, Montana has one, Nevada has one, New Mexico has one, Oregon has one, and Washington has one.

Mr. MYERS. Oh, I know; nearly all the States have them.

Mr. SHAFROTH. Every one of the States which are the subject of this matter has a public-utility commission that determines the price that can be charged persons using electricity; and every charge and every restriction that you put on here simply makes the corporation charge a higher rate, and the public-utility commission allows it.

Mr. MYERS. Then the Senator would have the Federal Government give up absolutely these valuable heritages, these water-power sites, and part forever with the title to them?

Mr. SHAFROTH. Why, no. I have said that they should pay for it just exactly as they would pay for my land if I owned it.

Mr. MYERS. But the Senator would have the United States part with the title to these sites?

Mr. SHAFROTH. I would have the United States part with the title to them, just as I am compelled to part with the title to them. I want to say to the Senator that that was the understanding of the Western States, and I call attention to the fact that in the constitution of Colorado we provided as follows:

All persons and corporations shall have the right of way across public, private, and corporate lands—

It will be observed that it is expressed there as "public lands"—

for the construction of ditches, canals, and flumes for the purpose of conveying water for domestic purposes, for the irrigation of agricultural lands, for mining and manufacturing purposes, and for drainage, upon payment of just compensation.

That is the constitution that was presented in compliance with the enabling act of Congress; and upon the presentation of that constitution, and its examination by the President, and his approval of it as complying with the enabling act, the proclamation was issued by which Colorado was admitted into the Union.

Mr. MYERS. What did the people of the Senator's State understand by its enabling act, which said that they forever renounced all claim to control over the public lands within the State?

Mr. SHAFROTH. Why, certainly they do not claim title to the lands; but they do say that where enterprises are to be undertaken, under this provision of the constitution, the right of way can be condemned by paying for it what it is worth.

Mr. MYERS. If they solemnly abandoned all interest in and forever renounced all control over the public lands within the borders of the State, they are not in a position now to complain, whether the United States Government sells or leases them, whichever it may see fit to do. If they did not want to come into the Union under those terms, they should not have accepted the enabling act and should have stayed out. I think

they ought to stand by their enabling act, which solemnly renounces all claim to the control or exercise of any right over the public lands. They are not in a position now to complain if the Federal Government sees fit to lease them. They have renounced the right to complain.

Mr. SHAFROTH. Why, no; because, as a matter of fact, the Constitution of the United States itself says that these lands shall be held until disposed of. It is a temporary trust. It has been declared by the Supreme Court of the United States to be a temporary trust.

Mr. MYERS. We are traveling in a circle. The Supreme Court of the United States has said that that does not mean merely to sell; it means to lease as well as to sell. The Senator must abide by the decision of the Supreme Court of the United States.

Mr. SHAFROTH. But they can not keep them forever unless they get the consent of the State. Whenever a public building is to be erected in a State it is not erected until the legislature of the State cedes to the United States jurisdiction over the property on which the building is to stand. Consequently, if the State wants to pass a special act of its legislature providing that a sovereignty can come in there independently of the States it can do it; but it takes the consent of the State to do it.

Mr. MYERS. I believe I will dissolve for the present my dual argumentative capacity with the Senator from Colorado, and proceed in a single capacity with my few remaining remarks.

I have said practically all I care to say about the nature and desirability of this class of legislation. I now want, before closing, to take up the bill and refer to some of the sections of it, and I shall not be very long at that.

The first section is the section which provides for the leasing of the land which constitutes the power site. It provides for a lease for 50 years. I will say that it seemed to be the general opinion of all who addressed our committee on that subject that there ought to be some definite termination of the life of the lease; that it ought to be a determinate lease; and 50 years seemed to be considered by all alike about the proper lifetime for the lease. The House of Representatives has fixed it at that, and the Senate committee last year and this year fixed it at that, and it meets with no serious complaint from anybody. I believe, myself, that 50 years is the proper period. I do not believe it ought to be any longer than that, and I do not believe it would be just or fair to make it any less than that.

From testimony before our committee, it appears that the lifetime of a power project may be divided into three periods. Experience shows that all successful projects pass through those three periods. They may be called the construction period, the development period, and the profitable period. A considerable period of time, varying at from three to five years, must elapse during which the plant may be constructed, transmission lines built, and the development of business initiated. It is fair to assume that upon the basis of a 50-year leasehold, 10 per cent of the time will have elapsed before the project is ready to render service, develop business, or pay any return upon the sums invested. During this period of inactive earning power, promotion, organization, engineering, and construction charges, together with interest on all of these necessary expenses, and taxes, have been paid, thus burdening the plant with heavy obligations before perfecting any earning capacity.

It is the policy of the Government, and should be the policy of all power producers, to develop the project to its maximum capacity. To do this it is, in the majority of cases, necessary to develop far beyond the existing market.

Every water-power company which has a growing business, and particularly those companies that are operating and contemplate operating in the sparsely settled and only partially developed regions of the West, where the proposed legislation will have its fullest application, are obliged to make heavy investments upon which no immediate return is possible. To endeavor to secure a return on total investment during this early or first period would necessitate the charging of rates so exorbitant as to preclude the development of the business and to curtail rather than extend the use of hydroelectric power. As a matter of business policy rates must of necessity, during the first period, be limited to what will pay, in many instances, a nominal return only upon the actual money invested, leaving no profit for the owner and developer of the business. This situation is realized by all conservative water-power companies, and with it comes a realization that, aside from bond interest and sinking fund requirements, additional revenues must be made by maintaining as cheap rates as possible, extending the business and substituting hydroelectric power for other means of generating power required for different industries.

During the second period of a leasehold, when the business has been developed, a fair return may be made upon the investment. Under the regulatory control of State public-service commissions only such a return as can be adequately justified may be looked for. This may be regarded as the period of profit to the owner and developer, while at the same time the public interest is conserved through the instrumentality of its commissions.

During the latter part of the leasehold the plant will inevitably be reaching a stage where maintenance and renewal charges will be heavy items. In order to properly serve the public, plants, structures, dams, transmission, and distributing systems should be maintained at the highest possible point of efficiency. Extensions should be made to meet the public need, and in the rapidly growing sections of the West these extensions require a constant expenditure of new money, amounting to a very considerable portion of the total outlay. If a company is facing a situation where its physical property may be taken over at the end of a comparatively few years, it will inevitably follow that there will be a disposition to save as much money as possible upon renewals, repairs, and extensions, and such sums as may of necessity be invested under these heads must, to as great an extent as possible, be amortized during the remainder of the lease, resulting in a constant effort to increase rates to the point where as large a rate as the customer's business will stand must be charged, and justified by the governmental agencies which have imposed upon the power concern the necessity of amortizing at least a portion of its property, not according to the standard usually adopted, to wit, that of wiping it out during the estimated life of the property itself, but by introducing the fictitious element of an expiring leasehold.

There is general agreement that the 50-year period is the proper period for leasing lands necessary for power sites. About that, I believe, there is no question. If there were as little question about everything else connected with the bill as there is about that, there would be no trouble at all about the speedy enactment of the bill into law.

#### URGENT DEFICIENCY APPROPRIATIONS.

Mr. MARTIN of Virginia. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years, and I submit a report (No. 200) thereon. I give notice that if I find the opportunity I shall ask the Senate to take up the bill to-morrow morning.

The VICE PRESIDENT. The bill will be placed on the calendar.

#### 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 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock p. m.) the Senate adjourned until to-morrow, Thursday, March 16, 1916, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate March 15, 1916.*

#### UNITED STATES DISTRICT JUDGES.

Joseph W. Woodrough, of Omaha, Nebr., to be United States district judge, district of Nebraska, vice William H. Munger, deceased.

Horace W. Vaughan, of Honolulu, Hawaii, now serving as assistant United States attorney, district of Hawaii, to be United States district judge, district of Hawaii, vice Sanford B. Dole, whose term expired December 16, 1915.

#### CHIEF JUSTICE OF SUPREME COURT OF TERRITORY OF HAWAII.

Alexander G. M. Robertson, of Honolulu, Hawaii, to be chief justice of the Supreme Court of the Territory of Hawaii. (A reappointment, his term having expired May 15, 1915.) Mr. Robertson is now serving under a recess appointment.

#### SECOND JUDGE OF CIRCUIT COURT.

William L. Whitney, of Honolulu, Hawaii, to be second judge of the Circuit Court of the First Circuit of the Territory of Hawaii. (A reappointment, his term having expired May 6, 1913.) Mr. Whitney is now serving under a recess appointment.

#### JUDGES OF CIRCUIT COURTS.

James Wesley Thompson, of Honolulu, Hawaii, to be judge of the Circuit Court of the Third Circuit of the Territory of Hawaii, vice John A. Matthewman, whose term expired January 6, 1913.

Clement K. Quinn, of Honolulu, Hawaii, to be judge of the Circuit Court of the Fourth Circuit of the Territory of Hawaii, vice Charles F. Parsons, whose term expired January 6, 1913.

UNITED STATES DISTRICT ATTORNEY.

S. C. Huber, of Tama, Iowa, to be United States attorney, district of Hawaii, vice Jeff McCarn, resigned.

CONFIRMATIONS.

*Executive nominations confirmed by the Senate March 15, 1916.*

REGISTER OF THE LAND OFFICE.

Orin M. Lane to be register of the land office at Rapid City, S. Dak.

APPOINTMENTS IN THE ARMY.

CORPS OF ENGINEERS.

Col. William M. Black to be Chief of Engineers with the rank of brigadier general.

Rev. Milton O. Beebe to be chaplain with the rank of first lieutenant.

MEDICAL RESERVE CORPS.

*To be first lieutenants with rank from February 12, 1916.*

Herbert Jerome Rosenberg.  
Mather Cleveland.  
John Radway Le Comte.  
Henry Lee Wenner, jr.  
Francis Bonneau Johnson.  
James Walker Walters.  
Kenneth Allen Phelps.  
Adam Edward Sherman.  
William Wesley Hoggatt.  
Harry Clifford Miller.  
William Vaux Ewers.  
Charles William Hennington.  
Clayton Kendall Haskell.  
Charles Lane Hinchey.  
Albert Bowen.  
Charles Clyde Sutter.  
Arthur Patterson Reed.  
William Aloysius Dalton.  
Phillips Maurice Chase.  
Curtis Dudley Pillsbury.  
Richey Laughlin Waugh.  
Frank Hinman.  
Charles Hansell Watt.  
Nathan Davis McDowell.  
Samuel Boyd Ross.  
James Walker Jameson.  
George Nathaniel Pratt.  
Charles Wentworth Hoyt.  
Ammi Ballinger Edgar.  
Ira Cohen.  
Phillip Van Ingen.  
William Joseph Froitzheim.  
Joseph Briggs Howland.  
Wayland Augustus Morrison.  
Sumner Everingham.  
Constant Moreaux Colignon.  
Harry William Helmen.  
William Francis Hewitt.  
Thomas Christian Paulsen.  
Charles Edison Swezy.  
George de Tarnowsky.  
John Aikman.  
George Merrill Randall.  
Lindsay Alexander Beaton.  
James Albert Corscaden.  
Max Alonzo Almy.  
John Dension Fowler.  
Frederick Smith Baird.  
Alvin Jay Bayley.  
Edgar Allan Bocoock.  
William Lacey Edmundson.  
David Norvell Walker Grant.  
John Edward Walker.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

First Lieut. Harold L. Gardiner, Coast Artillery Corps, to be first lieutenant of Cavalry.

First Lieut. Albert C. Wimberly, Seventh Cavalry, to be first lieutenant in the Coast Artillery Corps.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. Frederick Perkins to be colonel.  
Maj. Richard C. Croxton to be lieutenant colonel.  
Capt. Lincoln F. Kilbourne to be major.  
Capt. George E. Houle to be major.  
First Lieut. Shepard L. Pike to be captain.  
First Lieut. Henry G. Stahl to be captain.  
First Lieut. Roy C. Kirtland to be captain.  
First Lieut. Alfred C. Arnold to be captain.  
Second Lieut. Henry J. Damm to be first lieutenant.  
Second Lieut. Max R. Wainer to be first lieutenant.  
Second Lieut. Charles T. Griffith to be first lieutenant.

COAST ARTILLERY CORPS.

First Lieut. Lloyd B. Magruder to be captain.  
Second Lieut. Thomas H. Jones to be first lieutenant.  
Second Lieut. Laurence Watts to be first lieutenant.  
Second Lieut. Henry N. Sumner to be first lieutenant.

FIELD ARTILLERY ARM.

Second Lieut. Edwin Saint J. Greble, jr., to be first lieutenant.

POSTMASTERS.

ILLINOIS.

John C. Kohn, Elgin.

KANSAS.

Christina Walker, Moline.

LOUISIANA.

Susie Jones, Glenmora.

MAINE.

J. Theodore Kneeland, Harrison.

MICHIGAN.

Stephen B. Coddington, Capac.  
D. D. Ranney, Leslie.

MINNESOTA.

Francis T. O'Gorman, Goodhue.  
James J. Remes, New Prague.

MISSOURI.

Thomas E. Heatherly, La Grange.  
Charles H. Smith, Canton.

MONTANA.

Carl E. Bowman, Hardin.

NEBRASKA.

Ella E. Ayers, Winnebago.

NEW YORK.

George W. Batten, Lockport.  
John F. Brennan, Hudson.  
Girdell V. Brower, Rockville Center.  
Timothy J. Dacey, Sherrill.  
Clark E. De Forest, Unadilla.  
John J. Finnerty, Croton on Hudson.  
Robert J. Fitzpatrick, Dannemora.  
Henry F. Hoornbeek, Napanoch.  
John A. Kramer, Wayland.  
Mansfield F. McLean, Wappingers Falls.  
Uri H. Mersereau, Union.  
Allen R. Nevinger, Bliss.  
Timothy C. Sullivan, Comstock.  
Eugene Smith, Sharon Springs.

NORTH DAKOTA.

William Gamble, Portal.  
Reinhart Gilbertson, Glenburn.

PENNSYLVANIA.

George D. Arner, Weissport.  
George N. Grumbain, Palmyra.  
John V. McFadden, Summithill.

SOUTH CAROLINA.

William L. Blackmon, Kershaw.  
V. Brown McFadden, Rock Hill (late Rockhill),  
James E. Searson, Allendale.

VERMONT.

D. R. Stetson, Newport.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, *March 15, 1916.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We come to Thee, O God, our heavenly Father, to renew our faith and confidence in Thee and in the overruling of Thy providence in the affairs of men that our spiritual life may be enlarged. Religion is the life of God in the soul. We pray for that life that our work may be increased in the things that make for the eternal good of man. We bless Thee for every true and noble life whose work has added to the sum of human happiness, touched by the death of one who has honored his life by an honorable service in the chosen field of his endeavors. Comfort his friends and family by the precious promises in the continuity of life that they may look forward with bright hopes and anticipations to a life beyond the confines of earth, where the joys of existence shall be increased and the soul shall find its full fruition in a joyful service in Thee, through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## CHANGE OF REFERENCE.

Mr. BYRNES of South Carolina. Mr. Speaker, I ask unanimous consent that reference of the bill (S. 1878) making appropriation for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts, and under the provisions of section 151 of the act approved March 3, 1911, commonly known as the Judicial Code, from the Committee on Claims, to which it has been referred, and which has no jurisdiction of it, to the Committee on War Claims. This is an omnibus war-claims bill encompassing certain private claims passed by the Senate and sent over here. By mistake it was referred to the Committee on Claims instead of to the Committee on War Claims.

The SPEAKER. The gentleman from South Carolina asks unanimous consent for rereference of the bill referred to. Is there objection?

There was no objection.

## PENSIONS.

Mr. RUSSELL of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10037) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table the bill H. R. 10037, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY.

Mr. RUSSELL of Missouri. Mr. Speaker, I make the same request in respect to the bill H. R. 11078, of similar title.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the same order may be made in regard to the bill H. R. 11078, of similar title. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY.

## CALENDAR WEDNESDAY.

The SPEAKER. This is Calendar Wednesday.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to dispense with business in order under the rules to-day. My purpose is to take up for consideration an urgent deficiency appropriation bill, and, with the permission of the House, I desire to state that this bill contains certain items urgently requested by the Navy Department. The bill carries about two and three-quarter millions of dollars. It is to enable the Navy Department to put in effective condition the ships of the Navy now in commission. It is very important that the money be made available at once. Two establishments are now turning out certain material for the Navy, and it is stated that there is sufficient money available to enable them to be conducted at their present rate of output only until the 15th of this month.

The SPEAKER. Does the gentleman ask to dispense with business in order on Calendar Wednesday until he can pass the bill to which he refers or for the whole day?

Mr. FITZGERALD. I ask to dispense with Calendar Wednesday, and state that the purpose of the request is to enable me to call up the bill to which I have referred.

The SPEAKER. The Chair would suggest that possibly the best way would be to dispense with business in order on Calendar Wednesday until the gentleman can dispose of that bill.

Mr. SLAYDEN rose.

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. SLAYDEN. Mr. Speaker, I desire to ask the gentleman the question raised by the suggestion of the Chair. How long does the gentleman think it will take to get through with the urgent deficiency bill? I understand there is urgent necessity of the Government; and if so, I do not think there will be any great delay in the passage of that bill. I desire to find out if we are to lose all right to Calendar Wednesday for the balance of the day if this bill should pass in, say, an hour?

Mr. FITZGERALD. That depends on how the request is put.

Mr. SLAYDEN. What is the gentleman's request?

Mr. FITZGERALD. Of course, I am interested in getting this particular bill disposed of.

Mr. SLAYDEN. How long does the gentleman think it will take him to do that?

Mr. FITZGERALD. There are only seven pages in the bill.

Mr. SLAYDEN. Does the gentleman anticipate any prolonged debate over an urgent necessity of the Government?

Mr. FITZGERALD. I do not. Unless there is some change in opinion, I think there would not be to exceed 30 minutes of general debate.

Mr. SLAYDEN. Does the gentleman want to take away from us the balance of the day, Calendar Wednesday?

Mr. FITZGERALD. I have no desire to do so.

Mr. SLAYDEN. Then I suggest that the gentleman put his request, as suggested by the Speaker, for the consideration of the bill to which he refers, and that no other rights of Calendar Wednesday be forfeited.

Mr. FITZGERALD. I am willing to do so.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that to-morrow may be substituted for to-day as Calendar Wednesday.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to substitute to-morrow for to-day as Calendar Wednesday.

Mr. KITCHIN. Mr. Speaker, I would have to object to that.

Mr. FITZGERALD. Why not substitute Saturday?

Mr. BARNHART. Mr. Speaker, I could not agree to that.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. CANNON. Mr. Speaker, I would like to have the attention of both sides of the House for a moment. This urgent deficiency appropriation bill carries nearly \$3,000,000 for the Navy. That amount is urgently needed for putting ships now in commission in condition, so that they would be of some account in the event of war.

In my judgment there will be but little time taken. I should say it ought not to take more than an hour's time altogether in the consideration of the bill. Yesterday the House was unanimous, save one, for strengthening the Army. It is important, beyond the amount that it carries and from the standpoint of necessity, and I might go further and say, I think, from patriotism, that this bill should be passed, and passed at once. [Applause.]

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent, as a substitute for these other unanimous consents, to dispense with Calendar Wednesday to-day and substitute Saturday in place thereof.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent to substitute next Saturday for the business in order on Calendar Wednesday. Is there objection?

Mr. BARNHART. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina yield to me?

Mr. KITCHIN. I do.

Mr. BARNHART. Mr. Speaker, the committee of which I am chairman has what we consider an important bill on Calendar Wednesday. My neighbor and my lifetime personal friend, my associate, Senator SHIVELY, has passed away, and his funeral will be held on Saturday. I must attend that funeral, and if in doing so Saturday is substituted for to-day it probably necessitates my committee's losing its place on the calendar, and unless the gentleman from North Carolina withdraws his

request I shall be impelled to object, much as I dislike to do so. I hope the gentleman will withdraw his request.

Mr. FORDNEY. Is there any other day that the gentleman would agree to?

Mr. BARNHART. Not this week, because we leave to-morrow noon and can not be back here before Monday morning.

Mr. STAFFORD. Mr. Speaker, may I ask the gentleman from North Carolina, as I understand, it will only take about two and a half hours to pass this appropriation bill to-day. Why not grant leave to bring it up and pass it and then go ahead with the regular business of Calendar Wednesday?

Mr. KITCHIN. Mr. Speaker, my thought was, with the demands for time on the sugar bill, that it would take up more than a day upon this bill, and that we could take up the sugar bill after this deficiency bill is passed and finish it up to-morrow.

Mr. BARNHART. Let the whole business go over until next Wednesday. I do not want to lose my place.

Mr. KITCHIN. The gentleman will not lose his place. There is other business on the calendar before the gentleman's bill.

Mr. FITZGERALD. Mr. Speaker, I would suggest in addition that the gentleman's request be modified by adding that if the Committee on Printing be called it shall be passed without prejudice on Saturday.

Mr. ADAMSON. Mr. Speaker, if the gentleman will permit me, I think the better suggestion would be to take two days next week for Calendar Wednesday.

Mr. BARNHART. That might be.

Mr. KITCHIN. The request as modified by the request of the gentleman from New York will dispose of the whole thing.

Mr. BURNETT. Mr. Speaker, why not have Friday, although Friday is claims day? Has the Claims Committee any bills?

Mr. KITCHIN. Mr. Speaker, I make the modified request that Calendar Wednesday for to-day be dispensed with and that Saturday be taken as Calendar Wednesday, with the understanding that if we reach the printing bill it will be passed without prejudice.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that next Saturday be substituted for to-day and that if the Committee on Printing is reached on Saturday it shall be passed without prejudice. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I doubt whether the heavens will fall if we should dispense with one Calendar Wednesday in order to dispatch real public business. I do not believe that we ought to make special arrangements and exceptions.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to dispense with the business in order under the rule to-day.

The SPEAKER. The gentleman from New York asks unanimous consent to dispense with the business of Calendar Wednesday in order for to-day. Is there objection?

Mr. SLAYDEN. Mr. Speaker, was the request to substitute Saturday withdrawn?

The SPEAKER. No; there is no substitution about it.

Mr. BURNETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURNETT. If the consideration of this appropriation bill is not concluded to-day, would it go over until to-morrow as unfinished business or to the next Calendar Wednesday?

The SPEAKER. A motion would be in order to-morrow to go into the Committee of the Whole House on the state of the Union to consider it. Is there objection to the request of the gentleman from New York?

Mr. ANDERSON. Mr. Speaker, reserving the right to object. I would like to ask if it is understood now that the sugar bill comes on immediately after the completion of this bill to-day?

Mr. FITZGERALD. I do not know; I have not any control over that.

Mr. ANDERSON. I would like to ask the gentleman from North Carolina.

Mr. FITZGERALD. I think probably the gentleman from North Carolina can tell the gentleman.

Mr. KITCHIN. We want to take up the sugar bill so as to finish it to-morrow.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### FURTHER URGENT DEFICIENCY BILL.

Mr. FITZGERALD. Mr. Speaker, I move 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. 13043, an urgent deficiency appropriation bill; and pending that may I ask the gentleman from Illinois [Mr. CANNON] if we can not agree upon a time for general debate?

Mr. CANNON. Mr. Speaker, it seems to me that general debate might close—how much time does the gentleman want?

Mr. FITZGERALD. I have one gentleman who would like 10 minutes on an extraneous subject. But if there is only to be discussion on this, I think we can dispose of it under the five-minute rule, or, say, we take 30 minutes for debate, 15 minutes to be controlled by the gentleman from Illinois and 15 minutes by myself.

Mr. CANNON. I would like 10 or 15 minutes, and I presume the gentleman would like a little time—more than 5 minutes—in which to explain the bill.

Mr. FITZGERALD. Let us take 30 minutes.

Mr. CANNON. That would be satisfactory to me—15 minutes—

Mr. FITZGERALD. Thirty minutes altogether.

Mr. CANNON. Thirty minutes on a side.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that general debate be limited to one hour, one-half to be controlled by the gentleman from Illinois [Mr. CANNON] and one-half by myself.

The SPEAKER. Pending the motion of the gentleman from New York to go into the Committee of the Whole House on the state of the Union, the gentleman asks unanimous consent that the general debate be limited to one hour, 30 minutes to be controlled by himself and 30 minutes by the gentleman from Illinois [Mr. CANNON]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion that the House resolve itself into the Committee of the Whole House on the state of the Union.

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. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years, with Mr. GARD in the chair.

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

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

Mr. FITZGERALD. Mr. Chairman, this bill carries \$3,260,800. Of this sum, \$2,575,000 is for the Navy Department. This money is requested in order to enable the various bureaus of that department to expedite essential repairs upon war vessels now in commission. In addition, it provides money to equip vessels now in commission with anti-aircraft guns, to enable the Navy Department very largely to increase the number of mines originally estimated as desirable for the service, to increase considerably the number of cartridge cases deemed necessary in order to have an adequate supply of ammunition in case of necessity. The items for the Navy Department which have been included in the bill are all of a peculiarly urgent character. They are requested at this time because of the prevalent belief that all of the vessels of the Navy should be put in the most efficient condition possible.

In addition to the sums carried by the Navy Department, there is carried \$72,000 for the District of Columbia. This sum is for the support of United States prisoners from the District. One hundred and five thousand dollars is carried by the Department of Justice, very largely, if not entirely, for the support of United States prisoners, due to the fact that the number of United States prisoners is in excess of the number upon which the estimates were based when the appropriations were made. In addition, there is \$508,800 for the United States courts. This is to provide money for witnesses, jurors, United States commissioners' fees, and certain expenses of the United States marshals.

The items included are all of a nature to be characterized as urgent, and for that reason the committee has included them in this bill. There were some other estimates pending before the committee for deficiencies, but they did not belong in the same category as the items to which I have referred, and the committee relegated them to the general deficiency bill.

Unless some one wishes information, I shall reserve the balance of my time.

Mr. MANN. Will the gentleman yield for a question?

Mr. FITZGERALD. I yield to the gentleman.

Mr. MANN. In reference to the first item of the bill, an item of \$60,000 for support of the convicts of the District of Columbia, what is the cause of that? That seems a rather large deficiency item for that purpose.

Mr. FITZGERALD. It is due to the increased number of prisoners from the District of Columbia over the number upon which the estimates were based.

Mr. MANN. Are there so many more prisoners now than usual?

Mr. FITZGERALD. More than last year.

Mr. MANN. Does the gentleman have the figures? It seems remarkable to me that there should be any very great increase in the number of prisoners. Frankly, I wondered whether it had anything to do with the different method of taking care of the prisoners, which we were assured a few years ago would materially decrease the cost.

Mr. FITZGERALD. One of the causes, I might add, is that Congress provided, either last year or the year before, that hereafter in fixing the cost of taking care of District prisoners in the United States penitentiaries the overhead charges should be included as a portion of the cost, and for that reason the charge to the District for the care of prisoners is larger than it otherwise would have been.

Mr. MANN. Well, are these convicts those who are in penitentiaries only, or does it also include those down here at the workhouse at Occoquan?

Mr. FITZGERALD. Not in the workhouse, but in the United States penitentiaries at Leavenworth and at Atlanta.

Mr. MANN. There are a number of increases in here also for Leavenworth and Atlanta Penitentiaries and for support of United States prisoners at various places. What are those increases?

Mr. FITZGERALD. Those items are due entirely to the increased number of convicts—over 100 additional convicts in one of these places.

Mr. MANN. There is quite a large increase in the appropriation.

Mr. FITZGERALD. There is; for instance, the District of Columbia prisoners at the close of the fiscal year, 1915 were 687, and on March 10, 1916, there were 738.

Mr. MANN. Not in penitentiaries, certainly? There were certainly not 700 prisoners from the District of Columbia in Fort Leavenworth and Atlanta Penitentiaries?

Mr. FITZGERALD. Very largely; yes. They are United States prisoners.

Mr. MANN. I know; but that would be a very large proportion of the prisoners who were in those penitentiaries. I do not think there are 3,000 prisoners in them, all told.

Mr. FITZGERALD. About 3,000. There are 1,700 and some odd at Leavenworth and about 1,300, I think, in Atlanta.

Mr. MANN. It would seem strange to one who did not know anything more about it than I do that there should be 700 out of 3,000 from the District of Columbia.

Mr. FITZGERALD. That is where they are supposed to be. Those who make the statement are in charge of the prisons, and if they are not correct I do not know where to obtain the information.

Formerly we charged the District of Columbia 35 cents for the care of each prisoner, but we did not include in that cost the overhead charges of the penitentiary. Congress inserted a provision in one of the appropriation bills requiring to be included all items of cost relating to the maintenance of the penitentiaries, and that now makes the cost 60 cents a day. As a result this year the cost of keeping the District prisoners is very nearly double.

Mr. MANN. May I ask the gentleman a little further in reference to these naval items?

Mr. FITZGERALD. Yes.

Mr. MANN. The naval appropriation bill last year does not carry a sufficient amount, or do these items arise out of change of conditions?

Mr. FITZGERALD. Mr. Chairman, there are three items. One is for the Bureau of Ordnance, an item of \$995,000. That is to increase very largely the number of mines for the Navy. The number of mines that had been determined upon by the General Board as being necessary was 3,000, and that number will be supplied by the 1st of May. A few months ago, as the result of studies of the present European war, the General Board determined that the United States Navy should have 9,000 mines. They have been developing a plant which now has a capacity of 20 mines a day, and they desire to carry on that plant at full capacity. That will take four hundred odd thousand dollars.

Antiaircraft guns have been provided for all vessels since the *Oklahoma*, but the vessels in commission prior to the *Oklahoma* had no antiaircraft guns. Certain 1-pounder guns that were on hand were remodeled, but the department is asking \$125,000

in order to provide two of those guns for each of the ships now in commission.

In addition, a certain allotment had been determined upon as the allotment of ammunition for the Navy. As the result of the study of the present European conflict, it is believed that the allotment fixed for the Navy should be very largely increased, and money is asked in order to provide cartridge cases to increase the amount of ammunition.

Mr. MANN. The gentleman refers to allotments in the Navy. Just what does he mean by that?

Mr. FITZGERALD. The amount that the General Board had determined was adequate.

Mr. MANN. That is the allotment under the naval appropriation?

Mr. FITZGERALD. No; that is the reserve that should be had, the ammunition that should be on hand. They have increased what they believe should be on hand.

Mr. MANN. That is not an allotment of money, then?

Mr. FITZGERALD. No. In addition they are asking money to provide for a larger number of reserve parts for guns, sights, telescopes, directoscopes, and a number of other apparatus. In the Bureau of Steam Engineering and the Bureau of Construction and Repair the policy has been to send ships to the navy yards at certain fixed periods and at certain times, regardless of the condition of the ships or the necessity for repairs. The policy has been changed, and since the 1st of July all repairs reported as needed upon the ships have been directed to be made. The allotment of appropriation has been waived, and the result is that there are repairs to be made that are deemed imperative on certain ships, and require in the Bureau of Steam Engineering about \$900,000 and in the Bureau of Construction and Repair about \$680,000. The committee believe that the money should be furnished to permit those repairs to be made at once, rather than to wait until after the 1st of July, when they would be made from the appropriations carried in the regular appropriation bill.

Mr. Chairman, I reserve the balance of my time, which is how much?

The CHAIRMAN. The gentleman has used 15 minutes, and reserves 15 minutes of the previous allotment of 30 minutes.

Mr. CANNON rose.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois for 30 minutes.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SPARKMAN having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency.

The message also announced that the President had, on March 11, 1916, approved and signed bills of the following titles:

S. 3144. An act to authorize the construction of a bridge across the Pend Oreille River, between the towns of Metaline and Metaline Falls, in the State of Washington; and

S. 3873. An act to authorize the counties of Minidoka and Cassia, State of Idaho, to construct a bridge across Snake River.

#### URGENT DEFICIENCY APPROPRIATION BILL.

The committee resumed its session.

Mr. CANNON. Mr. Chairman, I agree with what the gentleman from New York [Mr. FITZGERALD], chairman of the Committee on Appropriations, has said touching the necessity for the appropriations covered by the bill for naval preparedness, and I shall not take much time in general debate in discussing it and perhaps none under the five-minute rule.

I do not know that it will do any good under the present condition in the country to call attention to the want of preparedness, especially for the Navy. But the Navy is the first line of defense and offense, and the most important arm of the Government for both in the event we are to have a foreign war. By way of calling attention to the fact, however, I will state that the appropriations for the last fiscal year were insufficient, and the appropriations for the present fiscal year are insufficient. I am not now referring to the construction of new ships or any kind of craft for the public defense not now in being. Work under appropriations such as have been authorized is now, in part at least, under contract, and it might well be hoped that that work would be expedited.

But these appropriations that are recommended in this bill, amounting in the aggregate to less than \$2,800,000, so far as I recollect, are for putting the ships that are now in commis-

sion in shape so that they will be competent according to their capacity as a fighting Navy. In explaining these appropriations it is proper that something should be said of the increased cost of materials, although I need not refer to that in detail, especially after the great struggle commenced across the water. I may say that in my judgment the powers that be did not grasp the situation, and that perhaps might be a criticism of Congress, although primarily, if it be criticism, it rests upon the Executive.

For instance, take the appropriation under the title "Bureau of Ordnance." The amount recommended by the heads of bureaus was not approved by the Secretary of the Navy when he submitted his estimates. Take the Bureau of Steam Engineering. There the appropriations made at the last session of the last Congress for the Navy were cut by the Secretary of the Navy \$300,000 after the estimates had been submitted by the chief of that bureau. I might read the hearings covering those points, but it is not necessary to do so, and I do not know that it is indicated that I should do so at this time, because the public business crowds, and there will be time enough later on for criticism.

While we have disagreed heretofore, and perhaps may disagree again where we legitimately can—without regard to who is responsible for the condition in Mexico; as to whether mistakes have been made; as to whether the administration has intelligently performed its duty, the President being Commander in Chief of the Army and Navy and having charge of our diplomatic relations—it is not indicated that I should refer to those matters at this time, because we have a condition confronting us; and with this condition yesterday, when the gentleman from Virginia [Mr. HAY], chairman of the Committee on Military Affairs, submitted the joint resolution from his committee providing for the increase of the Army, it passed in short order; and when the gentleman from Illinois [Mr. MANN], the minority leader, asked for a rising vote, with a full House present, every man rose and voted aye but one. There was but one negative. [Applause.]

I have examined these estimates with care. I was present at the hearings and participated in the examinations. The hearings are printed, and I will not take further time to refer to them, because there is so much business of importance pressing for consideration that there is a probability, if not an absolute certainty—at least unless we all reform; especially you gentlemen on that side, and unless we help you—the snow will find us here next fall before the adjournment of this session is reached.

Mr. Chairman, I reserve the balance of my time. I yield to my colleague [Mr. MANN] such time as he may desire. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has used 9 minutes and therefore would have 21 minutes remaining. The gentleman from Illinois [Mr. MANN] is recognized for 21 minutes.

Mr. MANN. Mr. Chairman, the House this morning by unanimous consent dispensed with proceedings under the rule providing for the call of committees on Calendar Wednesday, a thing which has seldom, or I think I might accurately say never has been done before. Yesterday the House by unanimous consent proceeded to the consideration of a joint resolution providing for an increase in the Army. The joint resolution of yesterday had special reference to the situation on our Mexican border, but the unanimous consent given to-day, in order to take up the deficiency bill carrying \$2,500,000 for the Navy, has no reference whatever to the situation on the Mexican border; and it seems to me that it is worthy of passing notice that when a real situation confronts the country, and the administration in charge of affairs expresses to Congress the need of additional money in order to put the country in proper shape for its own protection, it meets with a ready response from all sides of the House, and I believe from all parts of the country. There need be no fear that whenever a situation arises immediately in front of us we will all be ready to make proper appropriations of money, or I might say of life.

I fear sometimes that we have to wait until the immediate situation faces us instead of seeing far enough into the future to provide for emergencies in advance of their arriving. I think it would be very profitable to the country if Congress at this time, and without further delay, should devote its attention to the subject of proper preparation of the country for its defense [applause] ahead of the little chicken-feed bills which constantly, and properly, drift before the House from the committees of the House. This is a situation and a time when we might well delay the determination of the question whether we shall erect a statue to some hero of the country or provide for additional methods of gathering statistics, or even for the manner of doing the official printing of the Government, in order

that we may with our best judgment determine speedily what we are intending to do about a proper increase in military and naval preparedness. If it be done at all, it were best that it be done quickly, in my opinion. [Applause.]

I yield back the remainder of my time.

Mr. CANNON. I yield the remainder of my time to the gentleman from Massachusetts [Mr. GILLETT].

The CHAIRMAN. The gentleman from Massachusetts [Mr. GILLETT] is recognized for 14 minutes.

Mr. GILLETT. Mr. Chairman, the gentleman from Illinois [Mr. MANN] has discussed the exact question to which I was going to address myself, and, as he always does, he has done it better than I should have done it, so I just wish to add a word which illustrates from this bill the argument he made, that there ought to be a look into the future, and that we ought by legislation as well as by administrative action to prepare in advance and not wait until the moment when a project is forced upon us.

This appropriation for the Navy is quite justified and necessary. But I criticize the fact that it is brought before us on this bill and was not brought before us earlier in the session. This Congress has already passed two deficiency bills, the last of which was signed by the President only last month. This proposition for the Navy ought to have been in that bill, and it seems to me reprehensible that the Navy Department should not have known, sometime in January or December, in fact long before that, the items in this deficiency bill were needed by the Navy and should not have included them in the former bill. It takes the time of the committee and the time of the House to have one deficiency bill brought up, and then, after that has gone through and been signed by the President, to have another one follow immediately on its heels, when the subject matter more properly belonged in the earlier bill.

Mr. DUPRÉ. Will the gentleman yield?

Mr. GILLETT. I yield to the gentleman from Louisiana.

Mr. DUPRÉ. Can the gentleman state in that connection why the committee has not seen fit to cover into this bill the estimates of deficiency submitted by the Navy Department for its Bureau of Yards and Docks?

Mr. GILLETT. I refer the gentleman to the chairman of the committee [Mr. FITZGERALD], who is responsible for that. He can answer that in his time.

Mr. DUPRÉ. The gentleman has criticized the department. I thought I would inquire on this subject.

The CHAIRMAN. Does the gentleman from Massachusetts yield or does he decline?

Mr. GILLETT. I prefer that the chairman of the committee should answer the criticisms on this bill, because he is responsible for it and I am not.

Mr. ROGERS. I notice that the first urgent deficiency bill of this Congress was reported on January 19 and the second on March 11. Can the gentleman inform the House whether it is customary for a second urgent deficiency bill to be brought in as early as the second week in March?

Mr. GILLETT. It is not customary; it is quite unusual; but still emergencies do arise. While it is not customary, it is not unprecedented, and if an emergency arises which could not have been foreseen by a wide-awake administration in time to have been included in the previous bill no one could criticize. But there has been no emergency as to the Navy which ought not to have been foreseen long ago. It is nearly a year since this administration adopted a tone in our foreign policy which tended to excite the resentment of great military powers. We have done nothing practically to prepare ourselves to meet that resentment. It seems to me that our domestic policy ought in some degree to conform to our foreign policy; and it seems to me, as the gentleman from Illinois [Mr. MANN] suggested, that we should look forward, and that the administration should not wait until an obstacle is reached and right before its eyes before appealing to Congress for relief. As I recall, there were recommendations by the Navy Department in the former deficiency bill, and this one ought to have been included. That was its appropriate time, and the committee and the Congress should not be troubled by the administration with this constant succession of estimates, when all of them, with a little foresight, might have been grouped together and decided at one time. [Applause on the Republican side.]

Mr. CANNON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Illinois has 9 minutes remaining and the gentleman from New York [Mr. FITZGERALD] has 15 minutes remaining.

Mr. FITZGERALD. I do not think there will be anything said on this side except one or two observations by myself.

Mr. DUPRÉ. I should like to propound to the chairman of the committee the question which I presented to the gentleman from Massachusetts, in regard to the failure to include in this bill the deficiency estimates for the Bureau of Yards and Docks.

Mr. FITZGERALD. Mr. Chairman, there were some estimates submitted by the Bureau of Yards and Docks which were to take care of a number of small items in practically every navy yard in the United States. Upon an examination of the items it seemed to the committee that they were not matters of urgent or immediate importance. They were to provide slight improvements here and there, some trifling additions to the yard facilities that properly should be carried in the annual appropriation act. For those reasons the committee, desiring to include in this bill only those things that could be justified because of imperative necessity for immediate action, did not include any items for yards and docks.

This administration is only human. It does not possess, nor does it profess to possess, all of the wisdom of all the men who ever lived, and particularly it does not claim to possess as much wisdom as many Republicans in this House imagine that they have. [Laughter.]

Mr. GILLET. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. GILLET. Can the gentleman see any reason why these appropriations could not have been foreseen by the administration in time for the previous deficiency bill?

Mr. FITZGERALD. I can see a great number of reasons, Mr. Chairman, why they could not have been foreseen or anticipated. Some of them, I understand, are the result of the creation by Congress in the current naval appropriation act of a new bureau or establishment or service in the naval department under the title of aid of operations by which a new policy was established in connection with certain work of the Navy, and as a result of which special efforts have been made to put these vessels into commission. So far as I know these estimates were submitted as rapidly as they could have been. There is no division in this House on two matters. One is that already discussed by that side of the House—that is, that whenever it comes to the question of providing the necessary funds and means to enable this Government to maintain its dignity and honor as a Nation and the rights of its citizens this House acts with practical unanimity. The other is that all administrations, regardless of their political complexion, must observe the laws enacted by Congress for the submission of estimates. Unless those laws are observed, unless there be some peculiar condition, such, for instance, as putting naval vessels in the best possible condition for immediate service, Congress has uniformly insisted that the departments manage their affairs without additional funds until they have complied with the law. Unless some extraordinary emergency arises connected with the public defense, or an equally good cause, additional funds before the time for the enactment of the general deficiency bill will not be provided for any service, as there will be no further deficiency bill during this session of Congress. I ask the Clerk to read.

The CHAIRMAN. Does the gentleman from Illinois desire to use any time?

Mr. CANNON. I will yield the balance of my time to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, there is undoubtedly a sharp difference of opinion among Members of the House relative to the size and character of the Military and Naval Establishments which we should provide at this session of Congress for the future. It is to be hoped that out of the discussion that will take place when the bills are presented from the Naval and Military Committees we will be able to so adjust and compromise our views as to come to a substantial agreement as a House as to the progress we should make and as to the goal for which we should aim in the development of our military establishments.

When, however, we come to consider the question of immediate preparation, such as may be needed or necessary, there is not, has not been, and will not be any material difference of opinion on the floor. Yesterday, as the gentleman from Illinois has reminded us, the House almost unanimously provided for an immediate increase in our Military Establishment. The House is now proposing to speed up on certain needed work of the Navy. We will all of us be united in work of this character. As a matter of fact, as a member of the committee, while I shall support the committee in the action it has taken, I would have been very glad indeed to have approved all of the estimates made on behalf of the Bureau of Yards and Docks. For while I think it is true, as the chairman of the committee has stated, that these additional amounts are not imperative and immediately essential, still it seems to me we are confronting a situation and condition in which we should err, if at all, on the side of providing all, or even more, than may be absolutely essential in

the speeding up of the work of preparation for whatever the future may hold for us.

It is unfortunate, in my opinion, that we have been so slow in the construction of the vessels which have been authorized by Congress. If we could have speeded up, if we could have moved with the rapidity in the construction of the ships that have been authorized that private concerns have moved in filling foreign contracts, we would to-day be in a much better condition of preparedness than we find ourselves. Therefore I think it is the duty of Congress, and I think there should be no dissenting voice in regard to that, to supply every dollar that the department believes necessary in order to make the establishments we now have and for which we have made provision, immediately effective and available. That is the kind of preparedness that we all can unite on. Other questions of how and to what extent we shall expand to meet future emergencies or future possibilities, we will meet as they are presented to us in the bills that will be brought to our attention.

In that connection, as one of those who have not been inclined to accept or approve of the great programs that have been proposed in certain quarters, I want to commend the Committee on Military Affairs for the bill which it has presented to the House. That bill, it seems to me, provides a reasonable, moderate, and yet quite sufficient preparation for the future. I hope, when we reach this and other bills of this character, we may find an agreement in the House along moderate lines for increase and development of our armed forces.

I yield back the remainder of my time.

The CHAIRMAN. The gentleman has used seven minutes of the nine minutes remaining. Does the gentleman from Illinois desire to use the remaining time?

Mr. CANNON. I do not.

Mr. FITZGERALD. Mr. Chairman, I ask that the Clerk read.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NAVAL ESTABLISHMENT.  
BUREAU OF ORDNANCE.

For ordnance and ordnance stores, including the same objects specified under this head in the naval appropriation act for the fiscal year 1916, \$995,000.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I did not get exactly what the gentleman from New York [Mr. FITZGERALD] said a while ago about the increase of the number of mines which could be manufactured. My attention was diverted at the time.

Mr. FITZGERALD. Four hundred thousand dollars are appropriated because of the increase in the number of mines, and \$129,000 I think for antiaircraft guns. Over a hundred thousand dollars are appropriated for cartridge cases. That is, the brass shell. There is also money for spare telescopes, sights, and directoscopes.

Mr. MANN. I desire to ask about the mines. Do we have a surplus supply of mines on hand?

Mr. FITZGERALD. The number fixed as the number we should have was 3,000, and they will be on hand by the 1st of May. They keep indefinitely.

Mr. MANN. Do these mines keep indefinitely?

Mr. FITZGERALD. They do. They manufacture the cases and load them.

Mr. MANN. They have been in the habit, as I recollect, of making 10 mines a day at this Government establishment.

Mr. FITZGERALD. The plant had a capacity of 10 mines a day; it now has a capacity of 20 mines a day.

Mr. MANN. Of course it would not take very long to make 3,000 mines at 10 mines a day.

Mr. FITZGERALD. The bureau will have the full 3,000 by the 1st of May, and is now working upon an allotment of 9,000 mines.

Mr. MANN. I should think they would want a hundred thousand mines.

Mr. FITZGERALD. They say not. These are mines that are used by the Navy as distinct from the mines that are used by the Army in connection with the coast defenses.

Mr. MANN. I suppose these are mines that they use to strew over the sea?

Mr. FITZGERALD. I do not know how many they should have except that the General Board fixed on 9,000.

Mr. MANN. Certainly, in view of what is going on on the other side of the water, a thousand mines does not mean very much. I suppose they do not last very long after they are in the water. They float away from where they are deposited and I suppose sink. With the capacity now of 10 mines a day, of course in a year's time they would make 3,000 mines, and with

a capacity of 20 mines a day they would make about 6,000 in a year's time. I should think they ought to have quite an accumulation in the way of surplus if they do not deteriorate. I do not wish to ask for information that is kept secret, but I take it that this is all public property.

Mr. FITZGERALD. Admiral Strauss was asked whether the contents of the mine was put into the mine case when it was manufactured. He said that it was. He was asked if there was any deterioration by reason of the age of the mine, and he said not so far as they knew. So that when these mines are manufactured and then loaded, so far as the Bureau of Ordnance knows, they last indefinitely, until ready for use.

Mr. MANN. Does the gentleman have any information as to the supposed cost of these mines, per unit?

Mr. FITZGERALD. This four hundred thousand and odd dollars will supply about eighteen hundred mines. I think the statement was made as to the cost of each mine, some \$315. That includes the royalty which they pay of \$100 a mine.

Mr. MANN. To whom does that royalty go?

Mr. FITZGERALD. To the Vickers Co., of England. The contract price is \$490. We manufacture them for \$215 and the royalty is \$100 additional.

Mr. MANN. What does the gentleman mean by the contract price? These are made by the Government, are they not?

Mr. FITZGERALD. What happened was this: We made a contract with this company to furnish a certain number of mines, with the privilege of manufacturing an equal number without the payment of a royalty. The outbreak of the war in Europe made it impossible for the English concern to manufacture any for this Government, and then an arrangement was made by which this Government was given the right to manufacture the mines and pay a royalty. The contract price my recollection is was some \$490.

Mr. MANN. So that we are dependent in this country for our mines for the Navy upon a patent owned by some English people?

Mr. FITZGERALD. We are manufacturing under a patent which is held by the Vickers Co.

Mr. MANN. We give them a patent in this country, which requires us to pay more than 25 per cent of the cost as a present to the patentee.

Mr. FITZGERALD. Admiral Strauss made the following statement:

Admiral STRAUSS. We made a contract with the Vickers Co. by which we were permitted to manufacture 1,100 of those mines in this country free of royalty, provided we purchased from them 1,100 mines at \$490 apiece. They had begun the manufacture of our 1,100 mines in England when the war broke out, and England stopped export of munitions. So they permitted us to make their 1,100 mines, paying a royalty of \$100 apiece.

The CHAIRMAN. What arrangement has been made regarding additional mines?

Admiral STRAUSS. We have an agreement by which subsequent mines are reduced in royalty on a sliding scale, and they got down to \$70 finally.

Including every overhead charge, they cost \$215 and the royalty of \$100.

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

Mr. MANN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FITZGERALD. Including every conceivable cost, it makes, including the royalty, \$345, as against \$490, the contract price.

Mr. MANN. What did we do for mines before we found these English people?

Mr. FITZGERALD. We did not have this type.

Mr. MANN. Have we thrown away those we did have as being valueless, does the gentleman know?

Mr. FITZGERALD. I do not know. We did not inquire about that.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

BUREAU OF CONSTRUCTION AND REPAIR.

For construction and repair of vessels, including the same objects specified under this head in the naval appropriation act for the fiscal year 1916, \$680,000.

Mr. GARDNER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for 15 minutes. Is there objection?

Mr. FITZGERALD. What about?

Mr. GARDNER. About the naval question—the Bureau of Construction and Repair. I will say to the gentleman that, not having my papers here, I did not like to object to his unanimous consent to consider this bill, but I said to the gentleman from Illinois [Mr. CANNON] that I would take my matter up under the five-minute rule, and I went home to get my papers and I desire that I should have an opportunity to go ahead.

Mr. FITZGERALD. Is the gentleman's discussion germane to this bill?

Mr. GARDNER. It is germane to the Bureau of Construction and Repair. I will put it this way: If the gentleman thinks that any part of my discussion is not germane, he can stop me.

Mr. FITZGERALD. I do not wish to do that. I am anxious, I will say to the gentleman, to dispose of the bill so that we may go on with the sugar bill.

Mr. GARDNER. I think, in view of the fact, as the gentleman from Illinois knows, and in view of the fact, as the gentleman himself knows, he can not stop discussion, he had better let me go ahead for 15 minutes.

Mr. FITZGERALD. What I desire to avoid upon this bill is getting into a general discussion that will prolong its consideration.

Mr. GARDNER. It is almost unavoidable when you bring up a matter affecting the Bureau of Construction and Repair—

Mr. FITZGERALD. Well, it is not unavoidable; the gentleman is mistaken.

Mr. GARDNER. Well, I do not know about that.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts that he may proceed for 15 minutes?

Mr. FITZGERALD. Mr. Chairman, I will not object, and I hope this will end the discussion of it.

The CHAIRMAN. The Chair hears no objection, and the gentleman from Massachusetts is recognized for 15 minutes.

Mr. GARDNER. Mr. Chairman, without any desire to cast any reflection on the Bureau of Construction and Repair as at present constituted, the whole thing ought to be overhauled. A few days ago—to be accurate, on the 11th day of March—the superdreadnaught *Nevada* went into commission, with Capt. Sims in command. That was just five years and seven days after we voted and appropriated money to start the building of the *Nevada*. Five years and seven days; and the superdreadnaught *Oklahoma* was authorized the same day and she is not commissioned yet.

Now, let us look at the question of the general condition of our Bureau of Construction and Repair. I hold in my hand a bulletin of that bureau of the date of March 10, five days ago, showing the facts as to vessels of the Navy now under construction. The *G-2* and *G-3* submarines authorized in 1908 and 1909 are not finished. Of the seven L submarine boats, authorized in 1912 and 1913, not one is commissioned yet. Of the N submarine boats, authorized in 1914, the nearest to completion is 55 per cent complete. Those N boats were authorized 20 months ago. Eighteen submarines were authorized on March 3, 1915, slightly over a year ago. Two of them, both seagoing submarines, have been bid on and we rejected the bids, but of the other 16 here is the condition: On 10 of them not one stroke of work has yet been done, and yet they were authorized a full year ago. Of the other six O submarines, here is the state of completion: The *O-11* is 3.6 per cent complete; the *O-12* is 3.9 per cent complete; the *O-13* is 3.7 per cent complete; the *O-14*, the *O-15*, and *O-16* are each 4 per cent complete. Now, that needs looking into.

I am not going to blame the present administration of the Navy. It is perfectly obvious from the evidence given by Admiral Winslow and Capt. Sims who commands the superdreadnaught *Nevada*, that has just been put in commission, that it is not the fault of the present administration any more than of prior administrations, but it is perfectly clear that the misleading that has been going on is the fault of the present administration. The public does not watch those things, but now we are told that the Navy lives in a state of preparedness. That statement was in the report of the Secretary of the Navy made to Congress in the fall of 1914, and at that very time, according to the evidence of Admiral Winslow and Capt. Sims, the Navy was not in a state of preparedness. Target practice had been going from bad to worse until it was rotten, and here this has been going on in the Bureau of Construction and Repair—

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. GARDNER. And not one word was said about the matter until brought out by the gentleman from Michigan—I can not yield to the gentleman now—when Mr. KELLEY brought out by his resolution the condition of affairs that prevailed in

the Bureau of Construction and Repair. Now we are beginning to find out the facts. Now we find that the condition of submarine construction and the condition of battleship construction are only samples of what has been going on. So much for construction; how about repairs? Let us look into that. Let us find out what is the matter with the 16,000-ton battleships. What about the 16,000-ton battleships? I do not mean the *Michigan* or the *South Carolina*, but the six 16,000-ton battleships built previous to them. They all, except the *Kansas* and perhaps one other, have a defect in their construction. I believe that the trouble is known as torsional vibration. Four of them are unserviceable at fleet speeds between 12 and 15 knots an hour and are often in danger of breaking a shaft. Of those 16,000-ton battleships, four out of six at this moment are out of repair or they are in the navy yards laid up. We ought to look into that. Let us first find out whether we are getting the facts; let us find out whether we are getting the facts about our submarine conditions also.

Now, I am going to read to you a statement of a press notice of the Navy Department under date of May 7, 1915, and in case anyone should think that this press notice is not the correct press notice given out by the Navy Department let me say I have been months chasing up my facts, and finally I got the gentleman from Massachusetts [Mr. ROBERTS], a member of the Committee on Naval Affairs, to write to the department for this press notice. When it came back I asked him to initial it, so that there could not be the slightest doubt of its authenticity, and I have in my hand that initialed copy.

Listen to this statement as to our submarines in the notice handed out by the Navy Department on May 7 last:

After a continuous and uninterrupted run of about 1,200 miles, one of the longest steady runs ever accomplished by American submarines, the second and fourth divisions of the Atlantic Submarine Flotilla have arrived at New York from Pensacola, Fla., via Key West, which port was their last stopping place.

A 1,200-mile run for the second and fourth divisions of the submarines! And every newspaper in the country heralded that feat. The *New York World* commented on it as "breaking the world's record." The statement continues, as follows:

The second division consists of the *D-1*, *D-2*, *D-3*, *E-1*, and *E-2*, and the fourth division of the *K-1*, *K-2*, *K-5*, and *K-6*.

The starting point of the cruise was Pensacola, Fla., where both flotillas, with their tenders, had been engaged for the last four months in drills and exercises in cooperation with a mining division and the Aeronautical Corps stationed at the same place.

Now, listen to that. The second division and fourth division made a 1,200 mile run! It was a world-breaking performance record, as the *New York World* put it. Let us see whether those submarines actually made any such run. I state it as a fact, sir—and I invite an investigation—that the *D-1*, the *D-2*, and the *D-3* were not there at all. They never started from Pensacola. They joined that submarine fleet off the Jersey coast, coming from Annapolis. I say this, further, that the *K-1* was towed, because both engines were unavailable. I have not been able to ascertain whether the *K-1* was towed the entire journey or not, but she left Key West in tow. I say this, furthermore, that the *E-2* was towed by the antique monitor *Tonopah*. Out of her six days' journey from Key West I think that *E-2* was towed for five days.

Now, there is the actual record of the second division, which, according to the department's notice, started from Pensacola. Remember that this statement went all over the country. Let me summarize the record of those five vessels in the second submarine division. The *D-1*, the *D-2*, and the *D-3* were not on the cruise at all until it was almost finished. The *E-2* was towed. Let us see about the *E-1*, the only other submarine in the second division. The *E-1* arrived at Tompkinsville, N. Y., on the morning of May 5, having made the trip under her own engines from Key West, although she had encountered repeated engine trouble during the trip.

There you have the actual condition of the second division submarine fleet. Compare those facts with the press notice of the Navy Department. Remember that in addition the *K-1*, of the fourth submarine division, was towed. Gentlemen, I invite an investigation. I challenge an investigation of those facts, and I am ready to go on the witness stand and say where I got the information. And I am ready to tell what officers ought to be summoned and what enlisted men.

Mr. LONGWORTH. Who gave out that report? Did any individual give it out?

Mr. GARDNER. That is the regular mimeograph report handed out by the Navy Department for publication on May 7 last. A little while ago I got Congressman ROBERTS, of Massachusetts, to write to the Navy Department for an original copy. When the copy came to hand I got Mr. ROBERTS to initial it so that there would be no mistake, and you will see the letters "E. W. R." up in the corner.

But I have other matters to bring up. The sensible thing for us to do is to build our Navy into second place among the world's navies as quickly as we can, and leave the question of building our Navy into first place to be decided after we have gotten into second place.

Now, Mr. Chairman, the Secretary of the Navy suggested four capital ships for our program this year, two battle cruisers and two dreadnaughts, and when he was asked why he did not suggest more he said that that would tax the building capacity of the country. Now, I can not prove that he said it. I only know that he was alleged in the newspapers to have said so. I am going to read to you a statement attributed to Secretary Daniels taken from the *Washington Times* of December 24, as follows:

There are only five American shipyards equipped to build capital ships, Secretary Daniels said. These are the private yards of Cramp & Sons at Philadelphia, the New York Shipbuilding Co. at Camden, and the Newport News Shipbuilding Co. and the New York and Mare Island Navy Yards. These yards, he said, can build only one warship each in three years.

Furthermore, Mr. Chairman, the president of the National Security League, in December, told me that Secretary Daniels had asserted that his program utilized all our shipbuilding facilities. Accordingly I took the precaution to write to the Admiral of the Navy, George Dewey, to find out what the facts actually were, so that I might be posted before the question could come up. I wrote to Admiral Dewey on December 22, and I said:

I am anxious to know how many dreadnaughts and battle cruisers can simultaneously be built in this country, and I should appreciate it if you could give me the following information:

1. How many ways capable of being occupied by battleships and battle cruisers are now available in all our shipbuilding yards, public and private?
2. How many additional ways could be constructed and how long would it take to construct them?

To this Admiral Dewey replied in a letter which showed that instead of exhausting our building facilities with 4 capital ships we can in reality build at least 16 capital ships simultaneously, if we care to make a few slight changes in our yards. Here is Admiral Dewey's letter:

OFFICE OF THE ADMIRAL OF THE NAVY,  
Washington, December 24, 1915.

Mr. A. P. GARDNER,  
House of Representatives, City.

DEAR SIR: I beg to acknowledge receipt of your letter of the 22d instant, requesting a reply to the following questions:

1. How many ways capable of being occupied by battleships and battle cruisers are now available in all our shipbuilding yards, public and private?

Including the building slips now occupied by vessels in the course of construction, the following are at present available capable of being occupied by battleships and battle cruisers:

New York Navy Yard.....	1
Mare Island Navy Yard.....	1
Cramp Shipbuilding Co.....	2
Newport News Shipbuilding Co.....	2
New York Shipbuilding Co.....	2
Fore River Shipbuilding Co.....	2

Total..... 10

2. How many additional ways could be constructed, and how long would it take to construct them?

The shipbuilding industry of the country would be capable of expansion to meet almost any demand that might reasonably be made upon it. It would be impossible to state the total number of slips that could be made ready in a short time, but additional slips could at least be installed at the following places:

Union Iron Works, San Francisco; Maryland Steel Co., New York Navy Yard, Philadelphia Navy Yard, Norfolk Navy Yard, Puget Sound (Bremerton) Navy Yard.

Sincerely, yours,

GEORGE DEWEY.

Now, Mr. Chairman—

Mr. FARR. May I suggest there that Admiral Stanford says that we can build 15 dreadnaughts in the Government yards?

Mr. GARDNER. Admiral Stanford says 15 dreadnaughts. I suggest, Mr. Chairman, that we find out the truth about the Bureau of Construction and Repair; I suggest that we find out the truth about our submarines; I suggest that we find out the truth about this Navy press bureau and these newspaper statements which purport to be interviews with Secretary Daniels.

Mr. SMITH of Michigan. Will you answer a question, please? Going back to the delay in the construction of these battleships, I would like to inquire whether or not the contracts on the part of the Government for their construction contained a time limit, or are they to build them ad libitum?

Mr. GARDNER. I can not tell, but I know the Secretary of the Navy made a contract last March to build the seagoing submarine *Schley*. How long do you suppose he allowed the contractor for the completion of that vessel? He gave the Electric Boat Co. three years in which to build the *Schley*. Think of that! Right in the middle of this European war.

Mr. SMITH of Michigan. What would be a reasonable time?

Mr. GARDNER. I have not any idea. Mr. Powell, the president of the Fore River Shipbuilding Co., as I am told, stated to the Congressman from your State who is on the Naval Affairs Committee that in five months his company had constructed 10 submarines of the H type in sections. Furthermore, he told your colleague that these sections had been put together in Montreal and that the finished submarines had crossed the ocean on their own bottoms and that they are giving absolute satisfaction.

Mr. BUCHANAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GARDNER. Yes.

Mr. BUCHANAN of Illinois. In view of the facts that the gentleman stated, does he not think that it would be wise to appropriate money to equip navy yards, so that the Government navy yards may build these ships?

Mr. GARDNER. I would equip Government navy yards and I would equip private shipbuilding yards. I would force the whole country's building capacity to the utmost, and I would do it as quickly as we can; and then, if there is any disarmament in sight, we can stop. [Applause.]

Mr. FARR. Mr. Chairman, will the gentleman yield?

Mr. GARDNER. Yes.

Mr. FARR. Permit me to state that Admiral Stanford, before the Committee on Naval Affairs, said that we could build 15 dreadnaughts in Government yards with certain additions, and that these yards, most of them, could be equipped in six months and all of them within a year for the building of dreadnaughts. Now, I want to repeat a question similar to the one asked of you by the gentleman from Illinois [Mr. BUCHANAN]. Would it not be advisable—

The CHAIRMAN. The time requested by and allotted to the gentleman from Massachusetts has expired.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may proceed for 10 minutes.

Mr. FARR. I just want one minute.

The CHAIRMAN. What is the gentleman's request?

Mr. LONGWORTH. I modify my request and ask unanimous consent that the gentleman from Massachusetts may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GARDNER. I just started to say what I think ought to be investigated.

Mr. FARR. Should not the sum of \$25,000,000 be immediately appropriated to equip Government yards for the building of large ships?

Mr. GARDNER. I do not care what it costs; I will vote for any amount that is requested to equip Government yards for building capital ships or any other kind of warships. I do not pretend to believe in Government building more than I do in private building, but I believe in forcing to the utmost the entire capacity of this country for the purpose of getting us ready as quickly as it can be done. [Applause.]

One thing more, Mr. Chairman. I said I believed in investigating the condition of the Bureau of Construction and Repair. I want to say most emphatically that I think Admiral Taylor is a first-class man, with the best intentions in the world, but that the Bureau of Construction and Repair has for years been going along at a leisurely pace, absolutely inadequate to meet the necessities of the times. It is not the bureau's fault. It is the fault of the various Secretaries of the Navy. It has been the fault of the public, and it is now the fault of the man who failed to call our attention to these utterly indefensible facts.

There are plenty of other things connected with the Navy to be investigated. I want especially to find out how these incorrect statements purporting to come from Secretary Daniels continue to find their way into so many papers. For instance, on May 28 various newspapers published a statement purporting to come from the Secretary that bids on 25 new submarines would be invited the next week. The truth was, as everyone who followed such matters knew, that only 18 new submarines had been provided by Congress. As a matter of fact, bids were only invited on 16 when the time came. When I find the same incorrect statement running through all the newspapers, I want to find out where it originates. I asked a member of the Committee on Naval Affairs to take that statement from the Washington Times which I read to you and find out if he could whether it was authentic. He agreed to inquire of the Navy Department, but as yet he tells me he has been able to find out nothing. I think we have a right to know such things.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Detection and prosecution of crimes: For the detection and prosecution of crimes against the United States, including the same objects specified under this head in the sundry civil appropriation act for the fiscal year 1916, \$25,000.

Mr. BUCHANAN of Illinois. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word. The gentleman is recognized for five minutes.

Mr. BUCHANAN of Illinois. Mr. Chairman, I would like to ask the chairman of the committee what reason was given for this increased expenditure of \$25,000 for the Department of Justice, and for what purpose the money has been used that makes this necessary, if the gentleman has got any such information?

Mr. FITZGERALD. We have information, information that considerable work has been done in the investigation of offenses against the neutrality laws.

Mr. BUCHANAN of Illinois. Mr. Chairman, I have some information in regard to the expenditure of the money in the Department of Justice, and I have sufficient information to lead me to believe that if the Committee on Expenditures in the Department of Justice was serving its purpose it would now be investigating that department; and if it did, it would find that money there has been wasted by trying to secure false information against reliable and peaceable citizens, law-abiding citizens. Also, perhaps, if they would go into it far enough, they would find that the money of the Department of Justice had been used to pry into and perhaps annoy at times even Members of Congress, without any justification whatever.

In my opinion, if the Members of Congress want this money spent in accordance with the law, and unless they want to encourage money being spent in conflict with law—money being spent by officials who are backed up by the Department of Justice in endeavoring to indict peaceable, law-abiding citizens that are as innocent as any citizen of the country—that information can be obtained, and it seems to me that that part of this bill should not be allowed.

It might be felt that under the circumstances I perhaps ought to let some one else debate this question and talk in regard to it, but I will say that, owing to the fact that I have been placed in the condition I have been and under the circumstances I have been, it has been necessary for me to make certain investigations, and I happen to know how that money has been spent. I do not say that I can prove this to the satisfaction of everyone, but I do believe that if there was an honest and earnest investigation made by a committee of this House, for instance, the Committee on Expenditures in the Department of Justice, there would be information obtained that certainly would warrant curtailing the expenditure of money in the Department of Justice.

Also, I find that the money is being spent to investigate labor troubles. That is in conflict with the purpose of an act of Congress. I know that money is being spent for purposes other than those for which Congress appropriated it. I withdraw my pro forma amendment, Mr. Chairman, and offer an amendment to strike out that \$25,000 in the last paragraph read there.

The CHAIRMAN. The gentleman from Illinois moves to strike out the paragraph. Does the Chair understand that that is the motion of the gentleman?

Mr. BUCHANAN of Illinois. Yes; the last paragraph, ending with "\$25,000"; beginning on line 3 and ending on line 7, page 4.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. BUCHANAN moves to strike out the paragraph on page 4, lines 3 to 7, inclusive.

Mr. FITZGERALD. Mr. Chairman, I hope the amendment will not prevail. This appropriation is the fund out of which the Department of Justice employs special agents for the purpose of obtaining information relative to crimes in violation of the laws of the United States. During the past year there have arisen a number of instances in which violations of our neutrality laws have been alleged. It has been necessary to employ additional men to prevent the recurrence of outrages which have shocked and horrified the country, in the nature of the destruction of private property by violence.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. FITZGERALD. I yield to the gentleman.

Mr. BUCHANAN of Illinois. If the gentleman had information that these same agents had been using their time and the money of the Government to secure perjured evidence, then would he be in favor of leaving an item of that sort in the bill?

Mr. FITZGERALD. I would, and I would have those persons sent to jail, where they belong, if they are guilty of such

conduct; but I would not give immunity to every criminal in the United States because some employees of the Government are crooks who ought to be in jail.

At present, Mr. Chairman, we have a condition on the Mexican border where it is necessary for the Department of Justice to detail men to prevent violations of the neutrality laws for the protection of citizens of the United States in their lives and property. We must have persons to secure information in order to prosecute criminals, and we can not obtain the information unless we employ the persons and appropriate the money. If those agents violate the law themselves and do wrong, they ought to be prosecuted; but I am not prepared to take the position that the entire judicial establishment of the United States is so unreliable, so incompetent, or so inefficient that we ought to refuse the money which is essential for its proper conduct because of alleged misdoings upon the part of some employee. I believe this money is imperatively required by the Department of Justice at this time, and therefore I hope the amendment will not prevail.

Mr. MANN. Mr. Chairman, I appreciate the natural feeling that my colleague has upon this subject, and it may be a very just feeling. However, it is true that at this time there are a good many things that probably ought to be done and probably are being done by the Department of Justice in order to uphold not merely the rights of our country but the dignity of our country. It is inevitable that with the conflict going on in Europe there should be efforts in this country not merely to violate the laws of neutrality, but very likely efforts have been made to commit crimes in this country by the destruction of manufacturing establishments engaged in the manufacture of munitions of war. Whether we ought to permit munitions of war to be made here and exported is a matter for this country to determine, not for somebody else on the other side of the water to endeavor to determine through the commission of crime in this country. And it seems to me that we might well say to the Department of Justice, preserve the neutrality laws, obtain information as to their violation, and if anyone, either through misguided sentiment or by reason of the payment of money, endeavors to destroy our own establishments here, because he may think it is not to the interest of a foreign Government to have those establishments running, we ought to prosecute any such person, and the Department of Justice ought to have enough money to enable them to search out these things. We can not afford to let the war in Europe become a local, minimized war at different places in this country. We must uphold our dignity at home.

Mr. BUCHANAN of Illinois. Mr. Chairman, I hope I have not said anything that would leave the impression on the mind of anyone within the sound of my voice that I disapprove of prosecuting criminals, those who attempt to blow up or otherwise illegally obstruct any of our manufacturing plants, no matter what they are manufacturing.

Mr. MANN. Will the gentleman yield?

Mr. BUCHANAN of Illinois. Yes.

Mr. MANN. The gentleman certainly conveyed no such impression to my mind. What I said was not based upon the gentleman's remarks, but upon the fact that he moved to strike out the item.

Mr. BUCHANAN of Illinois. I thought, perhaps, some gentleman might think it was due to the fact that I myself have been indicted. Of course I know that I was indicted without justification. You gentlemen may not know that, but I do know it. But I have information that can not be refuted that while, perhaps, the purposes for which the Department of Justice have asked this money are proper, they have not used it for those purposes, and I do not believe they intend to do so. After it has been shown that the agents of that department have misused their time and abused their official power, if there was any indication that they were willing to remove employees and officials of that kind, then we might have sufficient confidence to appropriate more money for the same purpose; but my case is only one among many. There were citizens taken from Chicago to New York, for instance, who were never brought before the grand jury. After they were unable to get them to say the things before the district attorney they were wanted to say they were sent back to Chicago without ever being put before the grand jury, but the expense was incurred just the same. After the officials of the Department of Justice could not get them to say what they wanted to say they were sent back; and, by the way, it ought to be called hyphenated justice or something of that sort. Now, is it possible that there is no Government official in Chicago who could have found out that those men did not know anything that would help in the prosecution of somebody who had happened to make himself disliked to these usurpers of power? I say that when a public official usurps power and

abuses power he is committing a crime; and when that usurpation of power means denying to peaceable and law-abiding citizens their constitutional and fundamental rights it means that by that usurpation of power they have committed a great crime, and I say some action ought to be taken against Government official abuse of power. It seems to be a growth, something that has grown up, that has been going on for years. It is not this administration alone that has practiced it; they have acquiesced in and continued to build up that vicious system. Unless it is stopped the efforts of our forefathers were without avail. Unless it is stopped it will eventually result in destroying democracy. The manner in which the department is making use of the Government funds should be disapproved of by striking out this item.

Mr. GARLAND. Mr. Chairman, I believe there is a great deal of warrant in the amendment offered by the gentleman from Illinois [Mr. BUCHANAN]. It depends largely on what the additional secret service is to do. Some say the condition down on the border will be evidence that we ought to have additional secret-service men to hunt out wrong or treachery against the United States. With that I fully agree, but if it is for the purpose only of discovering whether there are people attempting to stop the manufacture of products in this country, the manufacture of munitions, then I question very much the wisdom of the appropriation. The newspapers have been filled full from day to day of statements that plants have been blown up; that there are obstructions here and obstructions there, and with all these charges no one has been convicted, and it has been going on ever since we began to make munitions for abroad. We have been forgetful, evidently, of this fact, that every plant that has been making munitions has been put on double and treble time. Every old tub that could be brought into use to turn something out in the munition line has been put on; they have employed green men, men unaccustomed to making these products. Why, I understand the powder companies have increased the product of their plants 1,200 per cent in 11 months. Is it possible to do so without a great many natural accidents? Anyone who has worked in a factory or in a mill knows that putting on speed pressure, additional work, is bound to bring accidents, and many of them.

First, we ought to examine into the condition of the factory and see whether the employees are capable; see whether they have men accustomed to this work; see whether they are properly safeguarded against accident; and if you do that I think you will find that in a large number of cases the statements made in the newspapers are wrong, and that the accidents have happened in natural ways.

Mr. HOWARD. Mr. Chairman, I hope the amendment offered by the gentleman from Illinois [Mr. BUCHANAN] to strike out the section will not prevail. All of us who know our colleague from Illinois very deeply regret the embarrassing circumstances brought about by the activity of some prejudiced or incompetent or overly persistent Government employee.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. BUCHANAN of Illinois. If the gentleman is under that impression, I want to put him right on it. Whatever trouble I have I am willing to shoulder myself and comes from the administration here in Washington. Do not lay it on some employee. Whatever an employee did in regard to that he did by direction.

Mr. HOWARD. I am delighted to know that my colleague has located exactly the place from which this pressure comes, and I hope that eventually he will be vindicated. But the question that I want to present for the consideration of the House is this: I believe that the people as a whole of this country have more respect for the laws of the Federal Government than they have for the laws of any particular State in the Union. The reason they have that respect for the Federal statute and in some cases disrespect for the State statute is the absolute certainty of punishment that will be visited upon a person who violates the Federal statute; the apprehension of those who violate the Federal criminal statutes has been brought about by the liberality with which Congress has dealt in allowing sufficient appropriations that criminals could be detected and brought to trial.

It is a very serious thing to have a Department of Justice at this particular time in the affairs of our country make an estimate for an appropriation which in amount is meager—\$25,000—and then have Congress, without due consideration, deny to this department the amount that they have asked for to carry on these particular investigations which are so necessary for the preservation of our laws at this time. For that reason, Mr. Chairman, I hope there will not be a dissenting voice against this provision.

Mr. FITZGERALD. Mr. Chairman, the appropriation available to the Department of Justice this year for this purpose was \$485,000. Last year a little over \$14,000 was expended for services in the investigation of violations of the neutrality laws. In the first six months of the current year \$46,000 were expended for the same purpose. These investigations included passport frauds, interstate shipments of dynamite, fitting out expeditions in this country against countries with which we are at peace, and violations of a number of other laws. Because of the peculiar conditions some additional employees were necessary. I have no information as to the situation stated by the gentleman from Illinois.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. BUCHANAN of Illinois. The gentleman stated this became necessary on account of the Mexican trouble.

Mr. FITZGERALD. Not exactly. I said that there are some expenses that result from conditions on the border.

Mr. BUCHANAN of Illinois. Does the Department of Justice do anything when the Army is in control?

Mr. FITZGERALD. There are agents along the border investigating for the Department of Justice. Attempts have been made from time to time to violate the law.

Mr. BUCHANAN of Illinois. I understand there has been some money spent in Texas by the Department of Justice that is not in accord with the ideas of the people of Texas. I do not know whether this is for that service or not.

Mr. FITZGERALD. This is the fund out of which are paid the men who secure information of violations against the law, in order that the Department of Justice may prosecute those who violate the law.

The department has not asked for an extraordinarily large sum, and in my opinion it is our duty to give the department \$25,000 at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUCHANAN].

The amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. FITZGERALD. Mr. Chairman, I move that the committee do now rise and report the bill with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARD, 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. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years and had directed him to report the same back to the House with the recommendation that it do pass.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

On motion of Mr. FITZGERALD, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. WILLIAM H. CARTER for three days, on account of illness.

#### SUGAR.

Mr. KITCHIN. Mr. Speaker, I move 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. 11471) to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913.

Pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to six hours, one-half of that time to be controlled by the gentleman from Michigan [Mr. FORDNEY] and one-half by myself.

Mr. FORDNEY. Mr. Speaker, I wish the gentleman would make that at least six hours. I have requests for three hours.

Mr. KITCHIN. I have suggested six hours. We can agree to this now, and to-morrow perhaps I will be able to grant the gentleman more time.

Mr. MANN. Mr. Speaker, the gentleman, of course, desires to finish the bill to-morrow?

Mr. KITCHIN. Yes.

Mr. MANN. It is not likely that there will be any debate under the five-minute rule.

Mr. KITCHIN. No.

Mr. MANN. Why not make an agreement that general debate shall close at half past 4 to-morrow, and that the time between now and that time shall be divided equally between the gentleman from North Carolina and the gentleman from Michigan?

Mr. KITCHIN. Let us put it at 4 o'clock.

Mr. MANN. I would have no objection; but I think that half past 4 would enable us to pass the bill by 5 o'clock.

Mr. KITCHIN. Let us put it at 4 o'clock.

Mr. FORDNEY. Mr. Speaker, I will ask the gentleman to make that half past 4, and if we can get through earlier than that I will be very glad to agree to do so.

Mr. KITCHIN. That would give us practically two hours and a half this afternoon and four hours to-morrow.

Mr. FORDNEY. Half past 4 would grant us 7 hours.

Mr. KITCHIN. Mr. Speaker, then I ask unanimous consent that general debate upon the bill continue until to-morrow at 4.30 o'clock p. m.

The SPEAKER. The gentleman from North Carolina, pending his motion to go into the Committee of the Whole House on the state of the Union, asks unanimous consent that general debate upon the bill shall not extend beyond 4.30 o'clock p. m. to-morrow. Is there objection?

Mr. MANN. The time to be equally divided between the gentleman from Michigan and the gentleman from North Carolina.

The SPEAKER. Yes; one half to be controlled by the gentleman from North Carolina and the other half by the gentleman from Michigan. Is there objection?

Mr. HOWARD. Mr. Speaker, reserving the right to object, I would like to say to the gentleman from North Carolina [Mr. KITCHIN] that there probably will be a fifth wheel to this wagon. As I understand it, the gentleman from Michigan [Mr. FORDNEY], who controls the time on the other side of the House, and the gentleman from North Carolina [Mr. KITCHIN], who controls the time on this side of the House, are both in favor of the bill. There will be some of us on the floor who are not in favor of this bill, and we would like to know if either one of these distinguished gentlemen would recognize that small coterie of gentlemen here who probably will not favor the passage of the bill. We would like to have some time in which to justify our action before the country in opposing the views of such eminent gentlemen at this particular time—more for self-preservation, probably, than anything else [laughter]; certainly not for any effect it may have at this time.

Mr. KITCHIN. Would 45 minutes be sufficient time?

Mr. HOWARD. I should think that if there were not so many of us 45 minutes would be sufficient, but here are seven hours to be devoted to debate upon one side of the question. Some of us have fixed and definite views about this proposition, and I do not think we can present them with such intelligence as we would like to present them to the country in 45 minutes.

Mr. FITZGERALD. In view of the fact that seven hours are to be devoted to one side of the question, does not the gentleman think that perhaps it would be unnecessary for his side to say anything?

Mr. HOWARD. That may be true. If I knew the list of gentlemen who are going to participate in debate, I might not want to take any time at all. [Laughter.]

Mr. SIMS. Mr. Speaker, reserving the right to object, I want to inquire if this is to be taken as an evidence of our effort to speed up legislation—consuming seven and a half hours of time in general debate on a mere paragraph in a general tariff bill—seven hours to be talked away here about matters that perhaps do not pertain to the bill at all, and then have us kept here into the night perhaps to pass some appropriation bill. This does not look like speeding up to me.

Mr. FORDNEY. This is a very important bill.

Mr. SIMS. We have done nothing but talk free sugar and antifree sugar here for several years.

Mr. MANN. Then we ought to have several hours at this time.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. Apropos of what the gentleman from Tennessee [Mr. SIMS] has said, as I understand it free sugar has been one of the time-honored principles of the Democratic Party for a great many years, and I think we ought, at least, to have seven hours of debate if that party is going to repudiate it now.

Mr. SIMS. It has not been a time-honored principle with those who were in the sugar business.

Mr. HOWARD. It at least ought to have respectable funeral services. [Laughter.]

The SPEAKER. Is there objection?

Mr. SIMS. Mr. Speaker, I object to seven hours.

Mr. HOWARD. Mr. Speaker, reserving the right to object, I desire to try and make an agreement for some time and if I can not I shall have to object.

Mr. KITCHIN. We will see that the gentleman gets 45 minutes.

Mr. HOWARD. I wanted to know; there are about a dozen of us, but I think we will get some more recruits by to-morrow morning.

Mr. KITCHIN. I think we can give the gentleman an hour.  
Mr. SIMS. Mr. Speaker, I do not want any time. It will not take me that long to find out that it is all foolishness and folly to consume so much time in general debate, and I object to more than four hours of general debate.

The SPEAKER. Is there objection?  
Mr. MANN. The gentleman understands this is a limitation, not an extension of time.

The SPEAKER. Is there objection?  
Mr. LONDON. Mr. Speaker, reserving the right to object, I want to know if I can get 10 minutes from each side?

Mr. MANN. The gentleman must not try to hold up each side of the House each time we have debate because the gentleman obtained 10 minutes yesterday when nobody else had it.

Mr. LONDON. Yes—  
Mr. MANN. The gentleman must take his chances with other Members. We have always been fair to the gentleman.

Mr. LONDON. I know you have.  
Mr. FORDNEY. Does the gentleman propose to devote his time to a discussion of the subject matter of the sugar bill?

Mr. LONDON. I will speak as closely to it, I think, as everybody else on the Republican side.

Mr. FORDNEY. That is about as close as the gentleman gets to any subject.

Mr. LONDON. I will stick closely to the subject.  
Mr. BORLAND. Is this debate confined to the bill?

Mr. FORDNEY. I have requests for more time than three and one-half hours will give me on this side.

Mr. LONDON. Well, 5 minutes from the Republican side and 10 minutes from the Democratic side will do.

Mr. MANN. The gentleman ought to make these arrangements privately.

Mr. KITCHIN. I do not know, but we will try to give the gentleman some time.

The SPEAKER. Is there objection?  
Mr. SIMS. I object, Mr. Speaker, to over five hours of general debate.

The SPEAKER. This is not debatable. The motion is to go into the Committee of the Whole House on the state of the Union to discuss the bill H. R. 11471.

Mr. MANN. Mr. Speaker, pending that will the gentleman yield?

Mr. KITCHIN. I yield.  
Mr. MANN. Will the gentleman from North Carolina move that general debate close at half past 4 to-morrow?

Mr. KITCHIN. I will. I intended to do that. Now, I ask unanimous consent that the time be equally divided between the gentleman from Michigan and myself.

The SPEAKER. The gentleman from North Carolina, pending the motion to go into the Committee of the Whole House on the state of the Union, asks that the time be divided, half and half between himself and the gentleman from Michigan [Mr. FORDNEY]. Is there objection to that? [After a pause.] The Chair hears none.

The question now is on going into the Committee of the Whole House on the state of the Union to consider the bill H. R. 11471.

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. 11471, with Mr. FITZGERALD in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11471) to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

Mr. KITCHIN. Mr. Chairman, I yield 30 minutes to the gentleman from Mississippi [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, this bill simply repeals those clauses in the tariff act of 1913 which provide that on May 1, 1916, the articles enumerated in sections 177 and 178 of the act shall be admitted free of duty. These sections otherwise are not changed, raw sugar still bearing a rate of duty at about 1.25 cents per pound and Cuban sugar, which amounts to over 90 per cent of our imports, with the 20 per cent deduction off, bearing a rate of 1 cent per pound, according to the

polariscope test. There has been a great increase in the importation of sugar.

In 1913 the imports on sugar amounted to 4,762,013,956 pounds, valued at \$97,129,471, while for the corresponding period of time during the year 1915 there was imported sugar to the United States in the amount of 5,286,218,287 pounds, valued at \$179,247,680, an increase in value over 1913 of \$82,118,209, while the exports of sugar increased during the same period about \$37,000,000.

The tax on sugar is a revenue tax, and sugar is one of the very best revenue-producing articles. During the fiscal year 1915 the duties reached the sum of \$49,282,113.17, but there was a drawback of \$5,401,173.29. Sugar is one article that when taxed brings in much revenue to the Treasury.

It was believed in 1913, when the tariff law was enacted, that the revenues from customs, income tax, and other internal-revenue taxes would be sufficient to take care of the expenses of the Federal Government and still permit sugar to go upon the free list in 1916. If conditions had remained normal, even with the large decrease in collections from the tax on malt, vinous, and spirituous liquors, these calculations were correct. The Underwood Tariff Act produced more revenue while conditions were normal and up to the breaking out of the great European war than any other act for the same period of time in the history of the Republic.

Even since the Underwood bill became a law and replaced the prohibitive and confiscating rates of the Payne Act it has been the target of constant abuse, attack, and misrepresentation by the Republican Members of this House. With an utter disregard of facts, the Republican leaders and near leaders have repeatedly charged that the Underwood law was a failure as a revenue-producing measure.

The leader of the minority, Mr. MANN; the ranking minority member of the Ways and Means Committee, Mr. FORDNEY; the gentleman from Ohio, Mr. LONGWORTH; and the gentleman from Washington, Mr. HUMPHREY, and a number of other Republican Members, all tell us that this act is a failure when it comes to producing revenue. If these gentlemen had spent half as much time, if they had displayed half as much diligence, and expended half as much energy in looking up facts instead of putting in all their time trying to discredit the Underwood Tariff Act and the Democratic Party, I do not believe they would ever have made such extravagant, unwarranted, and unfounded statements as they have been making on the floor of this House.

From January 1, 1914, to August 1, 1914, the only time when the Underwood law had a fair trial, and just before the breaking out of the European war, the Underwood Act produced over \$17,000,000 more than the Payne Act for the corresponding months in 1913, and I want to say to the gentleman from Michigan, my good friend, Mr. FORDNEY, that there is no sale of battleships in that statement either. I start with January 1, 1914, because the Underwood Act was not in full operation and effect until that date, and from then to August 1 our revenue act produced \$17,426,008.90 more than the Payne Act produced from January 1, 1913, to August 1 of that year. "But you are counting in the receipts from the collection of the income tax," the gentleman from Illinois [Mr. MANN] and several others told the majority leader [Mr. KITCHIN], when he was making his speech in the House some time ago. Of course we counted in the income tax in 1914 just as you counted in your corporation tax in 1913. They are each incorporated in the tariff acts. You collected nearly \$35,000,000 from the corporation tax in 1913, and you counted that.

We did not intend, nor do we want, all the expenses of this Government to be collected at the customhouse, where for every dollar that goes into the Public Treasury three or four or five dollars go into the pockets of private enterprise. We want to take some of the taxes off of poverty and place them on wealth. We want the incomes of this country to pay a proportionate share of the burdens of Government. We gave the American people an honest tariff act, with an honest downward revision, and at the same time provided, under normal and natural conditions, ample revenue to meet the expenses of the Federal Government.

Mr. SMITH of Michigan. Will the gentleman yield for a question?

Mr. COLLIER. Yes.  
Mr. SMITH of Michigan. Do you understand and do you believe that every dollar of revenue that is placed on an article puts from one to five dollars additional into the pockets of the manufacturer?

Mr. COLLIER. I would not say that every dollar would do it, but I think some would do more than that.

Mr. SMITH of Michigan. And do you believe that that statement is true?

Mr. COLLIER. In reference to some articles.

Mr. SMITH of Michigan. That is what I wanted to know, and if you believed it was true with reference to agricultural articles.

Mr. COLLIER. The gentleman asks me if that is true in regard to agricultural articles—

Mr. SMITH of Michigan. Products.

Mr. COLLIER. I believe the tariff tax on agricultural products is a delusion and a sham. I do not believe it amounts to anything because everything that the farmer raises he has to sell in the markets of the world, and it is no compensation to him to sell his products in the open market of the world and yet have to pay a tax on everything that he buys and needs for his industry. The Democratic Party has always contended that a tax on agricultural products is simply a means of trying to deceive some one. It is by reason of those flimsy excuses that they have been able to hold the farmers of this country to a doctrine of protection whereby millions of dollars every year, by reason of such flimsy excuses as a tax on agricultural products, have been wrung from their pockets by the plundering hand of a tariff. [Applause on the Democratic side.]

Mr. SMITH of Michigan. If it is true as to manufactured products, why is it not true as to farm products?

Mr. COLLIER. I want to say another thing to my friend from Michigan. One or two of my friends have just told me, and I have a faint recollection of it now, that one of your most distinguished Members, Senator Dolliver, made a statement similar to the one that I have just made on the floor of the House.

There has been a large increase in importations of those articles which were admitted free of duty, and the decrease is shown on dutiable articles. We expected a decrease in the revenues from dutiable articles, and provided an income tax to furnish the revenue in their stead. This decrease, by reason of the war, was much greater than could have been foreseen in 1913.

For the 12 months ending December, 1913, there was admitted free of duty into the United States imports of the value of \$991,850,747, while during the year ending December, 1915, there was admitted free of duty imports of the value of \$1,167,428,816, being an increase of free importations in 1915 over 1913 of \$175,578,069. The dutiable imports in 1913 reached the value of \$800,745,748, as against \$611,167,879 dutiable imports in 1915, a difference of \$189,745,733 in favor of 1913.

Mr. SLOAN. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. SLOAN. The gentleman is informing the House that the duty on farm products is a delusion and a snare. How would he account for more than doubling of the importation of farm products during the two years succeeding the passage of the Underwood law over the two years preceding.

Mr. COLLIER. Doubling of the importations?

Mr. SLOAN. Of the leading farm products of the United States, not including sugar.

Mr. COLLIER. There was a great increase in sugar; yes.

Mr. SLOAN. I say not including; but in the two years preceding the passage of the Underwood tariff law there was less than half the importation of farm products than there was in the two years succeeding. I want to know if the tariff had something to do with it?

Mr. COLLIER. If the gentleman wants my candid opinion, I do not believe the tariff on agricultural products has ever amounted to anything and never will except as a good thing perhaps to go before the country with sometimes, as with the claim, as they do in many instances, that the tax on wool is a great benefit to the agricultural interests of the country. I believe the tariff on agricultural products is a delusion and a sham.

Mr. MEEKER. Will the gentleman yield?

Mr. COLLIER. Yes, sir.

Mr. MEEKER. Will you please explain how it is a delusion and a sham?

Mr. COLLIER. I would like to go on with my statement, but I will give the gentleman the benefit of some little knowledge which I have on that subject.

It is because this is the greatest agricultural country in the world. Suppose we put a tax of \$10 or \$100 on a bale of cotton. Would that increase the price of that cotton the hundredth part of a cent? No. Why? Because the cotton is raised in this country. We are the great corn-producing country of the world. We are the great wheat-producing country of the world. You do not want to carry coals to Newcastle? We ship out agricultural products. It devolves upon us to feed a great part of the civilized world, and the amount of corn and wheat and other agricultural products that have come in under the tariff that you put on them is so inconsiderable as to be absolutely negligible. I have not got the figures now and I can not yield further on that

subject. I have only a half hour, and I have to go on. But the amount, as I say, is absolutely inconsiderable. I will furnish the figures.

I ask unanimous consent, Mr. Chairman, to insert some of these figures in connection with my remarks.

The CHAIRMAN. The gentleman from Mississippi [Mr. COLLIER] asks unanimous consent to extend his remarks in the Record by inserting the matter indicated. Is there objection?

There was no objection.

Mr. MEEKER. Just one more question. Are you willing to let that statement go as the standard Democratic explanation of your side of the contention?

Mr. COLLIER. That is my explanation of it. The gentleman can put any other construction on it that he may desire.

The total imports of wheat to the United States for the fiscal year ending June, 1913, were 798,028 bushels, valued at \$559,559, while the exports of wheat for the same year amounted to 91,602,974 bushels, valued at \$89,036,428.

The total imports of wheat to the United States for the fiscal year ending June, 1915, were 423,469 bushels, valued at \$469,847, while the exports of wheat for the same year amounted to 259,642,533 bushels, valued at \$333,552,226.

In part proof that the tax on agricultural products is a sham and a pretense, in 1913 under the Payne Act, which carried the highest tariff rate in the history of the Republic, with a tax of 25 cents a bushel on wheat, nearly twice as many bushels of wheat came into the United States as did in 1915 under the Underwood Act, which practically put wheat on the free list and could in no event tax wheat more than 10 cents a bushel. In 1913 there was exported from this country more than one hundred and fifteen times as many bushels of wheat as came into the United States, with a tax of 25 cents a bushel on wheat, while in 1915, when wheat was practically on the free list, we exported over six hundred times as many bushels as came into the United States.

Let us look at the figures of another great agricultural product—oats. The Underwood law reduced the Payne tax on oats from 15 cents to 6 cents a bushel.

In 1913, under the 15-cent tax, 723,899 bushels were brought into the United States. In 1915, under the 6-cent tax, only 630,722 bushels came into the United States. Over 90,000 bushels more of oats came in under the Payne Act in 1913 than were imported in 1915 under the Underwood law.

In 1913 we exported only 33,759,177 bushels of oats, over 46 times as much as came in, while in 1915 we exported 97,169,551 bushels, over 150 times as many bushels as came into the United States.

It is true that in 1915 we imported 9,897,939 bushels of corn, as compared with 903,062 bushels in 1913.

But what a small percentage 9,000,000 bushels of corn is to the annual output of corn, which in 1913 reached the amount of 3,124,746,000 bushels which was produced in the United States, an importation as compared with the production of corn of three-tenths of 1 per cent, while in 1915 we exported about five times as much corn as we imported.

I represent an agricultural district in an agricultural State, but the farmers of Mississippi can not be deceived by a tax on agricultural products. They know that such a tax will not in the hundredth part compensate them for the millions of dollars wrung every year from their pockets by a protective tariff.

I want to say to these gentlemen who are always harping on the tax on agricultural products, despite the unsettled condition of the times, the increased importations of unmanufactured wool is a source of much gratification to us who believe that a tariff on raw wool is the turret arch and foundation stone of protection, because it has been the connecting link which bound together in a common cause the manufacturing and agricultural interests of the United States. When this link is severed the woolen industry will then be out of politics, and the protectionists will lose the support of a few deluded sheep owners who have been clamoring for protection because a tax of 11 cents per pound was placed on raw wool.

When the agricultural interests find that they are no longer connected with protection through the medium of a tax on wool, those farmers who in 1911 raised over \$4,500,000,000 worth of cotton, corn, wheat, oats, hay, barley, and potatoes—who were taxed and forced to pay exorbitant and unreasonable prices for all woolen clothing and everything else that they had to buy in order to insure an added profit, none of which, in many instances, ever reached the producer of wool, the value of the entire output of which was not one-sixtieth of the amount of the value of the products I have just referred to—the protective system will become hateful to them. The farmer will of all others be more opposed to a theory of governmental taxation which permits him to sell his products in the open markets of the world but yet compels him to pay a tax on everything he

buys for the comfort of his family and for the carrying on of his business.

For the 12 months ending December, 1913, 151,813,703 pounds of unmanufactured wool, of the value of \$28,776,274, was imported to the United States; for the same period of time in 1915, 412,721,292 pounds of unmanufactured wool, of the value of \$95,042,616, came into the United States free of duty, an increase in the value of this commodity of \$66,266,342. This means that in 1915 the output of American woolen factories was increased 260,907,589 pounds, of the value of \$66,266,342, over 1913, which increase of nearly three times the amount of the 1913 importation gave additional employment to thousands of our citizens. It means that the American manufacturer has had a better selection of wool than he formerly had when the tariff rate kept out the higher grades, and as a result of this the consumer got better clothing. It also means a cheaper article, because the removal of the duty on raw wool relieved us of the necessity of giving the manufacturers a compensatory tax equal to the tax on his raw material.

And, above all, it means that in 1915 the American people have had \$66,000,000 worth of raw wool to be made into clothing and blankets and underwear, nearly 300,000,000 pounds more than they had in 1913. The price of raw wool and the price of woolen clothing is high, but that is due to abnormal and unnatural conditions because of the disturbances in Europe. The price to the consumer of woolen articles may be high, but it is not as high as it would have been on a protective basis, where the demand for these articles would have been as great as it was in 1915 and yet the supply would have been restricted and diminished by nearly 300,000,000 pounds, worth over \$66,000,000.

Under the Democratic tariff law the American people in 1915 received \$53,000,000 worth of crude, partly and wholly manufactured foodstuffs and food animals, more than they could secure in 1913. If the cost of foodstuffs is high, how much higher would they not have been and how much higher would the cost of living have been if the supply of these articles for food had been cut down \$53,000,000?

We were forced to bring in an emergency act because of the decline in the revenue from imports caused by the war. The Mexican situation, inherited from Mr. Taft, also caused us to unexpectedly expend many millions of dollars.

If we do not retain this tax on sugar, we will have to raise the revenue derived from the sugar tax by a direct tax, and, in view of the amount we have to raise to take care of regular expenses and the proposed expense to be incurred for preparations for national defense, we preferred to retain the tax on sugar.

Mr. Chairman, we could not foresee that in less than one year from the enactment of the Underwood tariff law that all of Europe would be in a blaze and that those great countries would meet in the shock of a conflict unparalleled in the world's history. The results of that war have been tremendous throughout Christendom. Continental business was at a standstill. International competition was destroyed and importations to the United States were either discontinued and diminished or else their character was so changed that they materially affected the revenues from customs duties and we were forced to bring in an emergency act.

Yet these same gentlemen tell us that the war in Europe is and was in no degree responsible for the falling off and decline in customs receipts. It is hard to realize that such a proposition can be seriously debated in this House.

We know that thousands of factories have either been closed or destroyed, and that millions of men have been drawn from these factories and have entered the different armies of Europe. We know that unhappy Belgium, another "Niobe of nations, childless and almost crownless in her voiceless woe," we know that Belgium, two years ago a busy scene of happiness, prosperity, and commercial industry, is now a ruined, blackened, and desolate waste.

We know that in sunny France the sharp rattle of the machine gun has replaced the busy humming of countless spindles, and where once rolled the smoke from many factories the air now is darkened with a deadly hail of shot and shell.

We know that Germany, imperial Germany, one of the greatest export countries of all Europe, is an armed camp and her exports shut off from passage of the seas by an allied fleet.

We know that Austria has millions of men engaged in the conflict, and that her factories as well as those of her great ally are working night and day, not to manufacture articles for export, but to turn out munitions of war and death-dealing missiles of destruction.

We know that England, proud mistress of the seas, is conscripting her men from the factories and sending them by millions into the ranks.

We know that Russia, with her immense territory and tremendous resources, is engaged not in commercial enterprise, but in hurling countless thousands against the gray wall of Teutonic steel which extends for hundreds of miles.

We know that Italy has no time to participate in the peaceful pursuits of commercial life, but is concentrating all her resources to prosecute the war.

We know that Serbia lies naked at the invaders' feet. We know that Montenegro is prostrate, Bulgaria exhausted, and that Greece is blockaded. We know that submarines have destroyed hundreds of merchant vessels, and that international commerce has been throttled and strangled in a thousand ways, and yet, these gentlemen, these Republican leaders, solemnly declare that the war in Europe is not responsible for the decline in our revenues.

Let us look into the facts. Let us compare the imports of 1915 with those of 1913, when there was no war. You Republicans tell us that the lowering of the tariff rates will ruin American manufactories, because we will be swamped with importations which will flood the country, destroy competition, cheapen prices, and drive our labor out of employment. We reduced the tariff rates on practically every article and commodity in everyday use. To make your argument good, if the war in Europe has nothing to do with the decrease in revenues from importations, then the imports of 1915 should show a large increase over 1913, when we were operating under the highest tariff rate in the history of the Republic. If there is any logic at all in your position, you are bound to admit this proposition. But let us look at the facts. For the 12 months ending in December, 1913, the total importations from Europe amounted to \$864,666,103, and for the corresponding months of 1915, during the war, these importations amounted to \$546,352,567, a loss of \$318,313,536 worth of imports.

And these Republican leaders still insist that the war in Europe was not responsible for the decline in our revenues and that we were forced to pass the emergency act because the Underwood tariff law was a failure.

We were forced to pass the emergency act and we were forced to continue this act in both instances through no fault of our own. We expect to bring in a revenue bill later on which will take care of a situation not of our making, and for the purpose of meeting necessary expenditures in preparation for national defense.

The American people are willing to be taxed and contribute of their means for purposes of national defense. The great masses of those people, irrespective of party affiliations, are behind the President of the United States, who, serene, confident, standing at the helm, has safely steered our ship of state through the seething, boiling waters of turmoil and strife which seem to have engulfed the rest of the world. [Applause.]

As much as we all love peace and deplore war, as much as we are desirous of living on good terms with our neighboring countries, as much as we all are opposed to the establishing of a great military power in the United States, yet, remembering that new occasions teach new duties, we must exercise common sense and look at the situation which confronts us with American eyes. Over half a billion Christian people are at each other's throats engaged in war. The world is war mad. The rights of neutrals may be little regarded; certainly, not at all if powerful interest points the other way. A treaty is worth little more than the parchment upon which it is written. Unarmed merchant vessels have been destroyed without warning. One by one other nations have been forced into the conflict. God forbid that we shall ever be drawn into this war. The wisdom and prudence of President Wilson has kept us out so far, and I voice the earnest prayer of all patriotic Americans that we devoutly hope we will continue to keep out of this war. But no man knows what a day may bring forth. I am as much opposed to the militant spirit which prevails in certain portions of Europe as I am to the pacific spirit which has made China, with her 400,000,000 people, a national football to be kicked about at will by the countries of the world.

I do not believe in useless extravagance. My votes in this House during the past seven years I have been a Member of this body have been a protest against the waste of the taxpayers' money. I would not vote one cent for the aggrandizement and territorial expansion of our country. I would not vote one dollar for preparations for a foreign invasion for conquest; but I do believe that our country should be so prepared and so equipped that we would be ready at all times to defend our honor and protect our homes. [Applause.] We should be prepared to defend our great coast line against any kind of an invasion and maintain with dignity and honor the official acts and mandates of the Republic. We should be prepared to preserve in the letter and the spirit that doctrine which guarantees

the territorial sovereignty of our South and Central American Republics, and thunders to Czar and Kaiser and King: "Thus far shalt thou go, and no farther."

I repeat that I am opposed to extravagance and useless public expenditures; but when it comes to a matter touching the defense of our country—our country, with its proud history, its noble traditions, its free institutions, its liberal Government—when it comes to the defense of our country, the protection of our firesides, and the preservation of those institutions so dear to all lovers of human liberty, the retention and preservation of these blessings can not be weighed in the sordid balance of the dollars and cents they may cost to preserve [applause]; nor do I believe that the American people will be deterred from expecting us to do our duty here because some may profit through the expense of preparation.

I believe that preparation for defense means a preservation of peace. No one doubts the courage and bravery of the American people. The spirit of our Revolutionary fathers, who resolved to be free or fill martyrs' graves, finds lodgment in the breasts of our people to-day. Since that memorable Fourth of July when "equality with sword uplifted above the cradle of an infant Republic" consecrated that sword to the imperishable doctrine that "freedom is the heritage of mankind" our country has been foremost among the nations of the earth. The blood of the patriot who fell at Bunker Hill, which flowed at New Orleans, which drenched the plains of Buena Vista, and which ran in rivers at Gettysburg is no more red than that which courses through the veins of her sons to-day.

If armed invasion should place its mailed heel upon our shores, from every section of a reunited country an indignant and outraged citizenship, rallying around that flag, with undaunted bravery and deathless courage would hurl themselves upon the invader.

There would be patriotism enough, there would be bravery enough, there would be heroism enough. Whether our country was prepared or not, no one could ever discount the valor, the courage, and the undaunted spirit of our people.

But if the countries of the world know that back of that patriotism, that courage, that heroism, and that undaunted spirit there is, with the proper and needed equipment, an intelligent preparation for defense, shall it be said that it is the optimist only who can predict for us a lasting peace with all mankind?

I am often asked the questions: "What do you mean by preparedness? What do you want for preparedness?" I am not an engineer. I am no naval expert. I do not know what kind of guns should be on the forward turret of a battleship, nor do I know how thick the armor plate on a dreadnaught should be, but I do know that the captain of the ship, the President of the United States, who by reason of his position secures information through a hundred channels and derives knowledge through numberless avenues that are denied and closed to us, tells us that by reason of the knowledge he has secured and the information he has received, that we should take steps for our country's defense. I do know that we should stand by him and do all that is necessary for the safety of the Republic.

These preparations for our national defense are going to cost money, and it devolves upon the Ways and Means Committee of this House to bring in a revenue bill to take care of this situation and to meet these necessary expenses. It has been said that our Republican friends will vote for preparedness, but will vote against a revenue bill which raises the money to meet the expenses they themselves have helped us to incur.

The Speaker of the House and the minority leader have shaken hands across the aisle and have declared that preparedness is nonpartisan. Time will disclose whether providing the means to take care of the necessary money to carry out the ideas of our national defense is also nonpartisan.

I hold no brief to speak for the Ways and Means Committee as to what kind of a bill will be brought in here to take care of these expenses; but, speaking for myself, I believe that munitions of war and incomes should bear the greater burden of this tax. [Applause.] There are many reasons why this should be.

The chaotic conditions in Europe are largely responsible for the necessity of our making preparations for our defense.

Events of tremendous international importance are happening almost daily, and no one can tell what complications may arise as the result of any one of these events.

The necessity of our taking immediate steps for national defense arose through no fault of ours, but because of conditions elsewhere. The owners of these plants which are now supplying munitions of war to the belligerents of Europe are reaping a richer harvest and are securing greater dividends than two years ago they ever dreamed of. I am told that some of these great manufacturing establishments are making profits

of hundreds of thousands of dollars a day. Whether that is true or not, I do not know, but I do know they are securing more financial benefit out of the war in Europe than any class of manufacturing industry. If we are put to greater expense by reason of a condition that enables these industries to increase their profits a thousandfold, then it is only right that they should pay a large proportion of the expense which we have incurred. In the preparations for defense here at home these same industries will again reap a greater profit than any other class of American industry, and that is still another reason why they should materially help pay the cost of preparation.

Great Britain, France, and Germany are now taxing munitions of war, so there is nothing new in the proposition. Incomes should also bear a heavy part of this expense. An income tax is a just tax; it is no tax on prosperity, no interdiction on wealth, no embargo on industry, no prohibition on thrift, but an honest tax, where every man contributes to the Government's support according to his ability to pay and according to the protection he receives from that Government. The total national income was estimated in 1910 at the sum of \$30,500,000,000. The following table shows that much of this wealth is in the hands of a few:

Members of families.	Family income.	Total income.
261.....	\$200,000 to \$1,000,000.....	\$123,000,000
98.....	\$1,000,000 to \$2,000,000.....	136,000,000
41.....	\$2,000,000 to \$5,000,000.....	118,000,000
10.....	\$5,000,000 to \$10,000,000.....	79,000,000
5.....	\$10,000,000 to \$50,000,000.....	158,000,000

There are 60 people in the United States whose net incomes are more than \$1,000,000 each. Under the old Republican system of taxation of three years ago, these 60 people paid no income tax, but paid only on what they ate and what they wore. Paying taxes only on what is eaten for food and worn for clothing, it is possible and probable that a machinist, with a large family, working for barely a living wage, actually paid more taxes to support the Federal Government than some of the multimillionaires with a small family and whose daily income is over \$2,800.

Income-tax payers are therefore not only in a condition to pay, but in case of war they have more property to protect than those of their less-favored neighbors. They have great interest at stake, because if an indemnity should be required of any city those of larger means would be called upon at once to contribute. In case preparations for defense should be the means of preserving peace, then the interest of these taxpayers has increased, because during the interval of peace their business and their industries have not been disturbed and they have secured greater income and larger profits than those who are not so fortunate as to come within the provisions of this tax. There is still another reason. While I do not intend to reflect upon either the courage or the patriotism of the income-tax payers, yet if war should be declared, they would constitute an inconsiderable proportion of those actually engaged in the conflict. The fighting would be done by those whose business interests are of such a character that they do not receive incomes in excess of \$3,000 a year. A considerable number of these vast fortunes are the direct result of benefits received from the Federal Government through favored and special legislation.

If those less favored by commercial prosperity offer their lives in their country's defense, those who have in the past received benefits and protection from that Government to build up their colossal fortunes should at least offer their means to the defense of their country.

Mr. Chairman, my time is nearly out, so I must hasten to a close. We are going to retain this tax on sugar because conditions we could not foresee arose and made it necessary that we should retain the revenue derived from the importations of that article or else raise the amount by a direct tax. The Republican Members of this House will again rail at us and charge that we have broken faith. They will again affirm that the Underwood Tariff Act is not a revenue-producing law. They will again predict that next November the American people will retire us and put them in our place.

I would like for my Republican friends [applause on the Republican side]—ah, gentlemen, that applause came a little late, and after November it is going to be a little later than that. [Applause on the Democratic side.] I want to ask you what promises are you going to make to the American people to induce them to be so unwise and so foolish as to restore you to that power you once had, and which you so shamelessly abused? After 50 years of control you were weighed in the balance and

found wanting. What are you going to promise then? Are you going to tell them that you will repeal the Underwood Tariff Act? [Cries of "Yes!" "Yes!" on the Republican side.]

A MEMBER (on the Republican side). And we will do it, too! Mr. COLLIER. Are you going to promise them that you will put in its place the prohibitive, the confiscating rates of the Payne law? After that law had been in operation for two years a Republican would run from the defense of it and from the word "standpat" as we used to run from a yellow-fever patient. [Laughter and applause on the Democratic side.]

Mr. SLOAN. Will the gentleman yield?

Mr. COLLIER. In just a moment. I understand, from what I have heard from my friends on the other side, that you are going to promise the people to return to the indefensible rates on wool, which were 200 or 300 per cent in the Payne law. Some one asked me if I were stating the Democratic position. I want to ask you if I am stating the Republican position on wool?

Mr. SLOAN. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. SLOAN. You ask us if we will promise; we will keep the things that we do promise. [Laughter on the Republican side.]

Mr. COLLIER. Your whole system has been marked by misuse and founded on deception. [Laughter and applause on the Democratic side.]

Mr. MANN. If the gentleman lives long enough, he will see what we do do.

Mr. COLLIER. Mr. Chairman, I love life as much as anyone, and I hope people will not say that I am too enamored with life when I say that I hope I will be living when the Republicans come back into power. [Laughter and applause on the Democratic side.]

Mr. MANN. So say we, all of us; and that is the hope of the whole country. [Laughter on the Republican side.]

Mr. COLLIER. However, before that happens I shall live long enough to be older than Methuselah. [Laughter on the Democratic side.]

Are you going to promise the people to repeal the provisions of the income tax and again permit the wealth of the country to escape the payment of its share of the burdens of Government?

Are you going to promise the people that you will repeal the national reserve act and return once more to the useless, antiquated financial system you so often promised you would change?

Are you going to promise the people that you will repeal the trust laws and permit the directorates of a few institutions to corner the markets and control the credit of the United States?

Are you going to promise the people that you are going to repeal the Trade Commission act?

Are you going to promise the people that you are going to return to standpattism and the old system of Government spoliation and robbery of all the people to enrich a few whose campaign contributions have restored you to power?

How much of the Democratic program, how many of these Democratic policies are you going to promise the people you will repeal?

I know that you would like to see all of these measures repealed, but there is none of you on that side who has the courage and bravery to advocate their repeal, because you know that these laws are a crystallized expression of years of longing by the American people—laws that you so often promised and so shamelessly denied. [Applause on the Democratic side.]

The camp followers backed by the money interests of those who profit by Republican administration, the spoliators who grew rich by your unjust discrimination and unpardonable partiality; those who are seeking privileges and are yearning for the flesh pots of the old system of governmental exploitation; they are those who criticize the Democratic Party and invoke the spirit of repudiated Republicanism.

But the Democratic Party, born in the early days of the Republic, founded upon the bedrock principles of equal rights for all and special privileges to none, is undismayed by the same old attacks coming from such a source, and secure in the consciousness of its own rectitude, presents an impregnable front to all enemies of good government and fair legislation.

With the greatest President since the days of Andrew Jackson guarding the destinies of the Republic, the great masses of the people of the United States have placed their trust and their hope in Woodrow Wilson, and vain is the ambition and useless the effort of those who seek to hurl him from that place he has so justly earned in the hearts and the minds and the confidence of the American people. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. MOORE].

#### THE PRESIDENT AND THE CONGRESS.

Mr. MOORE of Pennsylvania. Mr. Chairman, the power to condense thought into phrases that will linger is a gift. It has been indulged in by Presidents, and by those who are capable of being Presidents, and has served them well in numerous campaigns. Amongst the modern phrase makers the President of the United States is a shining exemplar. The Speaker of the House of Representatives has also attained an enviable distinction in this regard. At Philadelphia on Saturday night the Speaker added materially to the fame he has already achieved. On being approached for an interview upon the Presidency the great Misourian is reported to have said:

"President Wilson has the world by the tail." [Laughter.]

Coming with that magnanimity which has hitherto characterized this eminent authority upon matters presidential, the utterance of our distinguished colleague, if accurately reported, was interpreted to mean substantially this:

"The President has kicked over the one-term pail set up at Baltimore and is going back for a second."

In the midst of the great war in Europe, provoking as it has been to the economic ends of the administration, and with troubles along the Mexican border, it may by some be deemed indelicate for a Republican to discuss now the presidential situation of 1916; but unfortunately there is no "watchful waiting" in the Constitution of the United States. That great palladium of our liberties brooks no delay in so important a matter as the election of a President. Moreover, the tariff question is looming up, the sugar repealer is here, the financial exigencies of the Nation are urgent, and the election is due in November. The issue as to who shall govern our great country must be discussed sooner or later, despite the waves of patriotism that spasmodically sweep the country as "the sparks begin to fly."

It was generous of the gentleman from Missouri, therefore, as it was timely, to throw his life buoy on the troubled sea of Democracy in the impending political crisis. To have it known now that "the President has the world by the tail" is at once a challenge and a warning. It is enigmatic, however, in that Republicans are not informed as to the true meaning of "the tail of the world." Generally speaking, the term is nebulous and would mean no votes. It is too indefinite for practical politicians. The Speaker may have meant that the President had in his grasp "the tail of Villa" and his Mexican marauders. Then the patient public would understand that politics had at last been subordinated to action. [Applause on the Republican side.] Or if the true meaning of so new and forceful a phrase related to "the tail of the industrial world," which the President so vigorously twisted when he set "American wits" to "contest with the wits of the world," the wage earners of the country would understand the application of it. We must accept one or the other of these inferences or be forced to the conclusion, which is unthinkable of the Speaker, that due to love of native State and the chiefest of her products, his deliverance referred to "the tail" which is generally found at the business end of the Missouri mule. [Laughter on the Republican side.] Such an interpretation of that which is apocryphal in his new and enduring sentiment is believable only upon the ground that "every kick is a boost." [Laughter on the Republican side.]

#### CONGRESS AND THE PRESIDENT.

Mr. Chairman, I shall now approach the sugar schedule from another angle. There is reason to believe the President may come to Congress to seek its cooperation in the Mexican trouble. If the raid of Villa was connived at by designing Americans or by Mexican revolutionists, if it involves American intervention, or if it means the acquisition of new territory and the setting up of new States, he ought to consult Congress, even with more directness than he exercised under his constitutional prerogative in the recent controversy over armed merchantmen. If the President does come to Congress with any of these important international problems, his recommendations should be carefully considered, and promptly supported if such problems are shown to threaten the national peace or honor. If Members of Congress are not to be consulted with respect to such problems as involve the people in war and taxes, it may well be charged that the Congress is not exercising its functions as delegated by the Constitution. To say a discussion of such matters by Congress is to embarrass the President is beside the question. The duties of Congress are clearly defined.

It is certainly with no intention of embarrassing the President, therefore, that in discussing the sugar repealer I may refer to some matters of domestic concern, including the many changes of front that have characterized the administration and which have made the platform of the Democratic Party a mockery and a byword. I am interested in the peace and prosperity of the people of the United States more than I am in the welfare of the people of any other nation, and I do not wish,

as a Representative, to be swept from the path of political rectitude because, after years of domestic and industrial disturbance, provoked by the present administration, and against which the Republican Party protested, the slothful policy of "watchful waiting" in Mexico is to be changed to action, only, however, as it becomes necessary to repel an actual invasion of our soil.

Under the circumstances as they have been reported to us from the Mexican border, President Wilson, as a primary move, was justified in sending troops against Villa, but it does not detract from the credit due him for what he has done to say that no President, Democrat or Republican, could have done less.

#### THE McLEMORE RESOLUTION.

In the controversy over the so-called McLemore resolution, though a public sentiment was well worked up over it, there was no such partisanship as indicated at any time a lack of congressional willingness to cooperate with the President. The President's purpose was not clear. He was reported as seeking the burial of the McLemore resolution and shortly thereafter of wishing it reported out. He spoke to Congress only by indirection, and the McLemore resolution was so reported as not to be considered by the House. The whole proceeding was irregular and misleading. It meant nothing in the end but the tabling of a resolution which nobody wanted. Those who wished to spare themselves the criticism of being disloyal voted to table the resolution without consideration, because they were induced to think the honor of the Nation was at stake. Those who sought to act upon the merits of the proposition, and who were not permitted to do so under the rule, which was unnecessary, voted against the tabling in order that the resolution which had disturbed the President might be considered and amended or defeated, as the facts should warrant. The confusion into which the Congress was thrown was devoid of substantial information from the White House, and the parliamentary trick, which tended to discredit an entire body of the people's representatives, was as palpable as it was gratuitous. It is to be hoped, therefore, that any future support which the President seeks to obtain from Congress upon any problem vital to the people may be had under less perplexing and unfriendly circumstances. [Applause on the Republican side.]

#### THE MEXICAN SITUATION.

The reading public was sadly confused about the armed merchantmen affair. In due course that public will know whether Congress was fairly treated, just as some day it may be known whether "a man of straw" was suddenly set up in the House of Representatives for selfish or political purposes. With the Mexican affair it is different. For three long years the American public has chafed and fretted over the Mexican situation. It knew that conceded rights to Americans in Mexico were violated; it knew American life had been taken and American property seized and destroyed. The public knew that the flag of the United States was insulted in Mexico, and that although the Congress voted to support the President in his war upon Huerta, no distinguished honor accrued to our country by reason of that war. The public knew that "watchful waiting" involved the humiliation of Americans; that they were warned by their own Government to leave Mexico regardless of any rights they may have had to the protection of their flag. The great reading public was well informed as to all this, and marvelled at it. It was only when the raider, Villa, crossed the American border and attacked the city of Columbus that they were apprised of the purpose of the administration to proceed to the serious business of upholding the national honor and maintaining domestic peace.

#### OUR REVENUE PROBLEMS.

Important as it is to have an understanding as to what the administration desires in grave international crises, it is equally important that the ways and means by which these crises are to be met shall not be overlooked. Let us give to the President all the support he asks when the honor or safety of the Republic are in the balance, but in our excitement as patriots let us not forget that the people whom we represent must pay for the economic failures of an administration just as they will have to pay for any wars into which our country may be plunged.

The bill before us illustrates the thought in mind. While the Ways and Means Committee does not admit it in so many words, this bill to repeal the free-sugar provisos of the Underwood tariff law is a confession of the inadequacy of Democratic policy to raise funds to run the Government. It is proposed by this bill to hold on to approximately \$45,000,000 which the Democratic Party proposed by law to take away from the Federal Treasury and turn over to the importers of sugar. If it be treason to direct attention to this direct reversal of the Demo-

cratic platform, Republicans who undertake to do so must accept the consequences. Their constituents are entitled to know the facts.

Nor is it unreasonable at this time, when the agitation of European and Mexican affairs is diverting attention from the debts and extravagancies of the present administration, that some one should arise with courage enough to put the blame for our domestic troubles exactly where it belongs. It is easy to remember that before the advent of the present administration the United States was aglow with the fires of industry in ordinary legitimate pursuits. It was not the industry born of the horrible business of making munitions to destroy the lives of our brethren across the seas. The United States Treasury was in ample funds and the country was at peace with the world. All this changed when President Wilson took the reins of office. It is not an exaggeration of the facts to say that the three years of his administration have consisted chiefly of vain efforts to prove the unprovable in practical and in political economy.

#### TAXES AND CONFUSION OF LAWS.

If the administration has not made good in our domestic affairs, why should Republicans encourage a continuance of it because of confusion in our foreign affairs? The facts as to Democratic incompetency are still before us. Neither should it be forgotten that in the effort to prove up the impracticable the administration has so involved this country in a plethora of ambiguous and oppressive laws that it may require the best statesmanship of a generation to release legitimate business from its unwelcome entanglements.

The President is the leader and spokesman of his party. For such damage as has been done to the people of the United States in the attempt to enforce the economic policies of the Democratic Party he has no apology or excuses to offer. In his revenue message to Congress he spoke of the deficit that existed and that must increase, until now it is approximated at more than \$360,000,000 for the year 1917.

#### PRESIDENT IS NOT NONPARTISAN.

The only reason given for this astonishing condition of the Treasury, income taxes and war taxes included, is the incident of the European war. The President does not appoint any Republican to office, though commissions have been created with the understanding that they were to be nonpartisan; neither does the President admit the culpability of the Democratic Party for any of his troubles or for those of the Nation. Like the Secretary of the Treasury and the Committee on Ways and Means he lays the blame to the European war. If at any time during the last three years Republicans could be criticized for criticizing the administration, the administration can not be credited with having gone out of its way to lead Republicans to believe that they had had "any new ideas in 30 years." It may be set down as a sure thing that even though Republicans may "stand by the President" in any international crisis now, they will do so as patriots, since kind words from the administration will not be "coronets in the crown" of any Republican who may seek in the campaign of 1916 to restore the Republican system of protection for the existing order of debt and taxes.

Mr. GARDNER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield to the gentleman.

Mr. GARDNER. The gentleman called attention to the fact that the President had said that the Republican Party had not had a new idea for 30 years; is it not a fact that we generally adhere to our ideas?

Mr. MOORE of Pennsylvania. Yes; if we find them to be right; and we usually do.

#### NO PROMISE FOR THE FUTURE.

In the bill now under consideration (H. R. 11471) to repeal the free-trade sugar provisos there is no assurance that the protection which the committee has resorted to for expediency's sake will work a change of heart on the general question of protection and free trade. The administration needs the \$45,000,000, and it jumps from free trade to protection in order to cinch the money before it slips back into the pockets of the importers. It makes this bold flop only because of the European war—the same excuse that was presented by the committee when compelled to continue the \$100,000,000 war tax. There is no promise of a permanent change. Having spent the people's tax money, the committee blandly asks for more.

Observe how easily the committee upsets the Baltimore platform. Note the directness with which the Gordian knot of party consistency is severed. On the theory that "twere well it were done quickly," the committee says:

Had the normal conditions existing at the time of the passage of the act of October 3, 1913, not been disturbed by the European war,

It would not have been necessary to continue the present rates of duty on sugar after May 1, 1916.

A careful reading of these lines shows the intensity of feeling which our Democratic brethren have against the European war. It was not a fatuous and mistaken economic policy that did the revenue trick; it was the infernal war in Europe. In the same report, in the next paragraph, the same sad song of the European war is sung. It grates on the ear, but we are impelled to repeat it:

This legislation is made necessary in order that the Treasury may have the benefit of the revenue receipts from sugar in meeting the decline in customs and postal receipts due to the disturbed conditions resulting from the European war, and also to assist in meeting the decline in ordinary internal-revenue receipts.

No word of atonement for the ills we have suffered! No word of regret for the damage that was done. The Democratic Treasury needs the money, and that is all there is to it. The money is not to send troops after the bandits in Mexico; it will not help in our general preparations for war. It is just ordinary, everyday money that is needed to meet the current expenses of the Government. More than that, it is Republican protection money which the Democrats, who now take it, first spurned, even though in the spurning they threatened to destroy the beet-sugar industry of the United States and to bury the Louisiana sugar planters under the ground.

The long and short of it, in the simplest language we can conjure up, is simply this:

The Baltimore platform was a platform of "principles," when the Democratic Party was fooling the voters, but it is a "scrap of paper" when they need the money.

#### A SUGARY DISH OF CROW.

The facts are so plain that no Republican can be deceived. Our Democratic brethren may contend for "principle," but they do not forsake the cash. Their performance on the sugar schedule is the "proof of the pudding." The dish of crow is before them, served up from their own kitchen. It is no time for Republicans to submerge themselves under the altar of self-denial. They have a right to be seen and heard and crow a little if they want to. The Democratic handbook of 1912, "thanked God for Wilson." Its inspired chapter upon the free sugar the consumers were to get at a reduced cost was very seductive. The advantages which the Government was to derive were happily portrayed by the Democratic orators. It is not for Republicans now to so concern themselves with the troubles of the administration, as to forget that the price of sugar to the consumer did not come down. We ought to remember the facts and, knowing the facts, proclaim them.

#### NOT FINANCIALLY PREPARED.

Mr. Chairman, it takes a long while in times of political excitement to make the people understand, but they can not fail to appreciate the wealth of buncombe that was served up to them when they unduly agitated themselves, in the interest of the sugar importers, for the removal of a duty which cost them nothing and which their Government sorely needed. Even the Democrats, who promoted the agitation, are compelled to admit the facts.

There is another point to which I would direct the attention of the House. The administration, which is sick financially, in spite of the taxes it has imposed in times of peace, is not prepared for the expenses of war. It was not prepared when it thrust the armed-merchantmen controversy upon the House, and it would be less prepared for a European or an Asiatic conflict, if the trouble in Mexico results in intervention. Its defensive effectiveness along our coasts would be further reduced if it were compelled to defend an assault at Panama. What provision has the administration made for all this preparedness? If the Treasury is depleted and deficits stare us in the face, in what condition will we find ourselves if any of these foreign contingencies become a reality? The President has advanced but a single thought—the taxing of gasoline, of steam engines, of incomes, and the like. Even so, who is to pay when the ordinary resources of the Government fail?

#### THE PEOPLE MUST PAY.

The answer is plain; the people must pay. It is reported that the President is opposed to an issue of bonds; there is no other way out except to increase the taxes levied directly upon the people. The resort to such protection measures as the free-sugar repealer is only an expedient to meet an emergency. The differences between the President and his party and the Republican system of protection are too great to admit of the acceptance by this administration of the Republican platform. The Republican Party, seeking to extend American trade, believes in the development of home industries. The President and his party believe in reducing the industries of the United

States to the foreign level. No war in Europe nor any outbreak in Mexico nor any raising of the national-honor standard above the grim ogre of national debt, will suffice to divert the American wage earner from the meaning of this. The men who toil in the mills and on the farms of the United States are the men upon whom the burden ultimately falls. They know the difference between the working conditions in European countries and those that prevail in the United States. Republicans can meet the President and his party upon this issue, and they should not hesitate to do it. [Applause on the Republican side.]

#### REPUBLICANS SHOULD BE ON GUARD.

If, therefore, the experimentation of the Democratic theorists has been unsuccessful, if "the captain of the team" has failed to retain the full confidence of his players, if the man at the helm who took the ship from its Republican moorings and lost his course in a sea of trouble, if the rich heritage of a prosperous administration has been wasted by the profligate and the prodigal, why should Republicans worry? Of course, we should sustain the national honor; of course, we should keep Old Glory nailed to the mast; of course, in an international crisis we should "stand by the President," but does all this mean that we shall kiss the hand that smites us? Is there not some politics in all this patriotic sentimentality? Have we no candidates of our own, no platform, no policies, no record for patriotism or for good government? Perhaps it may embarrass our international negotiations to refer to the history of the great Republican Party and all that it has stood for. For one I do not believe it. I do not believe the President believes it. Why, then, should Republicans be stampeded into the belief that the glory and perpetuity of the Nation are dependent upon Democratic success in November? Let us recall the immortal words of our distinguished Speaker, "President Wilson has the world by the tail."

Mark you, it is not the international world, but the political world to which the Speaker refers. Has it embarrassed our international negotiations for one great Democrat to thus predict the reelection of a Democratic President? Let us see what another leader of Democracy has to say upon this subject. Vice President Marshall leaving the White House on Monday last, informed the newspapers that "President Wilson is going to be elected again, and we are going to carry Indiana for him."

Is this intrusion of a political germ into the patriotic serenity of the White House a violation of international law? We may safely leave it to the tolerant and overburdened taxpayers of the country to answer.

Mr. Chairman, this is no time for Republicans to be following strange gods. Facing the stern necessities of the Nation, Republicans should stand by their own guns, nor permit themselves to be shifted from the moorings that have been proven to be safe and sound. Never in the history of the country have the plain people needed their services more than they do now, or will in the trying times to come. [Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, the first year of the Underwood tariff law lost fifteen millions to the Treasury on the sugar schedule, increased the price 2½ cents a pound to the consumer, and added \$10,000,000 to the profits of the Sugar Trust.

Many Democrats seem to assume, as also do many citizens who are independent of party affiliations, that the Republican campaign of 1916 will consist almost entirely of exposure of the mistakes and inefficiency of the Democratic administration. Such is not the case. It is true that we shall be called upon frequently to disclose the injurious legislation and the maladministration of the Democratic Party. This is made necessary by the fact that the head of this administration abandoned his announced policy of "pitiless publicity" and made secrecy one of his cardinal virtues. Since the American people have no other means of learning the true story of the destructive results of this administration, we Republicans shall make known all the facts we can discover.

The chief part of our argument, however, will be that by years of successful management of governmental affairs the Republican Party has demonstrated its constructive policies and that the people of the United States, by reason of that demonstration, can reasonably place confidence in the fulfillment of the promises the Republican Party shall make in its next platform.

It is hardly necessary to recount the achievements of this Nation while under Republican control.

We maintained a sound system of finance, and when the development of the country required an extension thereof we devised a reserve banking system which would meet the needs

of changing conditions. Some of the provisions of that plan were incorporated in what is now known as the Federal reserve banking act, the most important features of which were written in by Republican Members of Congress.

The readiness of the Republican Party to enact legislation for which there is a real need was demonstrated in the enactment of the postal savings bank act, which passed this House with the support of Republican votes and with every negative vote cast by a Democrat. It passed the upper House of Congress by the votes of Republicans, with a single exception.

The Republican Party never hesitates at a large undertaking, as witness our enactment of a measure providing for the construction of the Panama Canal. It is a matter of common knowledge on the other side of the House, as well as on this, that under Republican administration the financial condition of the Government was such that the canal was constructed chiefly from current revenue and with a very small sale of the authorized bonds. I do not undertake to say that the Panama Canal was a party measure. It had the support of many Democrats and the opposition of some Republicans; but I do assert that Republican economic policies made it practicable for the United States to enter upon so large and so extensive an undertaking.

Another piece of constructive legislation for which the Republican Party may justly claim credit is the parcel post. It will be remembered by men who are now upon this floor that in 1912, when the House of Representatives was controlled by the Democratic Party, that party refused to place in the Post Office appropriation bill a provision for the establishment of a general parcel-post service, but merely authorized a parcel-post service on rural routes only and provided for the appointment of a committee to study the question. A Republican Senate rejected that provision and substituted for it the basic principles of the parcel post as it was enacted into law. Lest I be accused of some unfairness, permit me to say that some of the features of that measure were written into it while the bill was in conference by the gentleman from Tennessee [Mr. Moon], who then was and still is the chairman of the Committee on the Post Office and Post Roads.

There is another feature of Republican constructive legislation little known to the people of the Eastern States, although, I think, fully appreciated by Members of this body from whatever section of the country they may come, namely, the establishment of our reclamation work. Since the enactment of the first reclamation law in 1902 we have constructed in the arid regions irrigation works which have cost \$100,000,000 and which have placed 945,000 acres of hitherto unproductive land under a state of cultivation, and have appropriated water sufficient ultimately to irrigate 3,000,000 acres of land. We have increased the value of this land from practically nothing to a present average value of \$100 per acre. Henceforth that land, which was previously given up to the coyote and jack rabbit, will yield crops which have an annual value of \$25 per acre and will afford comfortable homes for 60,000 families. Those newly created homes in what was formerly a wilderness provide new and ready markets for the manufactures and other products of other sections of the country.

When the Republican Party was in power it enacted the interstate-commerce law, which protects shippers against exorbitant charges and, by prohibiting rebates, guards against ruinous discriminations. We established the Bureau of Labor and later the Department of Labor and created the Bureau of Mines. We placed upon the statute books laws which required the use of safety devices on railroads. The Republican Party enacted the pure-food law, which guards not only the health, but the private business of the American people. We submitted to the American people the constitutional amendment providing for popular election of United States Senators. We brought the Postal Service to the highest standard in its history, a standard from which it has fallen during the present régime.

That long list comprises but a few of the many constructive achievements of Republican administrations for the promotion of the welfare of the United States as a Nation and for the prosperity and happiness of the American people as an industrial commonwealth. It is a pleasing picture upon which to gaze. It is a record of which the Nation is proud. It is a page unequalled in the history of the world.

With great regret, therefore, I feel impelled by a sense of duty to turn from agreeable recollections of those years of progress and well-earned prosperity and direct attention to the mischievous and destructive effects of an ill-advised administration of our Government affairs. Unpleasant though the task may be, I feel that for the guidance of our future conduct we should take cognizance of the mistakes of the past in order that we may correct our errors and avoid repetitions. I approach the performance of this duty with the utmost personal good

feeling toward all those who have been responsible for our national blunders, one of the greatest of which was the enactment of the Underwood Tariff Act.

It is not through any feeling of animosity or antagonism toward the Democrats or the Democratic Party that we Republicans suggest and urge a revision of the Democratic tariff law. On the contrary, our attitude toward them is most kindly and beneficent. It is our desire that they, along with us, shall enjoy the beneficial effects of a protective tariff policy. Along with them we have suffered the results of a tariff for revenue only, constituting, as it does, a tariff that is 70 per cent free trade. The American business man who has enlisted under the banner of Democracy has sustained exactly the same losses, endured the same uncertainties, and suffered the same mental anxiety that we Republicans have for nearly three years.

With the exception that one industry of the South has to some extent an interest slightly different from that of the North, we are one people and similarly affected by economic legislation. Even in the South business men are now coming to believe that a protective tariff policy is necessary for the promotion of their industrial and commercial prosperity. The tariff is no longer a local issue—it ought not to be a partisan issue, for Republicans and Democrats are benefited in exactly the same manner by a protective tariff and are similarly injured by its repeal and the substitution of the principle of free trade.

It is not, therefore, from purely selfish motives that we propose the repeal of what is known as the Underwood-Simmons tariff law, nor would we, if we could, enact a measure which would be beneficial to Republicans alone. Our Democratic friends are neighbors of ours at home; they are congenial colleagues on this floor; they are patriotic American citizens who respond to every call their country may make upon them. They may err in judgment, but their hearts are true. Far be it from us, therefore, to write into any statute a single line that would affect them adversely. Prompted by the sincerest desire to promote their welfare, we propose a return to the protective-tariff policy.

It may be readily admitted that as a theory of world-wide business relations, free trade is attractive. But in the face of experience the reasoning man is compelled to accept the demonstrations of practice where they conflict with the teachings of theory, and in this we are not guided alone by the experience of our own country. We have before us not only our own experience from 1893 to 1897 and from 1913 to the outbreak of the European war in 1914, but there is also open to the careful student of this question the experience of the German Empire, under a free-trade policy from 1865 to 1879 and under a protective-tariff policy from 1879 down to the present time.

In the 14 years during which Germany maintained a tariff for revenue only her industries languished, large numbers of her people were unemployed, her revenues were frequently inadequate, and poverty was steadily on the increase. After several years of study of the situation Prince Bismarck arrived at the conclusion that the real trouble with German industry—the fundamental defect—was the abandonment of a protective-tariff policy. In a series of communications to the several German States he repeatedly urged a return to the principle of protection. In a statement to the German Diet in 1878 he said:

The return to the principle of protection all around has become necessary owing to the altered economic position of the world. In the revision of our fiscal policy we can be solely guided by the interests of Germany.

The most important German industries are at present endangered by huge foreign industries whose production, owing to the greatly increased transport facilities, threatens the German market in a way that but a short time ago could not have been anticipated. Furthermore, foreign nations have learned—and the United States is an example—to dispense with German goods by surrounding themselves with hostile tariffs and by creating industries of their own in their country.

As the unsatisfactory state of the German industries is not a recent growth, material to support the justified claims of our industries is not lacking. Two inquiries into the decay of two industries, which have particularly acutely suffered, were made last summer, and the conclusions arrived at are at the disposal of the various Governments.

Acting under his guidance, the German Empire returned to the protective tariff policy in 1879, her industries revived, her manufacturers captured markets throughout the world, and Germany became industrially independent, so far as it is possible for any nation to become.

Mr. J. Ellis Barker, a British writer on economic subjects, discusses the tariff policy of Germany in his book on Modern Germany, and after presenting detailed statistics to show how the industries of that nation prospered under the policies established by Bismarck, he summarizes in the following language the effect of protection in Germany and free trade in Great Britain:

The change in the industrial character of Germany and in the character of her foreign trade is particularly striking if we study the change

which has taken place in the nature of the Anglo-German trade. Formerly Germany sold to Great Britain raw materials and food, and bought from us our manufactured goods. Germany was Great Britain's farm, and Great Britain was Germany's factory. Now, Germany exports to Great Britain chiefly manufactures of every kind, and receives in return principally raw materials and food. Yarn apart, which is raw material to the German industries, and is therefore subject to only a slight duty, Great Britain exports to Germany chiefly coal, gold, silver, leather, furs, fish, caoutchouc, wool, copper, etc. According to the very reliable German customs statistics, almost exactly nine-tenths of the British exports to Germany consist of raw materials and food, whilst only one-tenth of the British exports to Germany are fully manufactured articles, such as machinery, woolen and cotton cloths, etc. Great Britain has become a hewer of wood and a drawer of water to Germany.

It is not I who makes this comparison between protected Germany and free-trade Britain. The comparison is made by a subject of the British Empire. I do not present the statement because of any feeling in favor of one country or against the other. I offer it because the experience of those European countries confirms the conclusions that any thoughtful student of economics should reach after a review of our own experiences under both protection and free trade.

It is well known to all observers that the Democratic Party, both through its official representatives and through the Democratic press, attributes the ills of business and the bad condition of Government finance to the outbreak and continuance of the war in Europe. Such was not always their explanation.

Industrial depression began soon after the election of a Democratic President. It was then a "psychological" condition of business, otherwise described as a "state of mind." While this explanation did not satisfy the thousands of manufacturers who were compelled to close down their mills for want of orders, or the hundreds of thousands of other business men who found themselves face to face with bankruptcy, nor the millions of laborers who were entirely thrown out of employment or put on part time, yet it sufficed for a political party which could find no better explanation. Just at the time when even the Democrats had lost confidence in their ability to delude the American people into believing that there was really nothing wrong with business, the war in Europe broke out, and thenceforth the industrial condition was attributed to the war.

Fortunately for impartial writers of history, however, it is unnecessary for us to accept this theory on the ipse dixit of men whose loyalty to their party impels them to find some cause other than the real. In the regular performance of their duties even the officials of a Democratic administration could not fail to record actual governmental transactions which prove the utter fallacy of the Democratic explanation of industrial depression. Government records demonstrate beyond possibility of dispute that the industrial depression grew steadily worse until the outbreak of the war, and that as soon as American producers and manufacturers could begin to fill orders received from the nations at war, business conditions began to improve and have continued to improve, now reaching the highest state in our history so far as foreign trade is concerned, although yet far from a satisfactory state in the matter of domestic trade.

The only accurate, dependable, and conclusive comparison that can be made for the purpose of showing the cause of industrial depression and the cause of such measure of restored activity as we have experienced is a comparison of a period entirely under Republican tariff laws with a corresponding period under a Democratic tariff law and before the beginning of the war in Europe, and also with a corresponding period of time also under the Democratic tariff law and after the war had exerted its beneficial influence upon American trade. Any other period would cover portions of two tariff laws, or portions of both peace and war conditions.

The only periods which meet these conditions and for which figures are available are 10-month periods ending with July in 1913, 1914, and 1915 of these respective years. The Democratic tariff law became effective on October 4, 1913. The war broke out on the last day of July, 1914. There was, therefore, only a 10-months' period under the Democratic tariff law before the war began.

I present herewith statistical tables showing our exports, imports, and balance of trade for these three 10-month periods, from which it will be seen that under the Democratic tariff law, prior to the beginning of the war, our imports increased and our exports decreased as compared with the corresponding period under Republican tariff rates. This was a period of industrial depression, because imports from foreign countries not only deprived the American producer of part of his market but the prospect of increased imports destroyed his confidence in his home market in the future. That was the period when millions of men were thrown out of employment and when bread lines were formed in every important city in the country. These tables also show that shortly after the outbreak of the war

our imports decreased and our exports increased, due to the inability of the foreign producer to ship his commodities to our market and also to the enormous demands from nations at war for the products of our fields and ranges and factories.

IMPORTS, EXPORTS, AND BALANCE OF TRADE.

Imports, exports, and trade balances during the first 10 months of the Democratic tariff of 1913 (October, 1913, to July, 1914) under peace conditions and the period before the European war, compared with the corresponding periods of the Republican tariff under peace conditions and the Democratic tariff under the influence of protective war conditions.

Merchandise.	10 months ended July 31—		
	1913, Republican peace period.	1914, Democratic peace period.	1915, Democratic war period.
Imports into United States:			
Free of duty.....	\$821,608,167	\$988,187,549	\$865,818,445
Dutiable.....	682,218,836	617,617,233	522,440,240
Total imports.....	1,503,827,003	1,605,804,782	1,388,258,685
Exports from United States:			
Domestic.....	2,078,500,810	1,921,538,131	2,569,182,652
Foreign.....	31,965,829	30,040,165	48,515,984
Total exports.....	2,110,466,639	1,951,578,296	2,617,698,636
Excess of exports.....	606,639,636	345,773,514	1,229,439,951

In this connection it is worth while to make a further analysis of the period beginning with the enactment of the Underwood tariff law and up to the outbreak of the European war. I present herewith a table showing the monthly balances of trade, from which it will be seen that at the time the Underwood tariff law was enacted there was a large monthly balance in our favor and from the time that law took effect the balance decreased steadily until there was finally a monthly balance against us:

Month.	Excess exports.	Excess imports.
October, 1913.....	\$138,976,158	.....
November, 1913.....	97,333,856	.....
December, 1913.....	48,900,194	.....
January, 1914.....	49,713,394	.....
February, 1914.....	25,948,408	.....
March, 1914.....	4,736,280	.....
April, 1914.....	.....	\$11,345,606
May, 1914.....	.....	2,476,896
June, 1914.....	.....	457,404
July, 1914.....	.....	5,538,345
August, 1914.....	.....	19,398,776
September, 1914.....	16,247,722	.....
October, 1914.....	56,630,650	.....
November, 1914.....	79,411,271	.....
December, 1914.....	130,976,013	.....

It will be observed that the monthly balance was against us from April, 1914, until after the outbreak of the European war, which reduced imports and created a demand for our products.

After having presented these statistics gathered from the official records of this administration—which certainly would not compile statistics adverse to its own interests unless compelled to do so—it would be a reflection upon the intelligence of Members of this body if I should undertake an argument designed to draw conclusions which are manifestly so obvious to every man who can read the figures and make deductions in the simplest forms known in logic.

One of the long-standing arguments of the Democrats has been that a protective tariff is chiefly to the advantage of the manufacturer and that it is not beneficial to the farmer. I shall not take time to discuss this at length further than to remark that the American farmer depends largely upon the laborer in American factories for a permanent and profitable market, and that import records show that immediately following the enactment of the Underwood tariff law imports of agricultural products very largely increased, which necessarily means that the foreign agricultural producer was able to sell in competition with the American farmer to an extent not possible under a Republican tariff law. It follows necessarily that if the importer could sell in our market he must have cut the price the American producer would otherwise have received. At the same time that this was done there was no corresponding decrease in the cost of living, which had been promised by the Democrats as a result of their tariff legislation.

It is evident, therefore, that the importer and the middleman made the profit due to the reduction of the tariff on agricultural products, and the farmer received a relatively lower price at

the same time that the consumer paid more. I present a few illustrations of the effect of tariff reduction upon imports of various farm products:

In the fiscal year ended June 30, 1913, Canadian farmers sold in the United States live stock to the value of a little more than \$1,500,000, but in 1914 they cut into the market of the American farmer to the extent of \$11,000,000. That gain of \$9,500,000 was enough to make quite a jingle in the pocket of the Canadian stockgrower. That money went to help develop the Dominion of Canada.

In the fiscal year 1913 Canadian farmers sold in American markets only \$2,750,000 worth of grain and flour, but in 1914 they shipped in enough of the same commodities to take away \$12,440,000 of good American money. That is \$9,690,000 to the gain of the Canadians. Leather added another \$2,000,000 to the net gain of the Canadian producer. Wool imports from Canada gained \$1,100,000 in 1914 as compared with 1913.

These four commodities—live stock, grain, hides, and wool—constituting the foundation of agriculture, yielded the Canadian producer a gain of over \$22,000,000 in American markets under Democratic as compared with Republican tariff laws.

But Canadian farmers were not the only gainers by the reduction or removal of tariff duties on farm products. Mexican stockmen increased sales in the United States about \$5,500,000; Argentina farmers enlarged their incomes to the extent of \$7,000,000 by sales of grain, nearly \$6,000,000 by sales of meat and dairy products, and \$2,000,000 by sales of wool.

These commodities are the most important of agricultural importations and serve to illustrate the manner in which reduced tariffs on agricultural imports throw the American farmers into competition with producers of other nations. The war served to give those other countries a more profitable market than the United States, but the increase of \$42,500,000 in agricultural imports from three nations in a period of nine months of the new tariff indicates what still greater injury would have been suffered by American producers had not the war intervened.

The assertion has been made by the Secretary of Commerce that the great increase in our foreign trade is not due chiefly to what are commonly known as war orders, the intent being to convey the impression that whatever measure of restored prosperity we have enjoyed has not been due to the war in Europe. Upon this subject comparative statistics have been compiled, which I present herewith, showing that our increase in exports has consisted largely of those articles which form the necessities of modern warfare and the support and equipment of modern armies and navies.

Since these statistics are taken from the records of this administration, they will hardly be disputed; and I submit without further argument the proposition that they conclusively prove that our increased exports have, in fact, been chiefly in the line of articles properly classed as "munitions of war," and in any event composed chiefly of "war orders." The fact that these increases took place after the war began is conclusive proof that the orders were due to the war and otherwise would not have been received. Here are the export figures:

Articles.	Sept. 1, 1912, to Aug. 31, 1913.	Sept. 1, 1913, to Aug. 31, 1914.	Sept. 1, 1914, to Aug. 31, 1915.
Breadstuffs and oats.....	\$240,072,818	\$181,483,463	\$567,607,002
Meat and dairy products.....	156,427,476	138,736,609	243,098,241
Leather manufactures.....	51,507,984	43,390,571	90,804,461
Automobiles and parts.....	31,899,364	30,865,702	85,485,974
Horses.....	3,907,579	3,177,419	82,276,653
Explosives.....	5,230,367	6,244,899	71,806,768
Sugar, refined.....	1,714,986	4,341,088	36,810,052
Wool manufactures and rags.....	4,547,705	4,753,572	32,057,618
Machine tools.....	16,051,001	12,536,415	34,550,921
Brass and manufactures.....	8,133,340	7,085,990	28,810,272
Other chemicals.....	8,478,682	8,953,890	28,761,860
Zinc and manufactures.....	1,097,890	785,935	26,323,578
Men's shoes.....	11,144,634	9,936,908	22,069,474
Steel bars and billets.....	14,272,014	7,590,322	21,743,018
Wire, barb and other.....	9,919,622	7,472,038	18,882,097
Harness and saddles.....	734,434	793,509	18,434,594
Mules.....	771,675	622,443	18,041,176
Miscellaneous.....	8,310,498	7,299,141	12,510,880
Taraffin.....	8,928,096	6,256,156	11,652,883
Firearms.....	4,209,856	3,171,935	11,891,449
Trucks.....	3,268,195	2,724,103	9,263,748
Lead and manufactures.....	617,535	3,837,847	8,013,268
Canned fruit.....	5,867,090	4,832,043	6,648,000
Automobile tires.....	3,903,507	3,278,532	6,334,809
Medical appliances.....	1,223,026	1,571,680	5,218,014
Aluminum manufactures.....	973,763	1,137,424	3,583,127
Horseshoes.....	97,768	89,427	3,169,753
Aeroplanes and parts.....	91,892	217,071	3,157,323
Hay.....	979,890	790,825	2,636,750
Cutlery.....	1,127,800	1,070,428	1,975,855
Buttons and parts.....	822,962	633,046	1,410,612
Total munitions.....	606,324,019	505,343,132	1,515,542,730

## DEMOCRATIC EXTRAVAGANCE.

The practice of economy and return to Democratic simplicity was one of the strong pledges made during the 1912 campaign in an effort to secure votes for Democratic candidates. So vehemently was this promise proclaimed, not only by candidates and campaign managers but by the Democratic press, that there was fear in official circles that departmental bureaus would be handicapped by the great reductions that were to be made by the Democratic Party in the annual appropriations. The American people were led to believe that they would find the burden of Government lighter, and that the enormous waste which Democratic spellbinders had assured us had been incurred by Republican administrations would come to an end. Greatly to the surprise of all officialdom, and greatly to the disgust of the American taxpayer, instead of practicing even that degree of economy which was the consistent policy of the Republican Party, the Democrats entered upon a campaign of extravagance far beyond the dreams of any spoilsman in any party. The appropriations made by the Sixty-third Congress, at a time when both Houses and the Executive Office were in the control of the Democrats, were \$177,000,000 higher than were made by the last Congress, in control of the Republicans.

At the same time that they ruined American industry by their tariff law and reduced the ability of the people to pay taxes, the Democrats increased the public burdens. The Egyptian taskmaster who compelled his slaves to make bricks without straw, would have looked with admiration upon the Democratic Party as it heaped the burden of taxes upon the American people, at the same time that it deprived them of profitable industry from which they could earn the money with which to pay the taxes.

In his address at the opening of the third session of the Sixty-third Congress President Wilson said, among other things, that he was confident that the American people cared little how much money the Government spent so long as they got what they wanted for it. This remark is of particular interest because of the pledge of economy under which the Democratic Party came into power. Reference to this is particularly appropriate because of the recommendations that have been made for appropriations for the support of that department which is under the direction and control of the man who has been the chief defender of the Democratic tariff law and the chief exponent of that species of temporary "spotted" prosperity which we are now enjoying. The Secretary of Commerce, in his annual report, asks for a doubling of the appropriations for his Bureau of Foreign and Domestic Commerce and the work which it is presumed to be doing. He asks for this enormous increase of appropriations, notwithstanding the steadily growing deficit in the Treasury, on the assertion that the work of this bureau has materially assisted in building up our export trade. Figures have recently been published, and they are worthy of the consideration of this body, showing that during the last 12 months of the Republican tariff our foreign trade with all those nations that are at peace gave us a favorable trade balance of \$64,000,000, while trade with the same countries during the first 12 months of a Democratic tariff turned the balance against us to the amount of \$189,000,000, and during the second 12 months found us with an adverse balance of \$259,000,000.

If it is true that the American people do not care how much money is spent providing they get what they want for it, what application has that to a condition of affairs shown by the records under which the United States is losing instead of getting what it wants?

The Secretary of Commerce will hardly undertake to claim that the bureau referred to has been an agency in building up our marvelous trade in Europe. Everyone knows that such increased orders as we have received from Europe have been due to the extreme necessities of the nations engaged in war, and that not by any possibility could an agent of the American Government have been instrumental in securing that business. Instead of asking for an increased appropriation for a bureau under whose guidance we have lost trade with the nations at peace, the Secretary of Commerce should carefully examine the personnel of his official family and ascertain wherein he can make changes with a view to increasing rather than diminishing our sales to countries not involved in war.

## GOVERNMENT BY MINORITY.

Denunciation of invisible government and a demand that legislation shall be conducted in the open instead of in secret was one of the popular arguments advanced by the advocates of the election of President Wilson and of Democratic candidates for the Senate and House of Representatives. It was believed by the American people that if they would place the Democratic Party in control of their Government official business would be conducted in the open, after free and full discussion, and under

the principle of majority rule. Instead of carrying out its promise, the Democratic Party went to the other extreme and firmly established the system of caucus legislation, by which a majority of the Members of the Democratic Party bind all the Members of the majority party, and thereby force through Congress any legislation advocated by the party machine. Instead of conducting public business in the open, this legislative caucus is conducted behind closed doors, with no record vote taken and with the American people left entirely ignorant as to the identity of the men who are responsible for the legislation enacted.

This system of secret control of legislation is particularly pernicious, because the party in control is not only a minority party, but is itself dominated by men who represent a minority of population, a minority of business, a minority of industry, and a minority of taxpayers and tax payments.

As I have previously pointed out, the Census Bureau divides the country into three grand divisions—the North, the South, and the West. The 21 States given as North had in 1910 55,757,115 population, with 32,669,705 given as urban and 23,087,410 as rural (the rural population being that outside of cities of 2,500). The 16 States given as South, including all the old Southern States and Oklahoma, had 29,389,330 population, divided into 6,623,838 urban and 22,765,492 as rural. The 11 Western States had 6,825,821 population, divided into 3,329,840 urban and 3,495,981 rural. This grouping and these figures are those of the Census Office—not mine.

The Democrats have 229 Members here, and from these three grand divisions of the country I have named there are 95 Democrats from the North, 122 from the South, and 12 from the West. You have adopted the policy and the rule of electing the committees of this House, and how have you done it?

The Democrats from the South control and dominate the legislative machinery of the House and have the chairmanships of most of the great committees.

Southern Democrats have the chairmanships of the Committees on Agriculture, Foreign Affairs, Rivers and Harbors, Military Affairs, Naval Affairs, Post Office and Post Roads, and Indian Affairs, which handle appropriation bills; and they have the chairmanships of the Committees on Ways and Means, Banking and Currency, District of Columbia, Census, Claims, Education, Immigration and Naturalization, Public Lands, Insular Affairs, Public Buildings and Grounds, Judiciary, Revision of the Laws, Territories, Interstate and Foreign Commerce, and Rules. Southern men are chairmen of 25 of the 35 important committees of this House, and they are the most important committees in preparing the legislation and controlling the machinery of the House.

On the basis of 229 Democratic Members, the Democratic majority over all is 23.

A quorum of the Democratic caucus is 115, and a majority of that caucus—58—has the power to make a caucus decree. The action of this majority of a quorum in a Democratic caucus absolutely binds the other 171 Democratic Members.

Therefore, whenever the Democrats are in control of the Nation the South dominates. A study of the question at close range, with the Democrats in control, convinces me that the failure of the Democrats in national affairs is in a large measure due to southern domination.

The South, with its 29,000,000 people, 23,000,000 of whom live on farms, sends 122 Democratic Members to the House of Representatives.

The North has 71,000,000 people. In the Sixty-third Congress it had 165 Democratic Members. The South had 125. One would naturally believe that 165 is more than 125, but in this instance that was not the case, for the 125 Democratic Members from the South dominated the 165 Democratic Members from the North and bound and gagged them in caucus, so that they were obliged to vote for whatever the southern Democrat proposed or be considered disloyal to their party.

You increased the imports by your free-trade policy; you decreased the exports; you reduced the revenue; you took 4,000,000 workmen out of employment; you destroyed investment, discouraged enterprise; you created chaos in the industrial world from one end of the country to the other because of your legislation, which admits free into American ports the products of European labor. Only the outbreak of the European war temporarily saved us from the disaster your legislation brought upon the country.

You came into power on the promise of economy, but you have been recklessly extravagant in the expenditure of the public money. You have taken no account of the Nation's needs; you have destroyed the opportunity of the people to make a livelihood; you have taxed them in the name of war

to meet your extravagant expenditures. The appropriations during the session of Congress recently closed amounted to approximately \$1,117,000,000 and were \$90,000,000 more than those ever appropriated by a session of Congress under Republican rule.

You have found yourselves unable to raise revenue to meet the ordinary running expenses of the Government without new taxation.

The 122 men in the House, representing 23,000,000 people living on farms, dictate to all the rest of the American people without knowing anything at all of their needs.

Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, and California—12 States—elect 230 of the 435 Members of the House. These 12 States have 50 per cent of the population, three-fifths of the voters, five-sixths of the wage earners in manufacturing institutions, fifteen billion of the twenty billion of value of manufactured products, 50 per cent of the farm values; they pay \$282,000,000 of the \$380,000,000 collected from internal revenue, \$33,000,000 of the \$43,000,000 paid in corporation taxes for 1914, \$24,000,000 of the \$28,000,000 income tax; they have four billion out of the five billion of savings deposits, and are certainly entitled to the consideration which their importance in the fabric of America's activities justifies, but they have not had it under the present administration. Do you wonder that they complain?

You have passed legislation to regulate the conduct of the 10,000 different kinds of business in which the American people are engaged, in which they have \$250,000,000,000 of capital invested, and not a man north of Mason and Dixon's line, not even a Democrat, was allowed to serve on the committee that drafted the legislation and engineered it through the House.

This is not government of the people, for the people, and by the people. It is government of all the people for a minority of the people by a minority of the people. Unless I greatly err in judgment, the next election will see a restoration of majority rule.

#### INEFFICIENCY AND SPOILS SYSTEM.

One of the most serious complaints that has been made against the management of public business is the lack of efficiency. It is universally recognized that Government service costs more than similar service would cost if conducted by private enterprise. The reason for this is that managers of private enterprise are guided chiefly by merit in the selection and retention of their employees. For a great many years in the early period of our history what is known as the "spoils system" ruled in all departments of our Government. From the Cabinet down public offices were used as political rewards.

In the last 25 years, however, beginning with the establishment of the classified civil-service system by a Republican administration in 1883, we have greatly enlarged the scope of the merit system in Government appointments. As a consequence, the efficiency of Government service has improved, and the American people have received much more service for every dollar of expenditure. It is practically impossible to find a man throughout the length and breadth of the United States who will question the assertion that the maintenance and support of the civil-service law promotes efficiency and secures economy.

Before his election President Wilson was an exponent of this idea. He was the vice president of the Civil Service Reform League. During his campaign he asserted his adherence to the principles embodied in the civil-service law. When he resigned his position in that organization because of his election to the Presidency, he emphasized his loyalty to that principle. His radical change of attitude on that subject is probably one of the most remarkable of the many reversals of his publicly expressed policies. The spoils system has been introduced by this administration in every department in which it has been possible for them to substitute political reward for the merit system.

If the spoils system existed only in the departments and subordinate bureaus, there might be some room for belief that the heads of the departments, and not the President, were responsible for it, notwithstanding the fact that the President himself has power to establish or change the rules in any of the departments presided over by members of his Cabinet. But when we consider appointments made by the President himself in offices so important that he could not have failed to ascertain the qualifications of the appointees, it is impossible, even from the most charitable view, to assume that the spoils system has been adopted without his approval. As I have heretofore shown, he has removed from office as ministers to foreign countries men who have had years of successful service in diplomatic work

and has appointed in their stead men who are entirely lacking in experience and possessed no qualifications that would particularly commend them to appointment to such positions.

He appointed a country horse doctor to the head of the Bureau of Fisheries, and later transferred that same individual to the head of the Coast and Geodetic Survey.

He appointed as the first member of his Cabinet a man whom he had previously expressed the desire to see "knocked into a cocked hat."

In view of these many instances of his own personal disregard of the merit system, there can be no doubt that return to the spoils system has the personal approval of President Wilson, in utter disregard of the public welfare.

#### FINANCIAL LEGERDEMAIN.

Although I have had a number of years' experience in the handling of large business matters, it is with some hesitation that I enter upon a discussion of the management, or rather mismanagement, of the Treasury Department. As every Member of this body knows, the Secretary of the Treasury has twice changed the form of the Treasury statement, so that it is now practically impossible for any but a Treasury expert to make a comparison of the condition of the Treasury to-day with its condition at the time it was turned over to the Democratic administration. Whether or not the Treasury balance is to-day an actual balance or merely an apparent balance, but is in reality a deficit, the fact remains that the Secretary of the Treasury has so manipulated the Treasury statement that it is impossible for even the trained business man to compare its condition to-day with its condition on March 4, 1913. This much is certain, however, that the Treasury Department is now carrying as available assets various funds that have been set apart for disbursing officers' accounts in remote sections of the United States, in Alaska, and in the insular possessions. No man in his private business would treat such funds as available assets. If the Comptroller of the Currency were to discover any national bank carrying such funds as available assets, he would very properly, in the performance of his duties, take steps to terminate such a misrepresentation of the bank's affairs.

The Treasury Department has also made changes in the classification of various articles of import to such an extent that it is extremely difficult in some instances to compare the imports and duties collected under the present law with the imports and duties collected under the Republican tariff act.

#### DEMOCRATIC VACILLATION.

It is not to be expected that thoughtful men, who govern themselves according to changing conditions, will pursue continuously a course they have once mapped out. It is to be expected that men who are guided by reason will sometimes change their minds when new facts have been presented for their consideration or further thought has convinced them of their error. I for one shall not condemn any political party or any member of a political party for occasionally changing his views and his course of conduct.

But there is a vast difference between an occasional change of attitude and a change that becomes so frequent as to indicate either an ill-considered opinion in the first instance or a weakness which demonstrates incapacity. The American people could readily expect an announcement of one or two changes of policy on the part of the Democratic Party in matters concerning which there is room for a reasonable difference of opinion, but the changes which have taken place in Democratic policies have been so numerous that no reasonable man can assume that they are consistent with both good intentions and sound sense. Either the Democratic Party must have been insincere when it made its platform or it was entirely lacking in sound judgment as to wise principles in government.

The Democratic Party's platform of 1912 pledged this administration to economy, but it has been the most extravagant in our history.

That same platform made promises of efficient administration, but in almost every department we have seen demonstrations of inefficiency.

We were promised maintenance of the merit system in the civil service—a promise that has been violated as frequently and as extensively as the Democratic Party has found possible.

Reduction of the high cost of living was a pledge which won many thousands of votes to the Democratic candidates, but the records of this administration show an increase in the cost of living at the same time that many hundreds of thousands and even millions of men were thrown out of profitable employment.

We were promised pitiless publicity—a promise that was utterly ignored from the day of inauguration and superseded by one of continued secrecy.

We were assured that the rights of American citizens would be maintained with dignity and honor wherever American citizens have a right to be, but we have seen American citizens slaughtered in the Republic to the south of us without anyone having been held to a strict or any other degree of accountability.

I quote from an editorial published in the Chicago Tribune on March 10, to show somewhat more in detail what has happened to Americans in Mexico:

Mexicans of the band, and, it is reported, under the leadership of Villa, crossed the border yesterday and attacked the town of Columbus, in New Mexico, and a camp of United States soldiers. The list of dead and wounded will be found elsewhere.

Americans were killed as they ran from burning buildings, as they tried to find shelter, and as they tried to defend themselves.

This was not done by border ruffians who have no nationality or who might be of any nationality. It was done by a Mexican organization which had been an army, which one time asked for recognition by the United States as the official governing organization of Mexico.

It was not done without precedent nor without cause. It was done because the United States has invited it. It was not an exhibition of spasmodic criminality. It was an expression of Mexican policy, encouraged by American policy.

What have we done to make the Columbus raid not only possible but inevitable? We began at Vera Cruz—to go back no further. We began by informing Americans that they would not be protected in Mexico, by ordering them to surrender their property to looters and to escape across the border if they could.

We began by surrendering the principle, sacred to every important nation, that peaceable people of our nationality must be secure in their lives and their property rights wherever they might be, whether it were in Tibet, Morocco, the South Pacific islands, Mexico, or elsewhere.

We began by telling Americans to run, to flee a country in which this Nation could not and would not protect them. When they did not run fast enough or did not run at all, and, thus falling, were murdered, we said that they ought to have had more speed or less stubbornness.

Possibly some Americans in Mexico were perplexed and could not understand the instructions they had received from home. They may have remembered that when the country was young and feeble it forced piratical countries on the north shore of Africa to respect Americans in the Mediterranean. They may have remembered that their Nation had looked after the security of its citizens, whether they were taken by Albanians, Moroccans, Kurds, or Chinese. They may not have understood that the United States had abandoned a principle upon which self-respecting nations insist.

They may not have understood it, but the Mexicans did. They saw at Tampico a town full of refugees left to the protection of a German warship, the American Fleet which ought to have protected them being ordered away to avoid having to protect them.

They saw at Vera Cruz an expedition landed to demand reparation for an insult to American dignity, and they saw that expedition, having done some necessary plumbing work and street cleaning in the city, embark and depart without having obtained the reparation.

The Mexicans understood. They thought they did, and they began to try their new knowledge out. They began to torture and murder American mine engineers, miners, ranchers, and business men. They found that they understood perfectly. A house occupied by an American family could be entered, the man shot, the woman assaulted, the money and other movable valuables taken, and the place burned. There were no consequences. A report would be made to enrich the archives of the Department of State of the United States of America. That was all.

The Mexicans thereupon devoted themselves to enriching these archives. They made a record which Americans of another generation may look upon with wonder. We look upon it with wonder now. The killing of Americans by twos and threes, even if they might be tortured first, insufficiently indulged the Mexican ambition.

It was necessary to kill them in groups, to put an end to them by squads of 10 and 20. We were able officially to divide the murders into five classes, such as:

- Class 1, John McManus, killed defending his home in Mexico City.
- Class 2, Charles Dalrymple, seen in prison at Victoria; no trace of him afterwards found.
- Class 3, Weston Burwell, killed at Ozuluama by orders of a federal officer.
- Class 4, C. M. Brown, shot and killed by Mayo Indians at Ahome.
- Class 5, James O. Lawrence, murdered by Mexican civilian at Tampico.

The records were orderly. Whenever a report came to the State Department it was necessary merely to determine what class the victim had made and to file him away accordingly.

But this became too monotonous for the Mexicans. They followed the Americans who had escaped from Mexico and went after them and other Americans on American soil, thus introducing a new classification into the records.

They stalked American sentries; they jumped American outposts and American camps; they shot up American towns and killed American ranchers. If Americans were not safe in Mexico it was a fair assumption that they were not safe in the United States.

This is the background of the Columbus affair. A less affair of some years ago is known as the Boston massacre, but presumably massacre would be an unfriendly term to apply to the event in Columbus. Nevertheless it is permissible to reason from cause to effect. We invited what happened to the citizens of Columbus.

The raid on Columbus and the whole sorry course of Mexican outrages are the logical and inevitable effects of a policy which hung by a thread of theory in a vacuum of fact. The President has not only shown no comprehension of the conditions with which he was dealing in Mexico; he has seemed to prefer his own opinion to the truth. Both Mr. Wilson and Mr. Bryan resented the testimony of informed men and displayed a puerile distrust of any witness who had direct acquaintance with Mexico and the Mexicans. The bulk of such testimony came necessarily from men who had some stake in Mexico, but an adult mind ought not for that reason to have refused their testimony altogether. Every juryman is expected to be able to allow for the bias of prejudice or interest in witnesses; to discount, not to exclude. The administration's policy toward Mexico has ignored Mexican temperament, Mexican social facts, Mexican history. It has vacillated per-

petually between drifting and critical interference. It has used all forms of force, naval, military, financial, and diplomatic, while asserting its purpose to permit the Mexican people freely to work out their own destiny. There never has been a greater divergence between theory and practice than the course of our Mexican policy shows.

The inevitable effect of our vacillations, our restraints, followed by violent interferences, is the reputation not only of insincerity and covert purpose but of cowardice.

This was predicted by the Tribune and by everyone who knew Mexico. It was as certain as anything in this world can be, and it was proved repeatedly as months of revolt and anarchy passed. But Mr. Wilson and Mr. Bryan had no respect for the facts or for anyone who knew the facts. They had their doctrine, and outrage, rapine, devastation were as nothing in the scale against it.

There was only one hope of avoiding the task of intervention, and that was thrown away by a grotesque misconception of primitive Mexican psychology. There was but one way to escape intervention, and that was by making it clear to Mexicans that the United States had a strong hand and a stern determination, which would be backed by instant force to protect the persons and the rights of its citizens. Instead we have bred, not confidence and friendship, but hatred, suspicion, and, what is more dangerous still, contempt.

Is the President going to refuse to face this now at last? The Villa raid, the murder of the 14 Americans at Santa Ysabel, the almost daily reports of attacks upon Americans ought to bring home the truth. It is a notorious fact that American life is cheaper than any in Mexico, except, perhaps, Spanish or Chinese. The Englishman, the German, the Frenchman, the Italian are left unmolested, while Americans are constantly insulted, robbed, and murdered. This is the reward of a policy the President deemed respectful of Mexican susceptibilities and considerate of Mexican sovereign rights.

It is staggering evidence of the confusion and unreality of our foreign policy that while we are at daggers drawn with Germany to enforce the "doubtful legal right" of our citizens to travel safely upon the armed merchantmen of Great Britain, a revolutionary leader, who narrowly missed recognition by our Government as the de facto head of Mexico, should be encouraged by our infirmity of purpose to ride over our borders to burn and slay.

It is time to face the full truth of the Mexican situation. Our period of free action grows rapidly shorter. The doctrinaire and the humanitarian will not control the policy of the European Governments whose nationals have been injured in person or property during the course of the Mexican upheaval. We shall be required to make good in our trust, and if we are still postponing and shirking we shall find that Europe will act.

These numerous vacillations and failures in almost every important promise of the Democratic Party can hardly be explained on the theory that newly acquired information has demonstrated the unwisdom of the attitude announced in the Democratic platform. In some instances the changes may be due to lack of sincerity when making promises and in other instances to a weakness in the Executive.

There is one plank of the Democratic platform upon which there has thus far been no vacillation, for the reason, apparently, that the time for a disclosure of a change of attitude has not yet arrived. I allude to the single-term plank. While this seems to be the yet unbroken pledge of the Democratic Party, there is still opportunity for its violation, and I have no doubt, judging by present appearances, that it is the intention of the Democratic Party and of its candidate of 1912, who was particularly pledged to the observance of the single-term principle, to disregard that pledge when the time comes to nominate a candidate in 1916. Having broken every other pledge it made, it would seem to be an opportune time for the Democratic Party to adopt consistency and break this remaining promise, thus showing that if they can not be consistent in anything else they can be consistent in inconsistency.

Mr. FORDNEY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Chairman, I regret that the gentleman from Mississippi [Mr. COLLIER] and the gentleman from Pennsylvania [Mr. MOORE] should have injected any partisanship into the question which is now before us. [Laughter.] I welcome the situation presented by this bill when the brethren on both sides of the aisle may abide together in peace and amity. The seemingly impossible has happened. For the first time in a century, so far as my historical recollection goes, the Ways and Means Committee are absolutely united upon a tariff bill. The lion and the lamb lie down together, and all is, or ought to be, quiet along the Potomac.

I never hoped to live and see the day when the gentleman from North Carolina [Mr. KIRCHEN] and the gentleman from Michigan [Mr. FORDNEY] could agree on a tariff on sugar. [Laughter.] But impossible though it may seem, this is the occasion we celebrate to-day. Possibly I should apologize to the gentleman from Michigan for likening him unto a lamb. [Laughter.] I am prepared to admit that he has few qualities in common with that gentle animal except possibly that they are both united in favor of a protective tariff on wool. [Laughter.] But the gentleman from Michigan may derive consolation from the confident expectation he doubtless cherishes that in the next Congress their positions will be reversed and he will be the lion and the gentleman from North Carolina will be the lamb. I am glad that the Democracy has experienced a change of heart; I rejoice that a great light has burst upon them. I well remember during

my temporary absence from this House the prevalent and undenied report that the leader of the Democracy had demanded, while the Underwood bill was in process of germination, that at all events it must be founded on two definite propositions—there must be no duty on sugar and no duty on wool. It was announced that at the bedrock, at the very foundation, of Democratic tariff policy were free wool and free sugar. And I have heard—and I have no doubt that the report is true—that the President absolutely refused to sign a bill which would provide a duty on sugar or a duty on wool. And so, in spite of the fact that the Underwood law was entitled a tariff for revenue, they blithesomely threw away about \$100,000,000 a year, and now they come to us with a proposition to save something out of the wreck.

Now comes the President of the United States and through the distinguished Secretary of the Treasury, who happens to be now the official administration son-in-law—a position which I do not envy him [laughter]—now comes the President and asks us to repeal the provision that sugar shall go on the free list after the 1st of May and provide that the present duty of something more than 1 cent a pound shall be indefinitely retained. Such a reversal of policy a year or so ago might have been regarded as extraordinary, but we have gotten so used to this sort of thing that to-day it hardly affords an opportunity for even passing comment. [Laughter.] It is only one of those instances which excite our sympathy for those generals and colonels and lieutenants of Democracy who are heroically trying to follow their leader, who are trying to adapt themselves from one day to another to the various and oftentimes contradictory positions he takes on practically every great matter of national concern. It excites our sympathy also, mine certainly, when I see my friends upon that side of the aisle who happen to be of a portly habit trying to make contortionists of themselves. I am not surprised at the worried look that is upon many ordinarily placid faces when the even tenor of their political course is interrupted by having to make themselves daily entrants in a guessing contest.

Mr. Chairman, the gentleman from Wisconsin [Mr. COOPER] the other day, in a very forceful and brilliant speech, remarked that it would be easier to "stand by" the President if he would himself stand still. That remark reminded me of the experience of a farmer in my part of the country. He had just hired a green farm hand and was starting to break him in. Early one morning he took him out to plow a field, and when the farm hand asked for instructions the farmer said, "Do you see that red heifer standing over there on the other side of the field? Plow toward the red heifer." Late that afternoon when he returned a most extraordinary sight met his eye. Instead of the furrows running straight and parallel with each other, they ran in some places in figure eights, in others triangles, and in still other places in double crosses. [Laughter.] When he indignantly demanded of the farm hand the reason for this extraordinary piece of plowing, that gentleman replied, "I followed instructions. You told me to plow toward the red heifer, and I done it." [Laughter.]

Of course, Mr. Chairman, nothing that I have said here is by way of criticism of members of the Ways and Means Committee for bringing in this bill or in criticism of the administration that has fathered it. On the contrary, I highly commend the action of both. I do not care how the bill got here, suffice it that it is here. I commend it to Members of this House as a good bill. It is a protective bill. It is a bill which will go far to keep alive the great cane-sugar industry of the State of Louisiana. It will go far to keep alive the great beet-sugar industry of the West and the Middle West—both doomed to death on the 1st of next May, unless this bill should pass. Moreover, it will bring absolutely necessary revenue into a well-nigh exhausted Treasury.

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

Mr. FORDNEY. Mr. Chairman, I yield the gentleman five minutes more.

Mr. LONGWORTH. Mr. Chairman, personally I would have been glad to see this proposition yoked with a proposition to put a reasonable duty on raw wool. Both stand on all fours, and should be treated alike. But even if it were germane I would not offer to-day an amendment to put a duty on wool. I want this bill passed as it is, and I want it done as soon as possible, fearful, as I am, that if it be not passed speedily somebody might change his mind again. [Laughter and applause on the Republican side.]

I welcome you, my friends of the Democracy, to at least limited membership in the Republican Party. [Laughter.] I rejoice that at last you are with us in our efforts to maintain

American industry. I find myself, as a matter of fact, at a loss for a word in the English language adequate to express my feeling upon this happy day. You will pardon me if I resort to a word from another language, one of the most beautiful and expressive words in any tongue, a word which combines more of good fellowship and friendliness and welcome in its highest sense than any other I know of, a word which is familiar to any of you who have ever sojourned in the Hawaiian Islands—aloha, my Democratic friends; aloha! [Applause on the Republican side.]

Mr. KITCHIN. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. KEATING].

Mr. KEATING. Mr. Chairman, before I begin my speech I desire to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KEATING. Mr. Chairman, I do not want to appear to be lacking in appreciation of the courtesy of a colleague, but I must decline the invitation extended by the gentleman from Ohio [Mr. LONGWORTH]. I can not join the Republican Party to-day. I do not expect to join the Republican Party in the future. I shall vote as I think a Democrat should vote on this proposition. That means that I shall vote against the pending bill.

In my judgment this bill might very properly be entitled, "A bill to authorize the addition of 1 cent a pound to the retail price of sugar, with authority to divide the proceeds 'fifty-fifty' between the United States Treasury and the Sugar Trust."

I come from the State of Colorado, one of the greatest sugar-producing States in the Union. I shall vote against this bill to-day because in two campaigns I promised the people of my district that if given the opportunity I would vote to take the tariff off sugar. So, I will cast a negative vote in order to redeem the personal pledge made to my constituents. But I will do more than that. I will vote against this bill as a protest against my party stultifying itself on this great issue.

To my mind, Mr. Chairman, when the Democratic Party votes to place a tariff on sugar it comes mighty near abandoning the fight for tariff reform. It will be extremely difficult to convince the people of this country that they should take tariff-reform talk seriously when the party which has taken tariff reform for its principal issue votes to place or to retain a duty on sugar.

There might have been a time when the tariff on sugar could be defended, but that defense can not be made to-day. There may have been a time when those who believed in the protective principle might have said that they voted for a tariff on sugar because an infant industry required protection, but to-day the people of the United States are paying record prices for sugar and the men who own sugar factories are gathering in greater dividends than they ever collected in the history of this country.

On the one hand we have the consumers of sugar in this country paying more for sugar than they probably ever paid before in the history of this country. Sugar is to-day selling on the New York market for 6.5 cents a pound. On the other hand we have the men who produce the beets, the farmers of my district and the farmers of every other beet-sugar district in this country, receiving practically the same price that they received when the price of sugar was very much lower.

A gentleman a few moments ago stated that the reduction of the sugar tariff brought about by the Underwood bill had not affected the price of sugar to the consumer. That is a misstatement which has been persistently spread from one end of this country to the other. The Sugar Trust and its allied interests through its great press agency—and I want to commend it for the skill it has exhibited in establishing one of the most powerful press agencies ever known in this country—have worked day and night since the European war began to create the impression that a partial removal of the tariff on sugar has not brought any benefit to the consumers of this country.

I hold in my hand a publication prepared by the Bureau of Labor Statistics of the Department of Labor. This publication makes a comparison of the prices of the various necessities of life for the period between 1907 and June, 1915. This comparison demonstrates that for five or six months prior to the outbreak of the European war, which occurred on the 1st of August, 1914, the consumers of this country were purchasing sugar at a lower price than they had purchased it through the entire period covered by this report.

Mr. FORDNEY. Will the gentleman yield?

Mr. KEATING. Certainly.

Mr. FORDNEY. Was not that during the time when the domestic sugar was on the market?

Mr. KEATING. No; it was not.

Mr. FORDNEY. When was the time referred to?

Mr. KEATING. It was up to the 1st of August, and the gentleman knows, as I know, that the domestic product does

not come on the market until late in the fall, and that year, instead of the price falling when the domestic product came on, the price went up. [Applause on the Democratic side.]

No, my friends, the reduction of the tariff brought about by the Underwood bill benefited the consumers. In the campaign of 1912 the Democratic national committee declared that if Woodrow Wilson were elected President and a Democratic Congress were elected, that the housewife would be enabled to purchase 25 pounds of sugar for a dollar. Pamphlets were spread all over the country containing that promise, and here in eastern cities that particular pledge of the Democratic Party was redeemed, and if the Democratic Party stood by its guns the housewives of this country would for all time, under normal conditions, purchase at least 25 pounds of sugar for a dollar, and probably more.

But to get back to this report from the Labor Department. I will not weary you with a mass of figures. This report shows that in July, 1914, the month before the European war broke out, you could purchase as much sugar at retail for 88 cents as you could purchase in August, the month following, for \$1.33. In other words, the European war, according to this official report and according to the experience of every housewife in this country, forced an advance of 50 per cent in the retail price of sugar.

Who benefits, my friends, from the retention of this tariff? One gentleman carelessly remarked that by the Democratic Party attempting to give the people free sugar we deprived the Federal Government of over \$100,000,000 in revenue. Of course, every gentleman who has examined the figures knows that that statement is not accurate.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I will.

Mr. LONGWORTH. The gentleman referred to me, I presume?

Mr. KEATING. Certainly.

Mr. LONGWORTH. I said by changing the existing duties on sugar and the existing duties on wool that \$100,000,000 was lost, which is absolutely correct.

Mr. KEATING. If the gentleman included wool—

Mr. LONGWORTH. I did.

Mr. KEATING. I have no desire to dispute the proposition, because I do not happen to have the figures on wool at hand, but I understood the gentleman to say sugar alone.

Mr. LONGWORTH. No; not at all.

Mr. KEATING. To-day by placing a tariff of 1 cent a pound on sugar you increase the price of sugar to the consumers of this country 1 cent a pound, and that means that the consumers of the country will pay \$80,000,000 a year more for their sugar than they would if we had free sugar; and it does not mean that that \$80,000,000 will go into the Treasury of the United States, because one half of the sugar that you sell in this country is imported and the other half is produced here. Under our tariff system Uncle Sam collects the 1 cent on each pound of sugar imported and nothing on the sugar produced here. So, as I stated at the very beginning, you collect \$80,000,000 from the consumers of this country, and you divide it "50-50" with the Sugar Trust and its allies, \$40,000,000 going to the treasury of the Sugar Trust and \$40,000,000 into the Treasury of the United States.

Now, my friends, what is the necessity for this bonus to this particular industry? What is the financial condition of the sugar factories in this country? The sugar factories pay the farmers less than 2 cents a pound for the sugar content of their beets. The cost of extracting sugar, putting it in sacks, and preparing it for shipment—and I am now speaking in round figures—does not exceed 1 cent per pound, varying according to the efficiency of the factory. But when you say that a modern factory paying \$5.50 per ton for 15 per cent beets can produce sugar at a net cost of 3 cents a pound you are well within the facts. In a great many factories they produce the sugar for less. And to-day, with sugar selling for \$6.65 a hundred, it means that the Sugar Trust and its allies clean up on every sack of domestic sugar sold in this country \$3.65 a hundred.

Mr. AUSTIN. May I ask the gentleman a question?

Mr. KEATING. Certainly.

Mr. AUSTIN. Will you kindly tell us why Mr. Spreckels's company wanted sugar on the free list if the duty was beneficial to his company?

Mr. KEATING. If you will tell me why the American Sugar Refining Co.—the Sugar Trust—wants the tariff left on sugar I will answer your question. I am not the custodian of Mr. Spreckels's policy. I am speaking here as a representative of Colorado; as a representative, I trust, of the consumers of the United States. I am not pleading for Mr. Spreckels; I am not pleading for the American Sugar Refining Co.; but I want the consumers of the United States to benefit from the reduction of the price of sugar.

Mr. FORDNEY. Will the gentleman yield?

Mr. KEATING. Yes; although I have but very little time.

Mr. FORDNEY. You have asked the gentleman to tell you why the American Sugar Refining Co. want the duty retained. In every instance they have appeared and pleaded that they wanted sugar on the free list. Never have they asked for a retention of the duty.

Mr. KEATING. The American Sugar Refining Co., through its official representatives, has not only not asked for the repeal of the sugar tariff, but has uniformly urged the retention of the tariff.

Mr. FORDNEY. Never in the world.

Mr. KEATING. Take your own hearings.

Mr. FORDNEY. That is what I referred to.

Mr. KEATING. All right, sir. Examine those hearings and you will find my statement is correct.

Mr. HOWARD. Will you yield just for one minute?

Mr. KEATING. Yes.

Mr. HOWARD. The gentleman made his statement about the reduction of sugar under the first period of the Underwood bill. Here is an authoritative statement:

Under the new rates from March 1 to July 1, 1914, the refiners' selling price of refined sugar averaged 3.81 cents per pound as compared with an average price for the previous 10 years of 4.85 cents per pound.

Mr. AUSTIN. Mr. Chairman—

Mr. KEATING. Pardon me—

Mr. AUSTIN. I asked you a question and you declined to answer it by asking me a question.

Mr. KEATING. I can not yield to the gentleman at this time, because my time is limited. In answer to his question as to the attitude of the American Refining Co., the so-called Sugar Trust, perhaps this pamphlet which I hold in my hand will give him some interesting information.

Mr. AUSTIN. Mr. Lowry and Mr. Spreckels were lobbying to put sugar on the free list.

Mr. KEATING. I told the gentleman I was not representing Mr. Spreckels or Mr. Lowry. I do not know why they want sugar on the free list. I am not interested in what they do. I know that free sugar will benefit the consumers of the United States, and I stand here to advocate free sugar for that reason. If the gentleman wants a more direct answer, I do not know how I can furnish it.

But I want to call attention to what the Sugar Trust itself in its annual statement tells about its interest in this proposition. Here is the annual report of the American Sugar Refining Co., to be released at noon on March 8, 1916. In this report, under the heading "Income from investments," I find:

The profit and loss account shows a larger return on income from investments than in 1914. This is owing to larger dividend returns from its [the Sugar Trust's] holdings of beet-sugar stocks, which companies, as producers of their own raw material, have prospered greatly with the higher range of values.

And on other pages of this report—the report of the American Sugar Refining Co., the Sugar Trust—they give figures to show that more than one-third of their net profits are taken from their investments in beet-sugar companies. And still the gentleman from Michigan [Mr. FORDNEY] will tell you that the Sugar Trust is urging the removal of the tariff on sugar, when, according to its own annual report—the very latest report, the one which was released at noon on March 8, 1916—it is shown that one-third of their net profits are gathered from beet-sugar companies.

Now, how about these domestic sugar companies—these infant industries that we are about to save from destruction? And on that point I would suggest to the gentlemen that, before they talk about the beet-sugar industry having been threatened with destruction under the Wilson administration, they look up the facts concerning the output of beet sugar. They will find that the output of beet sugar under the Democratic administration was fully as great as under Republican administrations, and in some cases greater. And what is the present condition of these sugar companies?

Here we have the Onema Sugar Co., of the Hawaiian Islands. That company is benefited by this tariff, and it has issued a statement showing that in 1915 they earned 54 per cent on its stock. Here are the Porto Rican sugar companies, which also come in under it. There is the South Porto Rico Sugar Co., capitalized at \$8,000,000, half preferred and half common, and last year it earned sufficient to pay 8 per cent on the preferred and 10 per cent on the common stock and leave a balance to be set aside of \$1,000,000. They are now said to be earning over 50 per cent on the common stock.

Let me take you to my own State, the State of Colorado, where the Great Western Sugar Co. owns a great many sugar factories in the northern counties. The Great Western Sugar Co. divides its stock into common and preferred. The preferred represents the actual investment; the common stock is water.

On March 1, 1914, the preferred stock was selling at \$91 a share. On February 1, 1916, it commanded \$112 a share, an increase of \$21. But the company's common stock on the 1st of March, 1914, was commanding \$45 a share, and to-day, on the New York Stock Exchange, for that common stock \$168 is bid and \$178 is asked.

Talk about your "war stocks." Why, Mr. Chairman, the increase in value of the common stock of the Great Western Sugar Co. represents a profit of not less than \$15,000,000 to the fortunate owners. The munition makers of America "have nothing on" our sugar magnates in the matter of inflated dividends.

How much of that enormous sum goes to the farmers who raise the beets for the sugar factories of the Great Western Sugar Co.? Not one dollar.

The other beet-sugar companies of the West have experienced similar increases in stock values. It is asserted by those who are familiar with Wall Street operations that the combined total advances in value of the stocks of four of the big beet-sugar companies of this country amount to \$35,000,000, and that of this \$24,000,000 represents the advance in the value of the watered stock.

Here is an interesting item bearing on this point, which was sent out to its customers by the San Francisco News Bureau, Monday, March 6, 1916, under the heading "Hawaiian sugar stocks":

While stocks continue to climb, investors, speculators, and all persons interested in Hawaiian sugar stock or its profits, which means practically all the business men in the Territory, are wondering how large a part of the millions now held in reserve will be paid out in special dividends. That extra dividends will be declared by most of the companies is generally conceded on all hands, though no intimation of any official nature has been given out that any such plan is in the wind. Dividends of from 20 to 30 per cent, and even higher in some instances, were paid by the sugar companies during 1915; but, without exception, those on a paying basis piled up huge reserves because of the then uncertain prospect of the sugar tariff. Free sugar is not even a remote danger, and there is no prospect of an early termination of the European war to reduce prices. With land and mills in the best condition ever known in the history of the industry on these islands, and with bulging treasuries, it is held certain that big dividends will be paid as soon as the bill repealing the free-sugar clause has safely passed Congress and been signed by the President. Sixteen companies had on hand cash balances totaling \$8,751,000 at the end of 1915, according to the best obtainable information.

Secretary McAdoo, early in October, 1915, gave out an interview stating that he believed the tariff on sugar should be retained. The effect of the Secretary's statement was to cause a sharp advance in the price of sugar. On October 7, 1915, granulated sugar was selling on the New York market for \$4.80. On October 21 it had reached \$5.14. On November 4 it jumped 10 cents more, to \$5.24. On November 11, when it became apparent that the President of the United States was supporting the Secretary of the Treasury, the price of sugar went to \$5.73. The price of sugar continued to climb until, on February 24, it was selling for \$6.25 on the New York market. Now it commands \$6.65 in New York.

It is difficult to estimate how much the sugar consumers of this country have paid to the sugar interests in the last six months as the result of the determination to retain the tariff on sugar. It is safe to say, however, that the total amounts to tens of millions of dollars, and if placed in the United States Treasury would be sufficient to build a battleship or two or a whole school of submarines.

The sugar prices I have quoted are taken from the New York reports. Out in the West, where we produce the sugar, we are compelled to pay more for granulated sugar than the people of any other section of the country. It will probably be a surprise to most of the Members of this House to know that the housewife who lives at the door of the sugar factory in Colorado pays 55 cents a hundred more for her beet sugar than does the housewife who preserves fruit in one of the flats of Harlem. In other words, under the beneficent rule of the Sugar Trust and its beet-sugar allies, the people of the West are fined hundreds of thousands of dollars a year because they live in the vicinity of sugar factories, and the combine ships western sugar across the continent and sells it for less than it charges in the greatest sugar-producing States in the Union. To illustrate this point I will place in the Record a little table showing New York and Denver prices of sugar for last month:

Prices of refined granulated.

	New York price, cane.	Denver price.	
		Cane.	Beet.
	Cents.	Cents.	Cents.
Feb. 3.....	6.00	6.55	6.35
Feb. 17.....	6.00	6.55	6.36
Feb. 17.....	6.10	6.65	6.45
Feb. 24.....	6.25	6.80	6.60

Since the above table was compiled the New York price has advanced to 6.65 cents, and, of course, there has been a corresponding increase in the Denver quotation.

These are the wholesalers' prices; that is, the price at which the wholesale grocer must buy from the refiner. The price to the consumer is, of course, higher, as it includes the wholesalers' and retailers' profit.

Mr. Chairman, I am an old-fashioned Democrat. I believe that a platform pledge is a sacred contract between a party or a candidate and the voters, and that it should be observed in letter and spirit.

The only excuse a Democrat can give for voting for this bill is that the National Treasury needs the money. It is true, Mr. Chairman, that as a result of the war the Underwood tariff bill has not produced the anticipated revenue, and that it is necessary for Congress to avail itself of additional sources of revenue; but that does not justify the retention of the tariff on sugar. There are plenty of other ways by which the needed money could be secured without violation of platform pledge and without placing an unreasonable burden on the masses of the people. For instance, we might place a tax on munitions of war. The daily papers are filled with stories of the enormous profits that are being gathered in by the men who are supplying arms to the belligerent nations of Europe.

The war has disturbed our fiscal affairs; therefore we would be justified in compelling those who profit from the war to reimburse us for our loss of revenue.

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

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. SLOAN].

The CHAIRMAN. The gentleman from Nebraska [Mr. SLOAN] is recognized for 15 minutes.

Mr. SLOAN. Mr. Chairman and gentlemen, to favor a bill supported by the President of the United States and at the same time indorsed by the majority leader would certainly give Republicans a thrill much more pleasurable, perhaps more unusual, and vastly less dangerous than a passage on a belligerent armed ship. [Laughter.] Yet this is the peculiar situation in which we are placed.

Well said the gentleman from Tennessee [Mr. SIMS] that we have been legislating on sugar for seven years. I can corroborate him for five years, because that is the term of my service here. It has been sugar legislation all that time, supplemented by sugar investigations, with added sugar speeches, until we have had five years of legislative "linked sweetness long drawn out." [Laughter.]

That the President of the United States and the Republican Members of the House and the majority leader can agree upon a proposition like this is explained by our peculiar tariff schedule. Sugar, you know, is a part of Schedule E. I am interested chiefly in Schedule G, the agricultural schedule. Sugar, they say, catches more flies than vinegar, which comes under Schedule G, and that may be the reason why Schedule E is more effective and harmonizing to men of all parties and stations than Schedule G. And yet, before I close I trust to give you some revenue figures away up in G. [Laughter.]

The political cave man from Mississippi [Mr. COLLIER], who opened this debate, came out of his gloom, and for the first time in years we again hear of "the robber tariff," "the robber protective tariff." When I first came to Congress that was the phrase most hackneyed here—"the robber tariff," and the old "he robber" of all the brigands, pirates, and robbers of the world was the sugar tariff; and, yet, monster as it is, it is about to be embraced by its old professed enemies. [Laughter and applause on the Republican side.]

The tariff sought to be retained here is practically what many Republicans sought to have permanently in the Underwood law.

I would not suggest, perhaps, that "we told you so" some years ago, because it might be ungenerous. But let me recite what a good Democratic brother said recently, who voted for free sugar some time ago and who will now support this measure. He said, "If we are going to eat our political words, which we will have to in the next few years, I would rather begin on sugar than anything else." [Applause on the Republican side.]

And really, gentlemen, I approve of his taste. Your protective-tariff policy, soon to be swallowed, will be thus sugar-coated. I am for this bill, notwithstanding the reasons given by the chairman of the committee. I am for it on account of one of the reasons given by the chairman, and also for a reason which was excluded from the report made by him. The first reason why I favor it is the good old reason which the landlord out in the Rocky Mountains gave to Mark Twain in the morning when asked for his bill for lodging and breakfast. It was out in the State whence comes my friend KEATING, from Colorado, who

seems to have little concern in the interests of his own State. The reason for charging Mark Twain \$27.50 for lodging and breakfast was that the landlord needed the money. [Laughter on the Republican side.] In this case the Treasury needs the money. Therefore I am in favor of the bill from the revenue standpoint. I shall discuss it almost entirely from the revenue standpoint, although I should much prefer to discuss it from the protective standpoint, because within the bill itself the principal factor, the principle which is to be reestablished and continued in this country, is much greater than the dollars and cents involved; because, gentlemen, treat it as you will, it is the rebuilding of the American system of protection, for which every man on the majority side, in some form, will be voting before the adjournment of this Congress. [Applause on the Republican side.]

The wounded Irish soldier in the Dardanelles campaign captured by the Turks, in the name of the Savior, begged for a drink of water. Being denied it on account of his religion, he was told that if he had asked for it in the name of Allah he would have obtained it. He said, "Well, if Mr. Allah is in control of the waterworks, let the water be mine and the credit his till after the war." We are discussing this bill on a revenue basis, while some of us would prefer to discuss it from a protection standpoint, for that is one of its major features; but that can wait till after the war.

Why, the gentleman from Mississippi [Mr. COLLIER] came out of his gloom several years behind the times and deprecated the protective doctrine. Has he been so long in his retreat of obscurity and without the light that he has not learned that over across the water the statesmen and the leading business men of the British Empire have agreed that before this war is closed, or immediately thereafter, they would adopt the American system of protection? [Applause on the Republican side.] Has he not learned, as one of the most important lessons of this great war, aside from militarism and navalism, that the world has looked at the marvelous feat, not of arms, of the great German Empire—the marvelous industrial feat—by which that limited Empire, within herself, cut off from all outside intercourse, has stood now for nearly 20 months, living upon the products of her own soil, fighting with the products of her mines, and using alone the products of her own factories against the fields, the factories, and the mines of all the world? And while we would avoid the militarism of Germany and the navalism of the British Empire, the United States and every other important nation of the world will, within the next five years, be copying after the protective system of Germany, which protects equally all the products of her mines, her factories, and her farms. [Applause on the Republican side.] Moreover, there is pending in this House a measure, supported by the majority and indorsed by the President, for a tariff commission. And it would be an ill compliment to its supporters to say it was for simply ornamental purposes. A tariff commission without a protective policy would be as useless "as the tick on the tip of the tail of the dog owned by the wild man of Borneo." Further, there is favored by the majority and the administration the adoption of an antidumping clause, which is at once dynamic and heroic protection. In fact an antidumping clause is the acme, the zenith, the ne plus ultra of protection. It is the 42-centimeter international-trade gun on this side now.

The gentleman from Mississippi said that the tariff on farm products was a delusion and a snare. He said he was going to give some figures. I do not know what they will be. I will aid him by presenting some that I have of my own. As I am going to discuss this subject from the revenue standpoint, for the purpose of my argument I will concede what he has said, and if what he has said is true and the figures I submit are correct, we have thrown away during the first two years after the adoption of the Underwood tariff law \$91,479,327 which rightfully should be in the United States Treasury. If, as he insists, the removal of duties from the imported farm products of this country had not the effect of modifying or controlling prices or volume of imports, or effecting those things that protectionists claim and others charge, then we have thrown away before this on the 27 leading products of the Northwest, not including sugar, since the passage of the Underwood tariff law, more than \$100,000,000 that ought to be in the United States Treasury to-day. And what a grateful picture it would be to the administration eye to-day!

To be more exact, I have prepared the figures for two years following the passage of that law and for two years preceding the passage of that law, and I shall submit them. I consider them on a two years' basis on 27 leading northwestern products, not including sugar, but I shall speak of sugar because it is here.

On the two years' basis, if the estimate of the majority leader is correct, the duty on sugar would be \$88,308,375. That is the net estimate for two years.

Second. The next one in order of the great products of the Northwest which has been denied its privilege of contributing to the Treasury of the United States is raw wool, and the amount of money lost to the Treasury of the United States by reason of the removal of the tariff on raw wool is \$56,262,277 for the first two years of the Underwood law. Gentlemen, that is more than all the money that is paid by all the burdened business of the United States for stamps for all its documents since the emergency law was passed in October, 1914.

Third. Following wool the next great revenue-producing agricultural product is cattle. The loss in revenue on cattle by removal of the tariff for two years was \$11,263,000. Now that was lost to the United States Treasury. Where did it go? Immediately after the duty was taken off by the Underwood tariff law the shrewd Mexicans down there, who are able to handle us in various ways, saw fit to put on an export duty almost equal to our former import duty, and the money that should have come into the Treasury of the United States was diverted into the war chests of Huerta, Carranza, and Villa. It is a fact, probably, that a large part of that diverted cattle duty, which should have come into the United States Treasury, was used to purchase the arms which recently spoke so fatefully at midnight in Columbus on the New Mexican border, and to-day may be leveled from ambush at the United States soldiers as they seek the bandit Villa.

In the Hoosier Schoolmaster there is a character known as Jones; and Jones, speaking on education, insisted that "lickin' and larnin'" held fast company. The amount of this duty lost on cattle would more than pay for all the stamps on all the paper of the farmers and cattlemen of the United States since the passage of that law. The cattlemen and farmers have been "lickin'" under the stamp act, and do not you for a moment imagine that they have not been "larnin'." [Laughter and applause on the Republican side.]

To illustrate, I quote from the Nebraska Live Stock Feeders' Association resolutions recently adopted:

Whereas the placing of live stock and meats on the free list has resulted in increasing the control of the large slaughterers over the prices paid for live stock in this country, and when normal conditions are restored it is likely there will be large importations of foreign meats which will greatly depreciate prices in our home market.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I yield five minutes more to the gentleman from Nebraska.

Mr. SLOAN. Fourth, Mr. Chairman, the loss of duty on dairy products for that period has been \$4,208,707. That would more than pay for all the stamps placed by all the widows and orphans on their notes and mortgages, and all the notes given by all the laboring men of the United States combined.

Fifth. On oats the loss was \$2,640,000. That would more than equal the wild-oats bill of all the Members on this side of the House, and the better ones over there. [Laughter.]

In two years these amounts on just these northwestern articles, not including sugar, make a total of \$91,479,327. Now, the imports of these articles for the last two years before the passage of the Underwood law amounted to \$144,182,000. For the two years after the passage of the law the importations of these articles had increased to \$305,935,000. Yet the gentleman from Mississippi [Mr. COLLIER], an agricultural State, says that the tariff had nothing to do with farm products, their importation, price, or sale.

There was an increase of free imports in 1914 over 1912 of \$240,000,000. Of these \$140,000,000 were farm products. All others, \$100,000,000. Stated in percentages—farm products, 58 per cent; all others, 42 per cent.

There was an increase in all exports in 1914 over 1912 of \$159,000,000. Of this, \$64,000,000 only was farm products and \$95,000,000 all others. Stated in percentages—farm products, 40 per cent; all others, 60 per cent.

In other words, the farmers were forced to meet \$140,000,000 increased import competition in exchange for the advantage of \$64,000,000 increased export. Or, stated in percentages, the farmer was forced to accept a 58 per cent increase of imports competition for a 40 per cent increase in exports of his product, while all others were given the benefit of a \$95,000,000 export increase for a \$100,000,000 import increase. In the matter of increase caused by the new law, the farmer found a balance of trade increase against him of \$76,000,000, while all others had a balance of trade increase against them of only \$5,000,000—mighty nearly the old sacred rate of 16 to 1.

Concerning the leading northwestern products, namely, cattle, horses, sheep, other animals, including poultry, bread and biscuits, corn, oats, wheat, potatoes, all other vegetables, and wool, the following comparison will be interesting:

#### 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 full year of new law compared with last corresponding period 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 total. 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 were levied upon the imports of these 27 articles for the first 21 months under the new law, the revenue would amount to \$88,377,947 (Treasury figures). The amount actually collected for a period of 21 months under the new law was \$9,283,577. As a revenue producer, Schedule G, the farm schedule, from the enactment of the Dingley law up to and including 1912, presents some interesting and surprising facts—

First. Schedule G in 1897 in value of dutiable imports ranked No. 5, while in 1912 it had become first.

Second. The dutiable imports under Schedule G in 1897 was \$33,716,958, while in 1912 it had risen to \$117,711,156.

Third. While Schedule G in 1897 had but 8 per cent of all the dutiable imports, in 1912 it had 14 per cent.

Fourth. The dutiable imports of Schedule G increased more between 1897 and 1912 than any other schedule except one.

Fifth. In point of revenue brought into the Treasury Schedule G in 1897 ranked ninth. In 1912 it had risen to third place.

Sixth. Schedule G in 1897 produced only 5 per cent of the import revenues. In 1912 it produced 11 per cent.

Seventh. The revenues of Schedule G in 1897 were less than those of Schedule C (metals). In 1912 they were twice as great.

Eighth. The revenues of Schedule G in 1897 were less than one-half those of Schedule F (tobacco). In 1912 they exceeded F by nearly \$9,000,000.

Ninth. Schedule G in 1897 was approximately equal to Schedule H (spirits). G in 1912 doubled H in revenue production.

Tenth. Schedule G produced less revenue in 1907 than I (cotton manufactures). In 1912 it produced three times that of I (cotton manufactures), D (lumber), and K (wool, raw wool eliminated) combined.

Men will say that low estimate must be reduced by the factor of stimulation of imports on account of the reduction or removal of duties. That is true, but that reduction must be diminished by the following considerations:

First. The increase of these articles for the first nine months under the new law, unaffected by war, was 162 per cent, indicating how much larger increase the two-year increase might have furnished if not in any wise affected by war.

Second. The war factor so cogently urged by the chairman's report must be considered, but I can not grant it the force generally attributed by the majority as furnishing an excuse for every adverse condition which seems to have arisen in the con-

duct of public affairs. Finally the loss can not be figured less than \$43,355,131. But every circumstance would indicate an approximation of the estimate, \$91,479,327.

Mr. GORDON. Mr. Chairman, will the gentleman yield at that point?

Mr. SLOAN. I will yield on the revenue proposition.

Mr. GORDON. Do you think it is a bad thing for the American people to increase our imports of farm products, and would you keep them out just in order to benefit your farmers out in Nebraska?

Mr. SLOAN. I know the gentleman from Cleveland, Ohio, and I know his Democratic view from a large city standpoint, and he thinks it is all right to protect the products of the Cleveland manufacturers, but as for the products of the farm-

ers of Ohio, Indiana, Illinois, Iowa, and Nebraska, he wants them on the free list. [Applause on the Republican side.]

Mr. GORDON. Why, certainly I do.

Mr. SLOAN. Certainly he does. As the spokesman of his party he says so. He is the only one of them talking on that proposition. There is great concern for the Argentinians, the Mexicans, the Canadians, and the Australians, but they care nothing about the farmers of our great Northwest. Well do they say, in the report filed with the Underwood bill—

The future success of our great industries lies beyond the seas.

I here insert a tabulated import and revenue statement of 27 leading northwestern products, 26 being from old Schedule "G" and 1, wool, from "K."

Imports into the United States of certain farm products for two years ending Sept. 30, 1915, under the Underwood tariff law, together with the imports of the same articles for two years ending Sept. 30, 1913, under the Payne-Aldrich tariff law, and the per cent of increase or decrease; rates of duties on these articles, either actual or computed ad valorem, under both laws; revenue collected under the Underwood law and the estimated revenue if Payne-Aldrich rates of duty had been collected on imports of these articles of the two years under Underwood law, and loss of revenue.

Articles.	Imports for last two years ending Sept. 30, 1913, under Payne-Aldrich law.		Imports for first two years ending Sept. 30, 1915, under Underwood law.		Per cent of increase or decrease (22).	Rates under Payne-Aldrich law.	Rates under Underwood law.	Estimated revenue, Payne-Aldrich rates of duty applied to imports under Underwood law.	Revenue under Underwood law.	Loss of revenue for two years.
	Quantity.	Value.	Quantity.	Value.						
Cattle <sup>1</sup> .....number..	853,298	\$13,290,373	1,321,293	\$39,370,793	54	27.07 per cent.....	Free.....	\$11,263,673		\$11,263,673
Horses <sup>2</sup> .....do.....	17,079	3,883,884	46,182	3,022,760	170	35.04 per cent.....	10 per cent.....	1,058,981	\$302,276	756,705
Sheep <sup>3</sup> .....do.....	36,629	225,849	418,689	1,278,985	104	16.41 per cent.....	Free.....	209,881		209,881
Animals, other, including live poultry <sup>4</sup> .....		529,908		1,449,335	154	18.02 per cent.....	6.93 per cent.....	232,183	100,438	131,745
Bread and biscuits <sup>5</sup> .....		536,747		680,484	28	1/2 value at 20 per cent; 1/2 at 45 per cent.	\$419,989 free. Balance, 25 per cent.	238,169	65,123	173,046
Corn <sup>6</sup> .....bushels..	1,474,493	853,369	29,880,919	15,453,242	1,594	15 cents bushel.....	Free.....	4,482,137		4,482,137
Oats <sup>6</sup> .....do.....	3,351,831	1,344,811	22,965,513	8,193,585	584	do.....	6 cents bushel.....	3,440,325	1,376,130	2,064,196
Wheat <sup>7</sup> .....do.....	3,501,187	2,656,216	3,289,329	3,123,162	-8	25 cents bushel.....	10 cents bushel.....	822,322	328,932	493,390
Hay <sup>8</sup> .....tons.....	2,996,758	3,198,985	183,617	1,949,775	-94	\$4 per ton.....	\$2 per ton.....	734,468	367,234	367,234
Beef and veal <sup>9 10</sup> .....pounds..			373,722,737	33,245,476		1 1/2 cents pound.....	Free.....	5,605,849		5,605,849
Mutton and lamb <sup>9 10</sup> .....do.....			29,406,132	2,693,363		do.....	do.....	441,091		441,091
Pork <sup>9 10</sup> .....do.....		2,804,198	21,230,583	2,593,920	1,531	do.....	do.....	318,458		318,458
Prepared and preserved meat <sup>9 10</sup> .....				2,967,675		25 per cent.....	do.....	741,818		741,818
Bacon and hams <sup>9 11</sup> .....pounds..			9,694,121	1,564,647		4 cents pound.....	do.....	387,704		387,704
All other meats <sup>9 10</sup> .....				2,702,468		10 per cent.....	do.....	270,246		270,246
Sausage and bologna <sup>12</sup> .....pounds..	1,769,559	363,509	862,823	218,822	-51	Free.....	do.....			
Sausage casings <sup>12</sup> .....		4,936,512		6,249,101	26	do.....	do.....			
Milk and cream <sup>1</sup> .....		2,365,792		7,109,471	200	Cream, 5 cents gallon; milk, 2 cents gallon.	do.....	1,312,080		1,312,080
Butter and substitutes <sup>13</sup> .....pounds..	2,072,164	541,006	11,366,323	2,662,935	448	6 cents pound.....	2 1/2 cents pound.....	681,979	80,158	601,821
Cheese and substitutes <sup>14</sup> .....do.....	98,390,996	18,378,551	101,925,904	19,103,744	3	do.....	20 per cent.....	6,115,554	3,820,748	2,294,806
Eggs <sup>1 15</sup> .....dozen.....	2,233,038	362,094	9,091,890	1,832,556	307	5 cents dozen.....	Free.....	454,594		454,594
Vegetables:										
Beans <sup>16</sup> .....bushels..	1,987,949	3,554,578	2,364,581	4,043,137	18	45 cents bushel.....	25 cents bushel.....	1,064,061	591,145	473,916
Onions <sup>17</sup> .....do.....	2,245,869	1,694,527	1,794,555	1,498,129	-20	40 cents bushel.....	20 cents bushel.....	713,822	356,911	356,911
Peas <sup>18</sup> .....do.....	1,852,090	3,287,417	1,645,484	4,506,348	-11	One-fifth value, 45 cents; four-fifths, 25 cents bushel.	One-fifth value, 25 cents; four-fifths, 10 cents bushel.	1,306,840	540,760	766,080
Potatoes <sup>19</sup> .....do.....	14,068,449	7,460,418	4,004,370	2,020,514	-7	25 cents bushel.....	\$1,450,926 free; balance, 10 per cent.	1,001,062	56,964	944,128
All other <sup>20</sup> .....		3,294,835		3,065,499	-6	25 per cent.....	15 per cent.....	766,374	459,824	306,550
Wool <sup>21</sup> .....pounds..	378,317,142	68,509,519	570,483,312	133,635,386	50	43.61 per cent.....	\$4,157,558, at 15 per cent, October and November, 1913, old law; balance free.	58,178,371	623,633 1,292,521	56,262,217
Total.....		144,182,998		305,935,392	111			101,842,124	10,362,797	91,479,327

<sup>1</sup> Free on and after Oct. 3, 1913.  
<sup>2</sup> Duty reduced from \$30 per head where value not over \$150, 25 per cent where value over \$150, to 10 per cent on all.  
<sup>3</sup> Live poultry reduced from 3 cents per pound to 1 cent; dead from 5 cents to 2 cents per pound.  
<sup>4</sup> Either placed on free list or duty reduced about one-half.  
<sup>5</sup> Free on and after Oct. 3, 1913; duty was 15 cents per bushel.  
<sup>6</sup> Duty reduced from 15 cents to 6 cents per bushel.  
<sup>7</sup> Free if imported from countries which impose no duties on like imports from United States; otherwise, 10 cents per bushel. Duty was 25 cents per bushel.  
<sup>8</sup> Duty reduced from \$4 to \$2 per ton.  
<sup>9</sup> Free on and after Oct. 3, 1913. Duty was 1 1/2 cents per pound.  
<sup>10</sup> Included in "All other meat products" prior to July 1, 1913.

<sup>11</sup> Free on and after Oct. 3, 1913. Duty was 4 cents per pound.  
<sup>12</sup> Free under both laws.  
<sup>13</sup> Duty reduced from 6 to 2 1/2 cents per pound.  
<sup>14</sup> Duty reduced from 6 cents per pound to about 4 cents per pound.  
<sup>15</sup> Included in "All other articles" prior to Oct. 3, 1913.  
<sup>16</sup> Duty reduced from 45 to 25 cents per bushel.  
<sup>17</sup> Duty reduced from 40 to 20 cents per bushel.  
<sup>18</sup> Duty reduced from 45 to 20 cents per bushel and from 25 to 10 cents per bushel.  
<sup>19</sup> Free if imported from countries which impose no duties on like imports from United States; otherwise, 10 per cent ad valorem. Duty was 25 cents per bushel.  
<sup>20</sup> Duty reduced from 25 per cent to 15 per cent ad valorem.  
<sup>21</sup> Practically all free of duty since Dec. 1, 1913, so October and November, 1913, were still under old law.

Think of it! I want to see the future success of our mines, our factories, and our farms well within the borders of this great Republic of ours [applause on the Republican side], so that in time of peace and in time of stress and time of war, no matter what powers may be against us, we shall be self-sufficient and self-sustaining at home. [Applause on the Republican side.] The nation or the statesman that begins to lean upon a foreign trade or a foreign commerce as the first consideration will find itself or himself leaning upon a broken reed in time of stress. [Applause on the Republican side.]

I think it is most amusing to hear everything ascribed to the war. Gentlemen say that all the ills that this afflicted Nation has been heir to in the last three years are due to the war. I

heard a story recently of a Democratic student at Harvard—I think there are some of them in that institution. [Laughter on the Republican side.] He was being examined, and he was asked to state the binomial theorem. He said that the binomial theorem as he understood it was a quotation from an ancient party platform which meant "let the people rule"; and when the instructor would not accept that, he said, "Well, anyhow that is the definition that will have to go. The European war has destroyed all the others." [Laughter.] Then the man who followed him was asked to state the forty-seventh problem of Euclid he said, "I don't know what it was when the ancient Greek first demonstrated it, but now it means the 'high cost of living,' because our fellows can't solve it." [Laughter.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I yield to the gentleman two minutes more.

Mr. SLOAN. Mr. Chairman, the story is told down in the good old north State about Mose who owed a local money lender \$70 on a note bearing 7 per cent. He came to pay the interest on the note. The money lender said, "Seven times nothin' ain't very much; seven times seven are seventy-seven—\$7.70." "Oh, but," said the borrower, "my boy Sam, he's been tendin' college down here at 'Tuxedo,' and he says seben times seben am forty-nine." "Oh, yes," said the money lender, "that used to be so; but you know Mas'r Claude has just been having a big wrestle with that big P—Preparedness—what is a Congressmen from the northeastern States, and Mas'r Claude says this European war has just nachally played smash wif de multiplication table, and has made all the figahs a great deal bigga, ceptin' always the figahs in de Treasury." [Laughter.]

Gentlemen, in order that the amount in the Treasury may not be further diminished and being in favor of the protection of one of our great, growing northwestern industries, it pleases me greatly to support the eminent gentleman from North Carolina [Mr. KITCHIN], the magnificent and eloquent leader of the House of Representatives, in voting for this bill. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. SWEET].

Mr. SWEET. Mr. Chairman, I am interested in this bill because we once had a sugar factory in operation in Iowa, and the farmers of my great State would like to see it in operation again. This bill proposes to repeal the free-sugar clauses in what is known as Schedule E of the Underwood tariff law. I listened with great interest to the remarks of the gentleman from Colorado, and I can say to you that I believe it was a free-trade speech. Free traders have always been students of maxims and not of markets. They have always dealt with theories and not actualities. They have failed to heed the lessons taught by a century of experience with the tariff in this country. They have failed and refused to acknowledge that they are the advocates of an economic creed which is not applicable to the American Continent, with its boundless resources and possibilities.

Mr. GORDON. Will the gentleman yield?

Mr. SWEET. I can not, for I have only a few minutes time. It is an economic creed which is not conducive to the building up of manufacturing establishments and domestic industrial enterprises; an economic creed that is not in harmony with the spirit of our people, the independence and thrift of our laboring classes, and the genius of our free institutions; an economic creed that is beautiful in conception but unworkable in practice. A creed that finds favor with professors of economics in colleges and universities, but which in practice has been found to be disastrous to the farmer, the wage earner, the artisan, and the manufacturer. [Applause on the Republican side.] An economic creed that has always been detrimental to a safe and sound financial policy for this country from the foundation of the Government. [Applause on the Republican side.] An economic creed that has always given us an empty National Treasury, prostrated the business of the country, brought ruin and failure to thousands of our manufacturing establishments, and poverty and starvation to many of the laboring classes who are directly dependent upon each day's wage to feed, clothe, and maintain those who are dependent upon them. [Applause on the Republican side.]

Schedule E of the Underwood tariff law, relating to sugar and molasses, was put into the bill on the theory, as expressed in the Democratic platform, "We recognize that our present tariff taxation is intimately connected with the business of this country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry." They also said in their platform, "We appeal to the American people to support us in our demand for a tariff for revenue only."

The great Ways and Means Committee, in making a report to this House, said in substance, "We hope to attain the principles for which we contend by advocating such legislation as will not injure or destroy legitimate industry." By that language they placed their interpretation upon the clauses of the Democratic platform.

Is the beet industry of this country a legitimate industry? Let 112,000 farmers and planters and their families answer that question. Let the working men who are engaged in the operation of these factories answer that question. Let the citizens of 16 States where the beet factories are located answer that question. Let a majority of the American people answer that question in the days that are to come. [Applause on the Republican side.]

Has the beet-sugar industry in this country been injured by Schedule E of the Underwood tariff bill, since it went into effect? Has the threat of free sugar injured that great industry?

Let the owners and operators of factories that have closed down answer it. Let thousands of beet farmers and planters who have been financially injured answer it. Instead of the beet industry in this country being injured, instead of its being destroyed, it should be extended and developed. Instead of Iowa having but one beet factory, and that factory not in operation, we should have at least a dozen factories. [Applause on the Republican side.] Instead of having 77 beet factories in the United States, we should at least have 300 or 400 beet factories. [Applause on the Republican side.] Instead of 112,000 farmers and planters being engaged in the raising of beets in this country, we should have at least 600,000 of them. Instead of this country producing something like 600,000 or 700,000 tons of beet sugar annually, we should produce at least 3,000,000 tons annually. Instead of this country having in cultivation something like 525,000 acres of beets, we should have at least 2,500,000 acres of beets. Instead of this country producing something like 15 or 20 per cent of the sugar that we consume, we should produce enough to meet all demands. [Applause on the Republican side.] And then the price of sugar would take care of itself. [Applause on the Republican side.]

It is estimated that we have something like 250,000,000 acres of land in this country that are adapted to the raising of beets. We have the soil, we have the climate, we have the men; and I want to say to the gentlemen of the House to-day that this is not an idle dream, for I believe that it can all be accomplished under the beneficent influence of a protective tariff. [Applause on the Republican side.]

This bill to-day may be termed harmony legislation, but sometimes the word "harmony" is a delusive word. I take it that the Democrats want this legislation because they must have revenue. Because by passing this bill it will mean that the Government will continue to receive revenue to the extent of about forty-four millions annually.

In this hour of necessity they have forgotten their old-time arguments. Theory to-day lies prostrate before the indubitable facts. [Applause on the Republican side.]

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

Under leave granted to extend his remarks in the Record, Mr. SWEET adds the following:

The Republicans want it so that the great beet industry of this country may be protected, may be saved until the Republican Party once more assumes the administration of the affairs of this Government. That the beet-sugar industry may be saved until such time as the Congress of the United States may give the country an effective nonpartisan tariff commission.

When Schedule E was put into the Underwood law it was a contest between the sugar refineries and the sugar-beet growers, and the refineries won out. Whether the part of Schedule E that will remain if this bill becomes a law will come under the head of being a tariff for revenue only I can not say. Whether it will come under the designation of being a protective tariff or low tariff on sugar and molasses I can not say. But I do know that it will be better than free sugar. I know that it will be better than free trade.

When we take into consideration that the beet industry is a legitimate industry; when we take into consideration that with free sugar struck out of Schedule E of the Underwood tariff law this Government will continue to receive forty-four millions annually from the tariff on sugar and molasses only; when we take into consideration that the Democratic Party had a clause in its platform to the effect, "We appeal to the American people to support us in our demand for a tariff for revenue only."

When we take into consideration that free sugar would injure and destroy the beet industry in this country; when we take into consideration that the chairman of the Ways and Means Committee in the Sixty-third Congress was not enthusiastically in favor of the free-sugar clauses in the bill that bears his name; when we take into consideration that the present chairman of the Ways and Means Committee is in favor of this bill; when we take into consideration that the President in his message to this Congress, in December last, recommended that the free-sugar clause should not become operative, I do not believe that it can be consistently said that Schedule E as a whole as found in the Underwood tariff law is even good Democratic doctrine.

If the free-sugar clauses in Schedule E are not repealed, the beet-sugar industry will be totally destroyed, and the sugar refineries of this country will have the sugar market absolutely to themselves.

The cane-sugar industry will be paralyzed.

The consumer will not be benefited by the reduction in the price of sugar when the refineries dictate the price and monopolize the American sugar market.

Has the Underwood tariff bill produced sufficient revenue?

Let the present condition of the United States Treasury, as shown by a Democratic Treasurer, answer that question. Let a stamp tax in times of peace answer it. Let the acts of the present Congress in reenacting the so-called stamp tax answer it. Let the recommendations of the President of the United States in his message to this Congress, proposing a stamp tax on bank checks and gasoline, answer it. Let the revenue that this Government has lost by the enactment of Schedule E in the Underwood tariff law answer it.

Let the demoralized condition of the Nation's finances generally under the present administration answer it.

The Ways and Means Committee, in the majority report that accompanied the Underwood tariff bill, under the head of "sugar," said:

The action of the committee with regard to sugar shows an appreciation of the commercial conditions involved and the committee's desire to respond to the public demands for free sugar.

Is the bill that we are now considering for the repeal of the free-sugar clauses due to the committee's desire to respond to the public demand for free sugar?

If Schedule E was put into the Underwood bill at the demand of the people, are the free-sugar clauses being taken out at the demand of the people?

Has the voice of public opinion become so loud that the committee knows what the people want without holding extended hearings?

Is the Ways and Means Committee, upon the recommendations of the President, doing it to accommodate the Republicans?

Let 50 years of opposition and denunciation of a protective tariff by the Democratic Party answer it. Let the tariff tinkering of the Sixty-third Congress answer it.

Have all the Members of the Democratic Party in the House observed the signs of the times?

As late as February 26, 1915, we find in the CONGRESSIONAL RECORD, Sixty-third Congress, third session, on page 5366, the following statement, which was made by a prominent Democrat of this House, to wit:

As the Members of this House know, the Underwood tariff bill reduced the tariff on sugar 25 per cent and provided that sugar should be placed on the free list on May 1, 1916.

I take it that no Democratic Congress will attempt to repeal the sugar schedule of the Underwood bill.

Notwithstanding this bold assertion, a little over a year from the date of its utterance a Democratic Congress on its own motion, at the recommendation of a Democratic President, without extended hearings of the Ways and Means Committee, propose to do that very thing.

The present bill before the House is a confession that the Underwood tariff law is not a success as a revenue producer. It is a confession that they misinterpreted the demands of the people when a majority of the members of the Ways and Means Committee said in their report to Congress that Schedule E was put in the Underwood tariff bill upon the demands of the people. It is a confession that they were wrong when they said that a reduction of the tariff on sugar would reduce the price to the consumer.

It is a confession that the sugar refineries of this country wielded more influence with the Democratic Party than the sugar-beet growers.

It is a confession that the beet-sugar industry is a legitimate industry. It is a confession that the beet industry of this country has been injured by the Underwood tariff law, with its threat of free trade for sugar and molasses.

It is a confession that a protective tariff is better than a low tariff or free trade.

It is a confession that \$44,000,000 annually at this time would be very helpful to the Government to meet the expenses of the present administration.

It is a confession that the Underwood tariff law with its wholesale reduction of duties was formulated upon inadequate information, and was conceived in ignorance of the business and agricultural interests of this country.

Mr. KITCHIN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the excuse urged in behalf of the proposed inglorious abandonment of one of the most salutary and popular provisions of the Underwood tariff is not a valid one. It is true that the Treasury is in a depleted condition. It is true that the great European war has cut off large volumes of ordinary revenue. But it is also true that we have gone on spending money with a lavish hand. This we should not have done. We should in fact have cut our garment according to the cloth. Our expenditures should have been brought down in proportion to the decline in Treasury receipts. This would have been the course followed by any prudent business

concern. And this is the course I have ventured to urge from the very beginning.

In fact, early in 1913, soon after President Wilson took office, I had occasion to remind this House, and, as far as I could, the country, of one very vital plank in the Baltimore platform, that pledging the Democratic Party to rigid economy in expenditures. No such economy has obtained. On the contrary, expenditures have been more lavish than ever before. In many directions they have exceeded all previous records, and in the direction of military and naval expansion they have outrun what would have been considered profligate, and would have been very properly denounced as such under Mr. Taft or Mr. Roosevelt. To my mind Democratic extravagance is quite as reprehensible as, nay, it is even more reprehensible than Republican extravagance, for Republicans have made few professions on this score, while economy has been a watchword of Democracy since the days of Thomas Jefferson. That this watchword should have lost its meaning in these later days is not reassuring to those of us who still honor the sage of Monticello and still believe in the undying principles upon which he founded the party that stands for the common people.

There would be no occasion for the retention of the tax on sugar if decent economy were practiced in carrying on the affairs of government. Even with the depleted revenues under European war conditions, all the ordinary needs might readily have been met. But it was impossible to carry forward a greatly augmented military and naval program without resort to fresh sources of income, to stamp taxes, first, and then to a continuance of the tax on the poor man's breakfast table. To my mind, even the odious stamp tax is less odious than the tax on sugar, for the latter is a concealed tax, while the stamp tax is open and aboveboard; those who pay it know when they pay and what they pay. But the sugar tax is paid without the victim's knowledge, either of the time or the amount.

Let us examine this sugar tax for a moment. It reaches into every home. It bears as heavily on the miner as on the millionaire. John D. Rockefeller will perhaps consume no greater quantity of sugar than the charwoman who scrubs your floor. Yet, in proportion to her income, the charwoman will pay ten thousand times as much of the sugar tax as the Standard Oil king. And this runs true all down the line. The sugar tax, a tax on consumption, bears infinitely heavier on the poor than on the rich. Of all the consumption taxes it is perhaps the very worst, the least defensible on any ground save that of plucking the goose with the least amount of squawking.

I hope there are Democrats on this floor who took their campaigns in 1912 and 1914 as seriously as I took mine. In the earlier one I made pledges to my people on behalf of the Democratic Party which that party faithfully fulfilled in the Underwood tariff. That tariff did not measure up to my hopes, but it marked a very long step in the right direction, and I was able to go before my people in 1914 with the testimony of a pledge fulfilled, of a promise kept. My party had said it would reduce the cost of living; and here, with sugar already cheaper than it had been before in a generation, was the earnest of the other things which certainly would have been realized but for the outbreak of the mighty conflagration across the water. The big bag of sugar which we had promised in 1912 was brought home to the housewife in the early part of 1914. All the other reductions would have come in due course if war had not obtruded its horrid head upon a scene that up to that time was glowing with promise.

If there were not better ways to procure revenue than that of piling burdens upon the poor, and if there were not a more reasonable resort in this alleged emergency than the one to which we are proposing to turn, I would not think of interposing my objection to this bill, except on the ground before indicated. But there are better ways. And, Mr. Chairman, I have pointed out one of them in a bill now before the Committee on Ways and Means. It is my thought that if additional revenues must be had in order to satisfy the cormorant clamors of the militarists these should be drawn from great incomes, through a supertax thereon. The demand for increased appropriations for Army and Navy has not come from the toilers of this land; it has not come from the farmer and the mechanic; it has not come from the mill hand and the day laborer. It has come from those with something to sell—from the war traffickers, from the munition makers, from the gun founders, from the armor-plate manufacturers, from the army contractors, and from the bankers who finance the great transactions which militarism involves. And upon these we should call for the support of the program. It is their program; not that of the plain people. It is they who expect to profit; not the toiler at the forge or in the field. There can be nothing in all this preparation for the producer of wealth. It merely means at the very best that his road is to be made harder, his burden heavier, his outlook less pleasing. But if we put this program through,

as we are asked and expected to do and as this bill is designed to forward, rich gains will pour into the coffers of the war traffickers. War brides will continue to bloom and blossom. War babies will continue to crow. Bethlehem Steel, Du Pont Powder, and General Electric will go on flourishing. And Wall Street will magnify its tremendous powers.

Why not turn to those who shall profit out of this proposed program rather than to those who in any case must be the worse for its fulfillment? Why pile more upon the stooped shoulders of the man in mill and mine? Why ask the farmer and the artisan to float battleships on their modest cup of coffee? Why ask the hod carrier to carry also a machine gun on his shoulder as he toils up the ladder? Why ask the scrub woman to supply a submarine as well as the rags with which she plies her hard vocation? This is what you are asking her and them to do. For it is the scrub woman, the hod carrier, the farmer, and the artisan who, in the aggregate, will pay these millions into the Federal Treasury, in addition to the millions which by reason of the tax will flow into the deep coffers of the Sugar Trust. Do not mistake the fact, nor let yourselves for one moment forget that the truth will find you out. Already the Sugar Trust is anticipating the gratuity which it is proposed to confer upon it. For no sooner had it become apparent that a measure such as the one under consideration was to find favor than this most insolent of all the trusts marked up the price of sugar to the consumers of the land; and within recent months it has pulled down millions of dollars from the American people over and above what it would have taken but for the prospect which is now about to be realized.

I want to protest with all my might against the betrayal of Democratic pledges, and plain speaking compels this characterization. It is nothing less than a betrayal of the pledges we made in 1912 and boasted the fulfillment of in 1914. And we are doing it at the behest of the Navy League of the United States, because the National Security League demands it, because the New York organs of big business have created a war scare seems to justify it, because we have not the consistency and the courage to deny the necessity for any such step. Why not curtail expenses rather than run them to new high levels? Why not remember our pledges of economy? Why not say to the war traffickers that this country belongs to the people and not to the patriots for profit? By cutting out even a small segment of the huge program which has been urged upon us we can keep expenditures within the limits of revenue receipts and avoid this backward step, this step which Republicans will hail with delight and over which the devils of protection will rejoice.

For here is the beginning of the end. If we go backward now, there will be no more going forward. Already we are hearing of a "scientific" tariff—of a tariff framed by "experts"—of a tariff "removed from politics." Bah! Is not that the same sort of tariff Mr. Roosevelt told us of, the same sort that our Republican friends sought to popularize, with disastrous results? Did the Republicans succeed in fooling the country? And if they did not, can we hope to succeed where these failed? Has the Democratic Party ever in all its history got anywhere except by straightforward methods? Can any party of the people ever get anywhere save by following a clear course and keeping faith?

We are not pursuing a straight course; we are not keeping faith in this business. We are reversing our position, we are going backward, we are apologizing, seeking to extenuate, undertaking to make the country believe that necessity alone is driving us to the course we have chosen. Yet we know and the country must know that necessity is doing no such thing. Our revenues are depleted—yes—but our appropriations have not been cut a penny. Instead, extravagance is flourishing unchecked. We are ready to plunge the Nation into a very saturnalia of profligate expenditure at the behest of swash-buckling patriots who dream of world power and tremble in their shoes when they confront the monsters of their own imaginings. With even ordinary prudence we might bring expenditures within the limits of income. But, no; we must add thousands to our Army; we must multiply fighting ships; we must subvert industry to the business of destruction or preparing for destruction; we must imitate the stupid powers which are now wallowing in their own blood; we must slip back into the era of claw and fang and substitute the teachings of the War College for those of the Man of Nazareth.

Mr. Chairman, it grieves me to stand in opposition to my party in this matter. But it is easier for me to be in opposition to my party than it is to violate my own conscience and the historic teachings of that party. It was a proud day for me when I stood upon this floor and fought with my brother Democrats to keep the pledges of the Baltimore convention. It was a proud day when I was able to say to my people at home that we of the Democratic Party had kept the faith and had delivered the

thing we had promised. But shall I now face about and help to undo the good work and to take back the promised boon? I can not do it. I can not make so light of my given word. I can not so cavalierly reach out and take back the gift which I helped bestow upon the plain people of this land when I voted to drag the Sugar Trust from their backs. I do not say what other Democrats should do. I say only that, as for myself, I shall remain loyal to the pledge given and stand true to the people who have trusted us on account of that pledge.

And, finally, Mr. Chairman—

Were half the power that fills the world with terror,  
Were half the wealth bestowed on camps and courts,  
Given to redeem the human mind from error,  
There were no need of arsenals and forts.

[Applause.]

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. HILL].

Mr. HILL. Mr. Chairman and gentlemen of the House, I did not intend to take any time whatever in the discussion of this measure. I take the floor to-night for a definite and particular purpose, which will appear to you in a moment or two. The remarks of the gentleman from Mississippi [Mr. COLLIER], who opened this debate, however, compel me to make a preliminary statement, and the report made upon this bill emphasizes that necessity. I am for this bill, and I hope that every Republican will vote for it, and I would be glad to see every Democrat vote for it also. The Treasury needs the money and needs it badly. I do not believe there is a Member of this House, in the face of the exigencies that confront this country, who is ready to stand and quibble as to how the money shall be raised, but, first of all, he will show his patriotism and raise it and then criticize the methods used in the next campaign if he chooses to do so. [Applause.] That is the doctrine upon which I stand, not only with reference to this bill but with reference to all supplementary revenue measures, and the leader of the Democratic side will find me occupying that position during the remainder of this session whenever he can demonstrate that the exigency exists.

What is the exigency which now confronts us? When the Republicans went out of power on the 3d of March, 1913, there were \$149,000,000 in cash in the Treasury. On the 4th of March, 1916, figuring the daily reports in the same way that they were figured in 1913, there were \$44,000,000 in the Treasury. One hundred and five millions of cash has gone. That may be accounted for in one way or another way, but taking the "available funds" in the Treasury, we left you gentlemen with \$80,000,000 and you have \$16,000,000 left, provided you figure your bank-note retirement fund, as we figured ours. Striking out both, and both ought to go out, we left \$58,000,000 "available funds," which we turned over to you three years ago, and on the 4th of March this year the available funds of the Treasury are overdrawn by \$5,857,545.47. I am not going to be the man to stand and say that we will not make your deficit good. I will do it with great gladness, believing it is my patriotic duty to do so. You need not have taken this method of doing it, however. I congratulate you that you did, because this is a protective measure. You could have raised twice the money by the purely revenue proposition of putting a duty on tea and coffee and no ultimate consumer would have ever paid one cent of increased cost, but I am glad to see you take this means, and I stand for it. I hope every Republican and every Democrat in the House will vote to pass this bill and that we may vote together at least on one thing.

A few moments ago a Member said to me, "Is the Democratic Party coming to us or are we going to them?" I said to him, "I think the movement is both ways," and I honestly do think it is both ways. The purpose for which I take the floor now, reserving the other matters until you bring in your great revenue measure, is to give you the latest account of what is going on somewhere else in the world besides the United States. I want to quote with some freedom from a wonderful article written last week in the Economic World, of New York, on "The Swing of Great Britain to Protective Tariff," and, gentlemen of the Democratic side, you are coming to us, whether you know it or not, and we are going to you, whether we know it or not. The world is moving, it is moving on both sides of the political lines, and we are going to get together by and by when the tariff commission which we both now advocate brings us nearer to decisions on all these questions which will be based on an intelligent investigation of actual, living facts, and when moss-covered theories have been discarded. Pardon me while I give you some extracts now from this great article written by a free trader in the Economic World. I will insert the whole of it in the RECORD:

The cabled accounts of the great meeting of the British Association of Chambers of Commerce, held in London this week, have been of

necessity almost aggravatingly brief, disconnected, and insufficient to convey an adequate idea of the deliberations.

The thinking part of the British public seems to have followed what was said and done with the most intense interest, realizing that the outcome of the meeting might well be the determination, at least in a preliminary sense, of the course which Great Britain will take after the European war is over in respect of the matter which will most universally and most fundamentally affect the daily lives of all British subjects, namely, the adaptation of the conditions under which British industry and trade are carried on, to the changed posture of the world's affairs resulting from the war.

And I want to call attention to the fact that when Great Britain adopted her free-trade policy she had had many years of peace and she has had no great war until now since that policy was adopted. She has had no war great enough to test her resources at home. I do not include as one of the great wars of the world the conquering of the Boer Republic, but the Napoleonic wars were the last which tested the national strength and resources of Great Britain. Now, how is she going to meet the test?

After a century of freedom to do virtually what it would with regard to its economic policies and to frame those policies solely from the point of view of the immediate interests of the various classes of the domestic population, the British people has had it brought home to it by the events of the past year and a half that a *conditio sine qua non* of continued national prosperity and even the permanent national existence may be a reformation of those policies to the end that uniform vigor and effectiveness may be maintained throughout the entire economic and social body—

Mark that—

to the end that uniform vigor and effectiveness may be maintained throughout the entire economic and social body, that impairments here and there by reason of excessive dependence upon the good will of other and naturally rival nations may be prevented, and that all the powers and resources of the Empire be kept efficient and available for the coming international competition in trade, hardly less bitter than the war itself, which is foreseen.

Now, what did they do? Skipping along, I come to the point where the British Chamber of Commerce recently met, composed of a thousand members, the greatest economic and industrial gathering that ever was held in the British Empire—

The first resolution discussed and unanimously adopted by the association clearly revealed what was in the minds of an overwhelming majority of the attending representatives of British industry and trade. It runs thus:

"The experience of the war has shown that the strength and safety of the British Nation in time of national peril lie in the possession by this nation of the power to produce its requirements from its own soil and factories rather than in the possession of values which may be exported and exchanged for the products and manufactures of foreign countries."

What is that but the protective system boiled down to an essence? It is the protective doctrine which the Republican Party has been teaching for 50 years, and the greatest industrial body of Great Britain deliberately commits itself to that policy, and, gentlemen, unthinkingly you commit yourselves to this policy, in which I happily and gladly join with you, when you adopt a protective measure to raise revenue when you might have raised it otherwise. [Applause on the Republican side.]

I read:

In the same sense, though not with the same clear disclosure of a new national economic policy decisively arrived at, Mr. McKenna, the chancellor of the exchequer, said in the course of his address to the meeting:

"We have seen a nation which in time of profound peace deliberately planned, prepared, and provoked war, and we have found ourselves dependent upon that nation for many articles of our own trade. I do not think that, as a nation, we should ever allow ourselves to be placed in that position again. There is an issue which once divided the nation and on which the opinion of most of us probably remains unchanged. But it does not follow because we stand now as we stood before that there is not a very large field for common agreement among us."

And I say to you as Republicans and to you as Democrats, there is a large field for common agreement on this question between us here in this country to-day.

Mr. GORDON. Will the gentleman yield?

Mr. HILL. Certainly; if I have time.

Mr. GORDON. In view of that statement that you have just read, sir, is that pronouncement of the British Board of Trade any more than a declaration of economic war?

Mr. HILL. The gentleman must form his own opinion as to what it is. I have mine. [Laughter.]

What these discussions and proceedings, in so far as we on this side of the Atlantic have them, bring out is that the predominant thought in the assemblage was the all-around fortification of the economic life of the British Nation, the effective and harmonious development of all the departments of this economic life, and the adoption of such policies as are requisite to bring about a condition of national independence in an economic sense, in place of the partial dependence hitherto accepted without serious demur.

The time has come when I should ordinarily close. The gentleman from Mississippi [Mr. COLLIER] cited the fact, which I can not dispute at this moment, that we received more income from customs for the first seven months of the year 1914 than we did for the first seven months of the year 1913. I do not know how that may be, but I will find out to-morrow morning. I say to him that, if we did, it was because there were

\$122,000,000 of importations more during those seven months of 1914 than there were in 1913, and that displaced the work of American men and women just to that extent. And I am not willing, as a Republican and as a protectionist in every fiber of my being, to produce revenue at the expense of the American home. [Applause on the Republican side.]

Mr. SIMS. May I ask the gentleman a question?

Mr. HILL. If I have the time.

Mr. SIMS. I want to know whether, if we had a tariff commission now in operation, the gentleman would be in favor of referring this bill to that commission for report before he voted on it?

Mr. HILL. I am perfectly willing to refer any economic question to any fair-minded tariff commission. Three years ago I started to make a bill in accordance with the report of a tariff commission. I had detailed to my assistance a free trader, a man who stood for revenue only, a professor in a Virginia college, and a Republican. I said to them, "Gentlemen we have but one task to perform. The facts are before us in that report. I do not know what they are. The tariff commission reported them. We can agree as fair-minded men whether we make our bill in accordance with the facts or in accordance with our previous inclinations." And we agreed upon it; and when we got through, after six weeks' work, locked up by ourselves, we voted, Democrats, Republicans, and free traders, and everything, unanimously, that we had accomplished our task in accordance with the facts that were placed before us.

Mr. GORDON. Then the people threw you out?

Mr. HILL. That has nothing to do with it. I might retort by saying something which I will not say now.

I ask permission to attach to my remarks the entire article from which I have quoted.

The article is as follows:

#### THE SWING OF GREAT BRITAIN TO A PROTECTIVE TARIFF.

The cabled accounts of the great meeting of the British Association of Chambers of Commerce, held in London this week, have been of necessity almost aggravatingly brief, disconnected, and insufficient to convey an adequate idea of the deliberations. It is known that never before in the history of the association has one of its meetings been so largely attended, the delegates being over 1,000 in number and representing every considerable commercial and industrial organization in the British Isles proper, to say nothing of many similar bodies in the outlying parts of the Empire. The British Government itself was represented by Mr. Reginald McKenna, chancellor of the exchequer, and representatives of the governments of many of the British colonies were also present. The thinking part of the British public seems to have followed what was said and done with the most intense interest, realizing that the outcome of the meeting might well be the determination, at least in a preliminary sense, of the course which Great Britain will take, after the European war is over, in respect of the matter which will most universally and most fundamentally affect the daily lives of all British subjects, namely, the adaptation of the conditions under which British industry and trade are carried on, to the changed posture of the world's affairs resulting from the war. After a century of freedom to do virtually what it would with regard to its economic policies and to frame those policies solely from the point of view of the immediate interests of the various classes of the domestic population, the British people has had it brought home to it by the events of the past year and a half that a *conditio sine qua non* of continued national prosperity and even of permanent national existence may be a reformation of those policies to the end that uniform vigor and effectiveness may be maintained throughout the entire economic and social body; that impairments here and there by reason of excessive dependence upon the good will of other and naturally rival nations may be prevented; and that all the powers and resources of the Empire may be kept efficient and available for the coming international competition in trade, hardly less bitter than the war itself, which is foreseen. It is an obvious fact that the conception of a Great Britain always able to obtain whatever she requires from any part of the globe, because of her wealth and the far-flung ramifications of her commerce, on the one hand, and because of the security of access to all lands afforded by her fleet, on the other, has of late lost no little of its former potency with the British mind. The harsh experiences and lessons of the war have thrown a doubt upon its absolute correctness and sufficiency. Even though Great Britain and her allies should achieve decisive success in the present struggle—as, indeed, they confidently expect to do—it is felt that far-reaching readjustments to world facts hitherto not clearly perceived will be imperatively called for. And the proceedings of the meeting of the British Association of Chambers of Commerce have been eagerly watched by all of Great Britain as probably indicating the conclusions the national mind was coming to in this all-important matter.

The first resolution discussed and unanimously adopted by the association clearly reveals what was in the minds of an overwhelming majority of the attending representatives of British industry and trade. It runs thus:

"The experience of the war has shown that the strength and safety of the British Nation in time of national peril lies in the possession by this nation of the power to produce its requirements from its own soil and factories, rather than in the possession of values which may be exported and exchanged for the products and manufactures of foreign countries."

In the same sense, though not with the same clear disclosure of a new national economic policy decisively arrived at, Mr. McKenna, the chancellor of the exchequer, said in the course of his address to the meeting:

"We have seen a nation which in time of profound peace deliberately planned, prepared, and provoked war, and we have found ourselves dependent upon that nation for many articles of our own trade. I do not think that as a nation we shall ever allow ourselves to be placed in that position again. There is an issue which once divided the nation and on which the opinion of most of us probably remains un-

changed; but it does not follow, because we stand now as we stood before, that there is not a very large field for common agreement among us. Because trade is free, it does not follow that the Government should not assist our traders, and we are prepared to give the assistance of the Government to the development of foreign trade in order that it may no longer be controlled by our enemies."

While the latter part of these remarks of Mr. McKenna may be taken to mean that, speaking for the present Liberal Government of Great Britain, he was not ready to admit the necessity or the probability of a complete departure from the national policy of free trade, some such departure is obviously implied by his earlier sentences. A perhaps more striking fact, however, is that the general discussions and proceedings of the meeting as a whole display small solicitude for the preservation, as sacrosanct, of the traditional free-trade policy of Great Britain, with all its ultimate implications. What these discussions and proceedings, in so far as we on this side of the Atlantic have them, bring out is that the predominant thought in the assemblage was the all-around fortification of the economic life of the British Nation, the effective and harmonious development of all the departments of this economic life, and the adoption of such policies as are requisite to bring about a condition of national independence in an economic sense, in place of the partial dependence hitherto accepted without serious demur. As regards the pure doctrine of free trade, the thinking and speaking of the gathered representatives of British industry and trade seemed to treat it as of secondary importance. The champion of it a outrage were for the most part distinguished rather by their silence than by their protestations. And though there was certainly no general expressed repudiation of it, yet for the first time in two generations it was dealt with as something to be accommodated to other and more essential policies, rather than as in itself an overriding policy, in harmony with which all else must somehow be brought.

Illustrative of the attitude of mind just described was the resolution, adopted by the meeting with practical unanimity, urging provision, "first, for preferential trading relations between all British countries; second, for reciprocal trading relations between the British Empire and allied countries; third, for favorable treatment of neutral countries; fourth, for restriction by tariffs and otherwise on all trade relations with enemy countries, so as to make it impossible to return to prewar conditions." But perhaps more significant still was the adoption, in a modified form, of a resolution offered by the Birmingham Chamber of Commerce, urging straight-out "protection" of British industries. This was changed so as to read that the Government should take steps "to foster and safeguard" the nation's commerce and industry; but thus amended it was accepted by the meeting with hardly a dozen dissenting votes. At only a single important resolution calling for governmental limitation of the freedom of trade did the meeting balk—one pressed by the delegates from Bradford, advocating absolute prohibition of dealings with Germany, now and after the war. This was rejected by the association; but press dispatches received from England during the past two or three days appear to indicate that the leaders of British trade, perhaps in the present heat of their anger, are ready to go even to this length and are seriously urging this policy upon the British Government.

It is unnecessary to remark that the tendencies of British thinking displayed at the great meeting of representatives of the foremost economic organizations of the nation mark a change of the profoundest kind, and one which, if realized in anything like its totality, must have the most far-reaching effects throughout the civilized world. For all of us now living British free trade has seemed to have an immemorial and changeless quality; to be, so to speak, a fact in nature, permanent as the very hills; to have so deep-sunk a foundation in the British national character and circumstances as to afford a calculable point d'appui for the economic departures of the rest of the world. To not a few of us, moreover, this absolute free trade has appeared to have an ideal—not to say moral—superiority over every other system. Perceiving that it is implicit in the very theory of tariff protection that some classes in the protected country must carry an economic burden for the benefit of others, which they would not have to bear if trade were free, we have felt that a larger measure of economic justice was attained in Great Britain than was possible in any country allowing itself to be seduced, to a greater or less degree, by the fallacious allurements of protection. Yet now we have to face the fact that what we had held to be unshakably permanent, and confirmed in its permanence by its very quality of ideal justice, gives signs of impermanence. By force majeure the protagonists and exemplars of free trade are being swung away from their long-established national policy and are being brought both to admit and to accept the fact that where the trade of a nation—their nation as well as others—is made absolutely free, certain national objectives of vital importance may fall of attainment, the national life in essential respects may be left incomplete and inadequate, and the national future may be imperiled.

Naturally, it will be said by some—and doubtless with no inconsiderable measure of truth—that too much weight should not be attached to movements of the English mind engendered by the excitements and resentments of a time of national struggle and danger. When the calm of peace returns, it may be urged, a very different view of things will be taken in Great Britain, minds will revert to their customary orbits, and impulses begotten of the animosities of war will cease to sway opinions and policies. Certainly it may be taken for granted that this contention is correct to the extent that fierce rage at an enemy country will not be found in the long run to dominate all British commercial intercourse with that country. When peace comes there will be no impassable Chinese wall between Great Britain and Germany. On the other hand, it seems to us that there is something more than superficial and transitory in such a manner of thinking about the economic requirements of the national life as that to which not only the impassioned but also the cooler minds in England have been brought by reflection upon their country's experiences in this war. So long as the principle of protection was advocated in England by Joseph Chamberlain and his Birmingham constituents, pinched by German competition in their particular fields of industry, or by the landowning class, desirous of restoring its acres to profitable use, the probability of its acceptance by the mass of the British people was not great. Even after nearly three-quarters of a century there is vivid recollection in England's industrial population of the hard conditions and of the bitter struggle that brought about the repeal of the corn laws in 1846. The maxim of the anti-corn-law league, to "buy in the cheapest market and sell in the dearest," has so deeply embedded itself in the British consciousness that more than the required to cause its abandonment from a different scheme of things would be required to cause its abandonment. But as all good citizens will submit even to the loss of their lives for the larger good of their country, so public policies will

be accepted on grounds of the general advantage, which would unhesitatingly be rejected where the apparent advantage would fall to a part and not to the whole. These are the considerations that lead us to think that the occurrences at the meeting of the British Association of Chambers of Commerce have permanent and not merely temporary significance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HILL. Mr. Chairman, I ask unanimous consent for permission to publish the whole of this article.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LONGWORTH. Mr. Chairman, I make the same request.

Mr. SLOAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio [Mr. LONGWORTH] and the gentleman from Nebraska [Mr. SLOAN] ask unanimous consent to extend their remarks in the RECORD. Is there objection?

There was no objection.

Mr. SWEET. Mr. Chairman, I make a similar request.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. LOUD].

Mr. LOUD. Mr. Chairman, five minutes is a pretty short time, but in that period I can, at least, say thank you for what I hope and expect you are going to do here to-morrow.

I represent, gentlemen, one of the leading beet-sugar producing districts in the United States. I have in my district three large beet-sugar factories. In the years gone by we had in that country great lumber-producing interests. The Saginaw River country was known then as the great lumber-producing district of the United States. It was the district where my friend FORDNEY lives and which he so well represents now. I remember that in those days, at one time, we had a great financial depression in the lumber business. Lumber would not sell, and it was piled up on our docks. As a consequence everyone was hard up. Men could not meet their notes and were sweating blood over their troubles. I recall that at that particular time salt, which we also manufactured as a by-product to the lumber mills, was away up in price, selling for \$1.25 a barrel and costing us about 50 cents. So we rolled in a lot of cash because of the salt business, and it helped us in the situation in which we found ourselves because of the stagnant lumber trade. I recall a little couplet that came out in a lumber paper at that time, which ran something like this, and as my friend FORDNEY comes from Saginaw, it is for his benefit that I will give it to you:

I am a backbone lumberman;  
Michigan is my nation,  
Saginaw is my dwelling place,  
And salt is my salvation.

[Laughter.]

Gentlemen, the action you will take here to-morrow, relating, as it will, to this most important industry in my district, will bring salvation and hope to our people and those who are interested in these sugar factories. All the business men of that community will rejoice to know that at last the impending detrimental and damaging legislation is no longer a danger here.

What does it mean to have three large beet-sugar factories in my district? It means, gentlemen, that in the last sugar campaign those three factories sliced on the average 2,700 tons of beets every day, and for the hundred days of the annual campaign they sliced about 270,000 tons of beets. You could see them on the railroad tracks—miles and miles of cars loaded with beets. Those carloads of beets, sliced in those three factories, would fill a train 70 miles long, and the product of those beets would make 32,000 tons of granulated sugar.

What does that mean? We have some great colliers in our naval fleet that carry 10,500 tons of coal at each trip. Enormous, great colliers they are, and still it would take three of those great colliers, enormous as they are, to carry the product of these three great factories in one load. Or, if you will put that sugar into cars, it will load 800 cars, and if you loaded it on one train, you would have 4 miles of cars in one train, carrying this sugar. This is only one-fifth of the beet sugar produced in the 16 factories in Michigan.

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

Mr. FORDNEY. Mr. Chairman, I yield two minutes more to my colleague.

The CHAIRMAN. The gentleman from Michigan is recognized for two minutes more.

Mr. LOUD. Mr. Chairman, last year the farmers supplying these three beet-sugar factories received over \$1,600,000 in pay

for the beets they raised. The news of the passage of this bill will bring satisfaction to the hearts of all the farmers in my district, and in their behalf and in behalf of the manufacturers and the employees in those factories I want to thank you for what you are going to do to-morrow. [Applause on the Republican side.]

Mr. KITCHIN. Mr. Chairman, I yield four minutes to the gentleman from Minnesota [Mr. VAN DYKE].

The CHAIRMAN. The gentleman from Minnesota [Mr. VAN DYKE] is recognized for four minutes.

Mr. VAN DYKE. Mr. Chairman, first I wish to ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. VAN DYKE. Mr. Chairman, before starting, I wish to state that I am very glad to know that the gentleman from Michigan [Mr. LOUD] thinks that there is at least 1 district out of 435 in this country which this bill will benefit.

Mr. Chairman, as I understand this proposition this matter has been brought before the House not because the Democratic Party believes otherwise than they did when they declared for free sugar, but rather it is because it is supposed to be necessary to continue this tariff as an emergency measure.

It seems that in order to raise funds necessary to run the Government for the next fiscal year and provide for a certain added amount which has been asked for to provide for the so-called "preparedness program" the committee to-day is asking that we retain the tariff on sugar.

I, for one, can not conscientiously vote for this measure, because I believe the principle involved is wrong and, further, because I believe it is not necessary.

At the present time we are collecting somewhere over \$40,000,000 per year because of this sugar tariff, but while we are raising that amount of money for the Government we are placing at least an equal amount into the hands of the sugar refiners by so doing.

Every pound of sugar, whether produced in the United States or abroad, whether it pays a tariff duty or not, is sold at a price which includes that tariff duty. Sugar grown 40 miles from my home city—St. Paul, Minn.—is sold to the wholesalers in St. Paul at the same price we would have to pay for sugar grown abroad, imported, and taxed at New York and shipped from there to St. Paul.

Consequently the amount of this tariff is added to every pound of sugar consumed in this country, whether it be grown within the borders of this country or on foreign soil, and the sugar trusts are being allowed to add the price of the tariff on to every pound of sugar which is consumed in this country.

If it is necessary to tax sugar—and I will endeavor to show that it is not necessary—but granted that it is, for the sake of argument, then I believe that a consumers' tax should be placed upon sugar, so that each cent additional which the consumer has to pay will go directly into the Treasury of the United States, and we will not be forced into the position where we will practically become partners of the Sugar Trust and divide the additional cost of sugar with them.

I do not propose, with my voice or vote, to allow this Government to lend itself to the sugar trusts in collecting from the consumers of this country upward of \$40,000,000 per year in order that this country might get an equal amount.

The people who have benefited more than any other in this country during the last year because of the very condition which makes it necessary for us at the present time to raise revenues in this extraordinary way are the people who should take care of this deficit created by those conditions.

It is a well-known fact that there is something like \$2,000,000,000 worth of listed war-munition contracts with an estimated profit of from 40 to 50 per cent. A 5 per cent tax on \$2,000,000,000 or a 10 per cent tax on the estimated profits of these contracts would produce the \$100,000,000 worth of "preparedness" revenue asked for by the President and would still leave to these people a larger profit than they have ever enjoyed before. Therefore I submit that the continuing of the sugar tariff is absolutely uncalled for.

Mr. Chairman, in his message to Congress, delivered on this floor December 7 last, the President of the United States, after outlining his program for the national defense, estimated the revenue requirements thus:

The additional revenues required to carry out the program of military and naval preparation of which I have spoken, would, as at present estimated, be for the fiscal year 1917, \$93,800,000.

For the sake of argument we may presume, and the preparedness program already before our committees leads us to

conclude, that the additional revenue requirement will be fully \$100,000,000. The practical problem before Congress, therefore, is, How may this additional \$100,000,000 for national defense be most easily raised and be of least burden to the people of this country?

In other words, how may this Congress provide \$100,000,000 of extra military and naval costs with maximum certainty and justice?

In House resolution 113, which I introduced January 29, I specified taxes on war munitions, incomes, and inheritances as proper sources for this additional revenue.

The particular sources of revenue on which I desire to present data at this time is the taxation of munitions of war. Taxation of war munitions as a source of revenue to maintain a program of military and naval preparedness is a proposition which appeals to reason from the following points of view:

First. Because of its eminent justice, on the principle that the benefited interest should bear the cost.

Second. Because of the adequacy of this source of taxable wealth and its ability to pay, the war profits now enjoyed by the munition manufacturers being the most phenomenal, both in volume and in margin of profit, known in modern times.

Third. Because these war profits are tangible, available, and easy to reach.

Fourth. Because taxation of war munitions will not fall upon American labor and the American consumer, or, even in the last analysis, upon American capital, but will be passed on to the European belligerents who purchase the war munitions.

The first point to which I desire to call the attention of Members of this House is the adequacy of war-munition profits, both in volume and profit margin, as a source of taxable income.

#### VOLUME OF WAR-MUNITION PROFITS.

Although practically all newspapers, financial and industrial journals, and magazines are full of the subject of the unparalleled volume of war-munition business, the high margin of profits, and the phenomenal rise in stock-exchange values of war-munition stocks, perhaps the best-known newspaper authority on this subject, and the one which most nearly meets the title of organ of the war-munition industrialists, is the Wall Street Journal.

On Saturday, January 29, 1916, the very day I introduced the resolution before this House, the Wall Street Journal, published by the well-known financial corporation Dow, Jones & Co., printed its list of war orders, being contracts received by manufacturers and not including purchases of raw materials and foodstuffs, as aggregating "over \$2,000,000,000 gross"; the great bulk of these orders being for explosives, shells, rifles, shrapnel, submarines, and aeroplanes, and for 1916 delivery.

A list of contracts was given in which 21 companies alone had filed war orders totaling \$1,400,000,000, including \$300,000,000 of miscellaneous munitions by Bethlehem Steel, \$200,000,000 of explosives by Du Pont Powder, \$146,000,000 of shrapnel by Canadian Car & Foundry, \$143,000,000 of shells and rifles by Baldwin Locomotive, \$100,000,000 of marine supplies by Electric Boat, \$94,000,000 of rifles and shells by Westinghouse Electric, and \$20,000,000 to \$50,000,000 of shells and explosives each by Hercules Powder, Etna Explosives, American Can, American Locomotive, and New York Air Brake.

The Wall Street Journal takes pains to state that the list is far from complete, and does not include the \$100,000,000 of arms and munition orders credited to the Remington Arms Co., the \$100,000,000 of further contracts known to have been received by the Winchester Arms Co., or the "record sales of shrapnel bars" and other war materials by the United States Steel Corporation, which the Journal names as "one of the leading beneficiaries of European war orders"; nor does the list include \$90,000,000 of war contracts credited to Crucible Steel.

The article bears the caption, "War orders aggregate over \$2,000,000,000 gross." This fairly indicates the volume of war-munition contracts filed on January 29. Large additional war orders filed since that date materially expand even that tremendous volume.

#### MARGIN OF PROFIT ON WAR MUNITIONS.

In the leading article of the January number of the Review of Reviews, by J. George Frederick, the margin of profit on war munitions, such as shells and explosives, would appear to be as high as 50 per cent to 100 per cent. The writer quotes smokeless powder as being sold on war contracts at \$1 per pound, as against 50 cents as the usual manufacturer's price. The Wall Street Journal, in discussing a \$15,000,000 order for smokeless powder received by Etna Explosives, states that the usual factory cost is 30 to 50 cents, but in some cases reaches 65 cents. A list of shell contracts discussed by Mr. Frederick in the Review of Reviews indicates a profit margin of 50 per cent.

In an article of the Wall Street Journal on February 29, based on the war orders of 26 companies and the increase in

the market value of the stocks of these companies, Dow, Jones & Co. report:

War orders for 26 companies	\$1,734,500,000
Par value stock of 26 companies	\$1,737,359,000
Market value of stock before war	\$1,287,658,000
Recent high market price of same	\$2,212,956,000
Appreciation in market value	\$919,323,000
Appreciation in market price	per cent. 71
Appreciation on par value	do 53
Appreciation to war orders	do 53

If the stock-market sales of stocks of these 26 leading war-munition companies is a fair indication of the profits earned, the analysis of the Wall Street Journal would indicate that the profit margin on war orders approximated 53 per cent. Doubtless profits on war munitions, including commissions, run anywhere from 25 per cent up to 100 per cent. The appreciation of 71 per cent in the market value of the stocks of these 26 companies—aggregating \$919,000,000 of net appreciation for the group—is doubtless higher than the profit margin realized; but the investors, as shown by their purchases, doubtless reckon upon a profit margin averaging at least 50 per cent.

The above estimate is for 26 companies only. The same article of February 29 states:

War orders of \$2,000,000,000 gross, at our lowest estimate, have been received by some 42 companies.

If we apply a profit margin of 50 per cent to the \$2,000,000,000 of war-munition contracts cited, we get a total profit on war-munition orders for 1916 delivery amounting to \$1,000,000,000. With war orders still being almost daily received, and all prices for war supplies constantly rising in price, it is evident that it would be difficult for Congress to find any other source of revenue so available and so excellently adapted to successful taxation for military and naval preparedness as the unparalleled volume of war-munition profits which Wall Street authorities have so carefully and conscientiously listed for our study and analysis.

It is evident that a 5 per cent tax on the \$2,000,000,000 of listed war-munition contracts, or of 10 per cent on the estimated profits of these contracts, would produce the \$100,000,000 of preparedness revenue asked for by the President.

If one-half of the required revenue should be raised from an extension of income-tax duties or from income and inheritance taxes, it is apparent that about one-half of the above rates on war munitions would be ample.

It is evident, at least, that the above-named sources of wealth combined should provide adequate means for preparedness without taxation of American consumers upon the necessities of life by tariff duties or otherwise.

The munition companies themselves should find no cause for opposition to this method of preparedness taxation, because, first, the bulk of the revenue will come back to them in arms and munitions sold the Government, and, second, the balance they can recover in prices of munitions sold to Europe.

#### EARNINGS OF DU PONT DE NEMOURS POWDER CO.

The gross profits of the so-called "war-bride" industrials, which, on the basis of the above analysis of the Wall Street Journal, appear to approximate 53 per cent, are not, of course, applicable to dividends on the common stock. Interest on the bonds and preferred stock and taxes must first be deducted. The net profits applicable to dividends on the common stock are estimated by the Wall Street authority at 25 per cent to 50 per cent. However, as 6 per cent to 8 per cent is considered a fair dividend margin for most kinds of corporations in normal times, it is plain that the 42 war-munition companies, which earn 25 per cent to 50 per cent net on the common, make fine subjects for preparedness taxation.

There is one type of munition plant, however, which appears to earn far more than the 25 per cent to 50 per cent net profits, and that is the powder mill. The best example of this type is the Du Pont de Nemours Powder Co.

This famous powder company, perhaps the greatest in the world, publishes an analysis of its earnings for the calendar year 1915 in the Wall Street Journal of February 28, 1916. It is interesting to learn that, although this company doubled its common stock in 1915, the earnings on its common stock in 1915—that is to say, upon the doubled issue—was 94.3 per cent.

The net earnings for 1915, even after the necessary adjustments, including amounts written off for construction work for military business, were \$57,840,758, as against \$5,603,153 in 1914, an increase exceeding tenfold.

The company earned 94.3 per cent net on \$58,854,200 of common stock in 1915, as against 13.6 per cent on \$29,428,708 of common in 1914.

The assets of Du Pont de Nemours Powder increased from \$83,432,445 at the close of 1914 to \$258,263,220 at the close of 1915, a gain of over threefold in volume.

As a subject of taxation, therefore, the Du Pont de Nemours Powder Co., I submit to gentlemen of this House, is something ideal. It supplies all the requisites of a perfect taxable subject, to wit: (1) Taxable ability to pay; (2) margin of profit increment; (3) accessibility of taxable income; (4) benefits derived from the purpose for which the revenue is to be expended; and, finally, the ideal principle of equity and justice involved.

For revenue to support the program of military and naval preparedness, where would gentlemen look for an adequate, available, just, and equitable subject for taxation if not to a giant powder corporation, which in a single year doubles its volume of common stock, trebles its assets, and then, after paying all fixed charges and all investments for construction, earns 94.3 per cent on its doubled common stock?

Gentlemen may inquire if I would rob a big powder company of the fruit of the one great war opportunity of its history, which may not come again in a lifetime. Certainly I would not. I would be just to the Du Pont de Nemours Powder Co. I would not take away its 94.3 per cent of net earnings even for a program of military and naval preparedness which will be a direct benefit to its treasury and dividends.

But it would seem to me that this big powder octopus could well afford to spare 10 per cent of its net earnings, and get along with an 84 per cent margin, instead of a 94 per cent margin, when every dollar of the revenue to be expended for military and naval defense is directly in line with the expansion and profits of its business.

In 1914 Du Pont Powder was doing well on a margin of 13.6 per cent net on \$28,000,000 of common stock, which is much better than the average industrial realizes. If, out of its 94.3 per cent on \$58,000,000 of common, in 1915, it spared 10 per cent for Federal revenue, the remaining 84 per cent margin is not so low as to justify any feeling on its part that it is being robbed.

Its prospects for 1916 earnings appear even brighter than for 1915. In its volume of contracts for 1916, as listed on January 29, the total is given by the Wall Street Journal as \$300,000,000. But only 30 days later, on February 29, the same authority quotes the war orders on hand at \$400,000,000. As about one-half of the sales price as now quoted represents profits, the gross profits in sight for this company, on the basis of contracts already received, should approximate this year \$200,000,000. It would seem as though Du Pont Powder could well afford to appropriate 10 per cent of this offhand for preparedness educational purposes and then be no great sufferer to an extent that anybody would notice. Certainly it should be the last company in America to complain of a war-munitions tax for preparedness purposes.

#### PREPAREDNESS REVENUE LEVIED IN GERMANY.

The proposition which I have laid before this House for raising preparedness revenue is not a novelty. It is the approved method of raising war revenue now enforced in every belligerent nation in Europe. All the countries at war are levying taxes upon war profits. Practically all the neutrals of the world likewise are levying upon profits derived from war supplies to maintain their preparedness programs.

To avoid too great length in going into this subject let us take what is admittedly the greatest nation for military preparedness in the world or perhaps in the history of man—let us take the present revenue program of the German Imperial Government.

The daily press of February 27 last contains a synopsis of the German war-profits tax which is now being levied, from which allow me to quote, as published in the Sunday Star, Washington, D. C.:

The corporation tax on war-time profits starts with 10 per cent on the additional yearly profits made during the war as compared with the average ante bellum profits when this additional profit does not exceed 20 per cent of the corporation's capital stock. It rises to 30 per cent when the additional profits exceed 20 per cent of the capital.

Real "war babies" with heavy war profits are further hit by a provision increasing the rate of taxation when the actual lot of increased profits exceeds 10 per cent of the capital stock. This entails a 10 per cent surcharge, rising in graduated stages to 50 per cent additional when the company is in a position to declare profits of 30 per cent.

It is apparent that our friends, the Du Pont de Nemours Powder Co., which is entitled to a blue ribbon in the class described as "real war baby," is in great luck from the fact that it resides in America instead of in belligerent Europe, where "real war babies" have to pay real war taxes.

The class of "war babies" which pays the maximum rate of taxation in Germany is the class which declares only 30 per cent profits, while our powder octopus declares 94 per cent. This class in Germany pays into the imperial treasury 50 per cent of the increase in war profits over ante bellum profits.

Du Pont de Nemours's net earnings on the common stock in 1915 were 94.3 per cent, as against 13.6 per cent in 1914. In actual earnings, as shown in the report, the net, after all

necessary adjustments, including amounts written off for construction work, was \$57,840,758 in 1915, as compared with \$5,603,153 in 1914.

The taxable increase in 1915 war profits over 1914 ante bellum profits therefore exceeded \$52,000,000; and the German maximum rate applicable to this increase, namely, 50 per cent, would realize \$26,000,000 of preparedness revenue on last year's business.

The application of the German preparedness tax rate to Du Pont de Nemours alone accordingly would produce over 25 per cent of all the revenue which the President requires for his preparedness program for the year ending June 30, 1917. It is evident that one-fourth to one-half of the German rate applied to the entire 42 war-munition corporations reported by the Wall Street Journal would take care of any preparedness program which Congress and the American people are likely to set in motion.

It is apparent that one reason why preparedness tax rates are so high in Germany is that the margin of war profits is far lower. The German Imperial Government apparently does not stand for prices and profit margins such as prevail on war supplies in this country. Their tax law indicates that war profits are supposed to range about 10 per cent to 30 per cent as a maximum. Such a thing as a corporation earning 94.3 per cent on its common stock is a phenomenon probably unknown in the German Empire. You will find in Germany no war stocks which have risen from 40 up to 470 and no bunch of 26 companies whose common shares have appreciated 71 per cent, or \$900,000,000 net, in market value in a year.

The shares of stock represented at the recent Gary-Roosevelt dinner, just before Christmas, in New York—a dinner apparently called in protest against the President's proposed taxes on oil and steel—have appreciated since 1914 approximately \$1,200,000,000.

The total brood of "real war babies" in this country has realized an appreciation of \$1,500,000,000 to \$2,000,000,000 in market price of its stocks and bonds during the past 18 months of war.

Such a splendid display of increased "war baby" increment would afford Federal revenue even for the \$500,000,000 preparedness program which Col. Roosevelt feels would be about right.

The \$100,000,000 program which President Wilson outlines in his message is denounced by the doughty colonel as mere "milk and water." At the Gary dinner the colonel had seen the program of "oil and steel," which in his mind was apparently the real thing.

The effect of the President's message in declaring for the taxation of oil and steel appears to have been to unite the oil and steel interests, the two opposing dominant factions in the financial machinery of the Republican Party. Steel and Standard Oil, Morgan and Rockefeller, Hill and Harriman, Taft and Roosevelt, elephant and bull moose, were united at Chairman Gary's board for the first time in years, and all because of the proposition to place oil and steel on the same tax list to meet the expense of the preparedness for which they shouted and from which they expect rich dividends.

The wealth of the United States, which is greater than estimated for the German Empire and the British Empire combined, was placed in 1912 at \$180,000,000,000, a very substantial fraction of which was represented at the Gary-Roosevelt dinner.

The iron and steel production of the United States Steel Corporation alone is greater than that of either the German or the British Empire.

The oil production of the constituent companies of Standard Oil is greater than that of all Europe.

When the banks which represent these interests are well able to loan \$500,000,000 to one of the belligerent interests in the European war, it would not appear exorbitant that they should be called upon to contribute \$100,000,000 to a preparedness program which in the end will redound more largely to their business interests than anyone else.

But the function of the oil and steel interests, as seen by their Wall Street directors, is not to pay taxes, but levy taxes. They have levied an increase of 50 per cent in the average price of all their products during the past year upon the American people and upon the world.

The net result is shown in their enormous present earnings and the vast increase in the price of their stocks. The market value both of the United States Steel securities and of the Standard Oil securities increased during the past calendar year over \$600,000,000, or \$1,200,000,000 for the combined "oil and steel" interests, which our colonel considers superior to "milk and water."

These interests and all their organs and political agents are shouting for the largest measure of military and naval preparedness.

House resolution 113, which I have introduced, will serve as a test of the question whether such interests are for preparedness for the public interest or for private interest—for patriotism or for revenue. If for patriotism, they will not oppose the plan to enable them to bear their just lion's share of the taxes which are eventually to return to them in extended business and profits. If for revenue, they will endeavor to evade their just taxes and throw the burden upon the people in the shape of tariff taxes upon the necessities of life.

In the Associated Press dispatch of March 3 from Berlin, published in the Washington Star, Arthur Gwinner, director of the Deutsche Bank, estimates that the year's return to the Government from the tax on war profits will net the German Government 500,000,000 marks, or about \$140,000,000. This is based on the war profits of 53 companies reporting, of which 35 show taxable margins of increase over ante bellum periods. It is evident that on the immense volume of war profits now being reaped in this country the German tax would show vastly greater results.

So long as the present European war lasts it would appear that a tax on war profits alone would amply support our preparedness program. The reason for adding the income and inheritance tax to the revenue program is that we may have revenue to continue our preparedness program to a reasonable degree of perfection in the event that the European war ends before our program is complete.

So far as a customs tariff is concerned as a reliance for increased revenue, as proposed by some of our friends of the minority, I have just this much to say:

First. That to saddle upon the people of this country in the shape of tariff taxes upon the necessities of life a burden of revenue to maintain a military and naval program, and thereby exempt from taxation the colossal special interests which will reap a harvest of dividends from that program, would be an outrage not deserving of serious discussion on this floor.

Second. That when the experience of every country on the face of the globe at this time proves what is patent on its face, namely, that customs duties take wings in time of war and are never to be depended upon for such purpose, it is absurd and preposterous to propose them at this time for preparedness revenue.

Justice to the American people—the principle that the beneficiaries shall pay the assessment—as well as every precept of practicable taxation, require that war profits and preparedness profits should meet the cost of preparedness. And on this principle I ask for a vote on this resolution—the only principle which, in my mind, will justify taxation for an extended military and naval program.

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

Mr. FORDNEY. Mr. Chairman, I wish to yield one minute to the gentleman from Minnesota [Mr. LINDBERGH].

The CHAIRMAN. The gentleman from Minnesota [Mr. LINDBERGH] is recognized for one minute.

Mr. LINDBERGH. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD on the rural credit system.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. KITCHIN. 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. FITZGERALD, 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. 11471) to amend an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," and had come to no resolution thereon.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 4657. An act to authorize the Cincinnati, New Orleans & Texas Pacific Railway Co. to rebuild and reconstruct, maintain, and operate a bridge across the Tennessee River near Chattanooga, in Hamilton County, in the State of Tennessee; to the Committee on Interstate and Foreign Commerce.

## ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Thursday, March 16, 1916, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior of March 13, 1916, submitting an estimate of appropriation in the sum of \$26,055 for the reconstruction and repair of mine-rescue cars for the Bureau of Mines, for the fiscal year ending June 30, 1917 (H. Doc. No. 901); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of the Interior of March 13, 1916, submitting a supplemental estimate of appropriation for the service of the fiscal year 1917 in the sum of \$153,850 for the installation of hydroelectric power plant in Yosemite Valley, Yosemite National Park (H. Doc. No. 902); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. OGLESBY, from the Committee on Patents, to which was referred the bill (H. R. 12716) amending sections 4898, 4906, 4921, 4934, and 4935 of the Revised Statutes of the United States, reported the same without amendment, accompanied by a report (No. 358), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ABERCROMBIE, from the Committee on Education, to which was referred the bill (H. R. 57) to require the Commissioner of Education to devise methods and promote plans for the elimination of adult illiteracy in the United States, reported the same without amendment, accompanied by a report (No. 361), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 13112) to amend section 14 of the seaman's act of March 4, 1915, reported the same without amendment, accompanied by a report (No. 360), which said bill and report were referred to the House Calendar.

Mr. MORRISON, from the Committee on Patents, to which was referred the bill (S. 683) prohibiting the use of the name of any Member of either House of Congress or of any officer of the Government, by any person, firm, or corporation practicing before the Patent Office in advertising his business, reported the same without amendment, accompanied by a report (No. 364), which said bill and report were referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 10049) for the relief of Capt. Harvey H. Young, reported the same without amendment, accompanied by a report (No. 359), which said bill and report were referred to the Private Calendar.

Mr. MILLER of Delaware, from the Committee on Claims, to which was referred the bill (H. R. 2535) for the relief of A. H. Rebentish, reported the same without amendment, accompanied by a report (No. 362), which said bill and report were referred to the Private Calendar.

Mr. TILSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 1024) for the relief of Allen M. Hiller, reported the same with amendment, accompanied by a report (No. 363), which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11010) granting a pension to Samuel D. Lee; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12861) granting a pension to Thomas Whitson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FERRIS: A bill (H. R. 13219) to provide for the disposition of abandoned portions of rights of way granted railroad companies; to the Committee on the Public Lands.

By Mr. McCLINTIC: A bill (H. R. 13220) to provide for the erection of a public building in the city of Hobart, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13221) to provide for the erection of a public building in the city of Frederick, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. BURKE: A bill (H. R. 13222) authorizing the Secretary of War to donate to the village of Fox Lake, Dodge County, Wis., two bronze or brass cannon or fieldpieces; to the Committee on Military Affairs.

By Mr. ALEXANDER: A bill (H. R. 13223) to provide for appeals from decisions of boards of local inspectors of vessels, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 13224) to amend an act entitled "An act to authorize the establishment of a bureau of war-risk insurance in the Treasury Department," approved September 2, 1914; to the Committee on the Merchant Marine and Fisheries.

By Mr. LOBECK: A bill (H. R. 13225) to establish in the District of Columbia a laboratory for the study of the criminal, pauper, and defective classes; to the Committee on the District of Columbia.

By Mr. SNELL: A bill (H. R. 13226) to provide for the extension, enlargement, and remodeling of the Federal building at Plattsburg, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. SLAYDEN: A bill (H. R. 13227) to provide adequate supply depots and terminal facilities at Fort Sam Houston, Tex.; to the Committee on Military Affairs.

Also, a bill (H. R. 13228) to provide for enlarging the military reservation at Fort Sam Houston, Tex.; to the Committee on Military Affairs.

By Mr. LANGLEY: A bill (H. R. 13229) to provide for a substitute list and regulate the compensation of storekeeper-gaugers in the Internal-Revenue Service, and for other purposes; to the Committee on Expenditures in the Treasury Department.

Also, a bill (H. R. 13230) to provide for United States internal-revenue gaugers at rectifying houses; to the Committee on Expenditures in the Treasury Department.

By Mr. SEARS: A bill (H. R. 13231) to provide for the remodeling, repair, and improvement of the Federal building at St. Augustine, St. Johns County, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. PARKER of New Jersey: A bill (H. R. 13232) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER: A bill (H. R. 13233) authorizing the Secretary of Commerce to exchange lands belonging to the United States at the mouth of Crum River, Pa., for other lands adjacent thereto, for the purpose of removing thereto the Schooner Ledge Range Front Light, so that it may be on the range of the channel of the Delaware River, and further authorizing the Secretary of Commerce to remove said range light from its present location to the property acquired by the exchange; to the Committee on Interstate and Foreign Commerce.

By Mr. MONDELL: A bill (H. R. 13234) to amend the regulations relative to safety appliances under the so-called seamen's act so as to include life-preserver suits among the safety appliances provided for; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRITTEN: Joint resolution (H. J. Res. 181) authorizing the Secretary of War to withdraw the United States Army from the Philippine Islands; to the Committee on Military Affairs.

By Mr. VAN DYKE: Resolution (H. Res. 173) in reference to the effect of the present ocean transportation rates upon the price of grain in the United States; to the Committee on the Merchant Marine and Fisheries.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON: A bill (H. R. 13235) granting a pension to Frank Riska; to the Committee on Pensions.

By Mr. ASHBROOK: A bill (H. R. 13236) granting an increase of pension to Mary Green; to the Committee on Pensions. Also, a bill (H. R. 13237) granting an increase of pension to Thomas W. Ford; to the Committee on Invalid Pensions.

By Mr. COX: A bill (H. R. 13238) granting a pension to Josephine Nolot, dependent child of Claude F. Nolot; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13239) granting an increase of pension to Isaiah Higdon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13240) granting an increase of pension to George D. Jacobs; to the Committee on Invalid Pensions.

By Mr. CRISP: A bill (H. R. 13241) granting a pension to Ralph H. Bryant; to the Committee on Pensions.

By Mr. CURRY: A bill (H. R. 13242) granting a pension to Charles Hughes; to the Committee on Pensions.

By Mr. GANDY: A bill (H. R. 13243) granting an increase of pension to Matilda J. Keeny; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 13244) granting an increase of pension to Ellen A. Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13245) for the relief of Emma Pierce; to the Committee on Claims.

By Mr. HAYDEN: A bill (H. R. 13246) for the relief of M. C. Wall; to the Committee on Claims.

By Mr. HOLLAND: A bill (H. R. 13247) for the relief of The Ferris Co.; to the Committee on Claims.

By Mr. KETTNER: A bill (H. R. 13248) granting an increase of pension to Alonzo Penland; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 13249) granting an increase of pension to Mary Pauley, widow of Joseph S. Pauley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13250) granting an increase of pension to Malinda Pauley, widow of Shadle R. Pauley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13251) for the relief of Sylvester B. Miller; to the Committee on Military Affairs.

By Mr. LIEB: A bill (H. R. 13252) granting an increase of pension to William T. Bullock; to the Committee on Invalid Pensions.

By Mr. LITTLEPAGE: A bill (H. R. 13253) granting an increase of pension to Emma L. Slack; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13254) granting an increase of pension to Mary Ashley; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H. R. 13255) granting an increase of pension to Helen L. Chadwick; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 13256) granting a pension to John L. Barber; to the Committee on Pensions.

By Mr. MOSS of Indiana: A bill (H. R. 13257) granting a pension to Reta S. Crosley; to the Committee on Pensions.

By Mr. NELSON: A bill (H. R. 13258) granting a pension to Minnie A. Bowman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13259) granting a pension to William Godenschwager, alias William C. J. Schmidt; to the Committee on Pensions.

By Mr. NOLAN: A bill (H. R. 13260) granting a pension to Frank W. Allen; to the Committee on Pensions.

By Mr. RUBEY: A bill (H. R. 13261) granting an increase of pension to Levi Maule; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13262) for the relief of W. C. Cannon; to the Committee on War Claims.

By Mr. SHERWOOD: A bill (H. R. 13263) for the relief of James A. Hardee; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 13264) granting an increase of pension to Luman W. Ames; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 13265) granting an increase of pension to Sarah Martin; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 13266) granting a pension to William C. Reininga; to the Committee on Pensions.

Also, a bill (H. R. 13267) granting an increase of pension to J. W. Hager; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13268) granting an increase of pension to Thomas H. Glenn; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 13269) granting an increase of pension to Orville Dunnington; to the Committee on Invalid Pensions.

By Mr. VAN DYKE: A bill (H. R. 13270) granting a pension to Emma Rudy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13271) granting a pension to Arthur Magoon; to the Committee on Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 13272) granting an increase of pension to Samuel E. Rumsey; to the Committee on Invalid 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. BAILEY: Petition of United Congregation, of 2,000 members, of Hollidaysburg, Pa., favoring constitutional amendment prohibiting polygamy; to the Committee on the Judiciary.

Also, petition of citizens of Johnstown; Broad Avenue Presbyterian Church, of Altoona; Christian Workers' Society, of Bethel; citizens of Bedford; and citizens of Altoona, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. BURKE (by request): Resolutions adopted by the First Presbyterian Church of Portage, and the Columbia County Christian Endeavor Union, of Columbia County, Wis., asking for the passage of an amendment to the United States Constitution providing for nation-wide prohibition; to the Committee on the Judiciary.

By Mr. COLEMAN: Petition of 52 citizens and 38 citizens of Wilkinsburg, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. COOPER of Ohio: Petition of citizens of Newton Falls and Methodist Sunday schools of Orangeville, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. CURRY: Petition of Sacramento Council, No. 953, Knights of Columbus, for the passage of House bill 4699, to make October 12 a legal holiday in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DALLINGER: Petition of Immanuel Baptist Church, of Cambridge, and Rev. A. S. Burrows and 12 citizens of Middlesex, both in the State of Massachusetts, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ELLSWORTH: Petition of the Baptist Church of Truman, and citizens of Redwood Falls, Winslow, and Delavan, all in the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ELSTON: Memorial of Oakland Rotary Club, favoring bill for new Federal building in Oakland, Cal.; to the Committee on Public Buildings and Grounds.

By Mr. ESCH: Petition of Woman's Christian Temperance Union of 70 people, of Pine River, Wis., for national prohibition; to the Committee on the Judiciary.

By Mr. FOSTER: Petition of citizens of Salem, Centralia, Trenton, Carlyle, Sandoval, Patoka, Vernon, and Vandalia, Ill., favoring the enactment of House bill 270; to the Committee on Ways and Means.

By Mr. FULLER: Petition of Allen Township, La Salle County (Ill.) Farmers' Cooperative Association, opposing the bill prohibiting interstate shipments of products of convict labor; to the Committee on Interstate and Foreign Commerce.

Also, petition of Local No. 650, International Association of Machinists, of Streator, Ill., favoring the Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. GALLIVAN: Petition of Gould & Cutler, of Boston, in re tax on alcohol; to the Committee on Ways and Means.

Also, memorial of Massachusetts Dental Society, in reference to reorganization of Army; to the Committee on Military Affairs.

By Mr. GLYNN: Petition of Rudolph F. Redmer and others, of Torrington, Conn., protesting against sale and export of arms and ammunition; to the Committee on Foreign Affairs.

Also, petition of Grange of Goshen, Young People's Society of Christian Endeavor of Goshen, and Congregational Church of Goshen, Conn., for national prohibition; to the Committee on the Judiciary.

Also, petition of Porter Library Association, of Hartford, Conn., protesting against House bill 4715, known as the Ayres bill; to the Committee on the Library.

Also, petition of George Held and others, of Waterbury, Conn., favoring issuing warning to Americans from taking passage on armed merchant ships; to the Committee on Foreign Affairs.

By Mr. HEATON: Petition of Woman's Christian Temperance Union of 73 people, of Tamaqua; Methodist Episcopal Church of 325 people, of Tamaqua; 50 members of the Trinity Reformed School, of Shenandoah, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HINDS: Petition of citizens of Westbrook; Methodist Episcopal Church of Gorham; U. D. S. S. Association of 100 people, of Windham; 21 citizens of Kennebunk and Kennebunkport; 26 citizens of Kennebunk; 24 citizens of Kennebunk; 84 citizens of Kennebunk; and Salus Lodge, Independent Order of Good Templars, of Kennebunk, all in the State of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HOLLINGSWORTH: Petition of citizens of Harrison County, Ohio, favoring a Christian amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HOPWOOD: Petition of residents of twenty-third congressional district of Pennsylvania, opposing the passage of House bill 6468, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. HUTCHINSON: Petition of 250 people of Trenton; 26 people of Plainfield; Woman's Christian Temperance Union of 115 people, of Trenton; 25 people of Yardville and Groveville; citizens of Plainfield, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island: Petition of Rhode Island Branch, American Federation of Labor, indorsing the Burnett immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Tyler Council, No. 45, Knights of Columbus, of Providence, R. I., favoring passage of bill making October 12 a legal holiday in the District of Columbia, to be known as Columbus Day; to the Committee on the District of Columbia.

Also, petition of 76 voters of Woonsocket, R. I., for national prohibition; to the Committee on the Judiciary.

By Mr. KETTNER: Petitions against House bills 6468 and 491, from W. F. Burgener, San Ysidro, Cal.; to the Committee on the Post Office and Post Roads.

Also, petition favoring House bill 9320, permitting insurance companies to file bills of interpleader from Henking & Randolph, San Diego, Cal.; to the Committee on Banking and Currency.

Also, petition asking that civil-service employees be granted leave of absence at full pay for time necessary for military training, from W. J. Brownfield, San Bernardino, Cal.; to the Committee on Reform in the Civil Service.

Also, petition favoring Senate bill 3981 and House bill 7656, retiring civil-service employees, from Nelson R. Phillips, secretary Branch 1470, City Letter Carrier Association, Anaheim, Cal., and Alice V. Robison, secretary Branch No. 1550, U. N. A. P. O. C., Anaheim, Cal.; to the Committee on Reform in the Civil Service.

Also, petition favoring House bill 6915 as a satisfactory method of retiring civil-service employees, from H. P. Dilworth, Hemet, Cal.; to the Committee on Reform in the Civil Service.

Also, petition asking for sufficient number of medical officers in Army reorganization, from Riverside County Medical Society, Dr. George E. Tucker, secretary; to the Committee on Military Affairs.

Also, petition favoring prohibition in Hawaii, from Anti-Saloon League of Hawaii, George W. Paty, secretary; to the Committee on the Judiciary.

Also, petitions favoring prohibition in the District of Columbia and national prohibition, from Del Rosa Woman's Christian Temperance Union, Ivy M. Smith, secretary, San Bernardino; Mrs. Mary Laubmayer and others, National City; Villa Park Woman's Christian Temperance Union, Mrs. A. M. Jessup, president, Orange; Christian Endeavor Society of Villa Park Congregational Church, Anna Adams, president; Villa Park Methodist Episcopal Church, Rev. G. W. Kitzmiller, Orange; San Bernardino County Christian Endeavor Union, Altie E. Kemble, president, San Bernardino; First Methodist Church, Riverside, Edgar W. Pasho; First Presbyterian Church, Bishop, Rev. S. E. Patterson; Woman's Christian Temperance Union, Mrs. A. F. Wallis, secretary, Brawley; Lucy J. Barnes and 27 other citizens of San Jacinto; Arlington Methodist Episcopal Church, Rev. C. A. Norcross, Riverside; Methodist Episcopal Church, La Mesa, Mrs. Florence McKinney; Baptist Church, Ernest E. Ford, La Mesa; Seventh-day Adventist Church, D. D. Lake, elder, Brawley; Prince Bros., Banning; Mrs. S. C. Dempsey and five other citizens of La Jolla; Seventh-day Baptist Church, R. J. Severance, Riverside; Christian Endeavor Society of the Seventh-day Baptist Church, E. Luella Baker, president, Riverside; Sabbath School, Seventh-day Adventist, Mrs. W. F. Martin, superintendent, Santa Ana; Sabbath School, Seventh-day Baptist Church, Riverside, Carrie C. Beebe, superintendent, all in the State of California; to the Committee on the District of Columbia.

By Mr. LAFFAN: Memorial of Brotherhood of Railroad Trainmen, of Jackson, Mich., favoring the retirement bill for Federal employees; to the Committee on Reform in the Civil Service.

By Mr. LEWIS: Petition of citizens of Sutton, Md., opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. LOUD: Petition from Arthur Rathke, of Bay City, Mich., that a civilized nation should warn its citizens to refrain from sailing on belligerent ships, and if such warnings were not heeded, such subjects would do so at their own peril and risk, and injuries so received to persons or property should

not involve nor implicate the Government of the United States; to the Committee on Foreign Affairs.

By Mr. McDERMOTT: Petition of Swedish Engineers' Society, of Chicago, favoring passage of bill providing for erection of a monument to Capt. John Ericsson; to the Committee on the Library.

By Mr. MAGEE (by request): Petition of citizens of Onondaga County, N. Y., for a Christian amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MOORES of Indiana: Petition of Indianapolis Mannerchor, against prohibition in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of 26 citizens of Perry Township, Marion County, Ind., for national prohibition; to the Committee on the Judiciary.

By Mr. NOLAN: Memorial of Contra Costa County Central Labor Council, of Richmond, Cal., favoring House bill 137; to the Committee on Appropriations.

Also, petitions of Board of Public Utilities, Los Angeles; Charles C. Moore & Co., engineers, San Francisco; and C. W. Koerner, Pasadena, all in the State of California, favoring passage of Senate bill 3946 and House bill 10845, providing for the extension of military training in civil educational institutions; to the Committee on Military Affairs.

Also, petitions of Furniture Handlers' Union, No. 1, San Francisco, Cal., Central Labor Council, Seattle, Wash., and Office Employees' Association, of San Francisco, Cal., favoring passage of the Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. NORTH: Petition of the following professional and business men of Kittanning, Pa., namely, George H. Burns, Ben L. Arnold, John F. Schuey, Dr. C. J. Jessop, Frank Atkins, Hon. M. A. Milliron, Hon. Dwight C. Morgan, Ward McCullough, George W. Dixon, Hon. M. S. Jack, A. G. Steffy, P. C. Hutchison, L. Bush, Superintendent H. L. McNeese, Hon. J. W. King, C. E. Harrington, James Perry King, W. A. Wolfe, W. S. Otto, E. J. Cushman, Dr. F. W. Heilman, M. C. Aubery, Charles Neubert, Dr. T. N. McKee, Dr. George K. Peacock, Harry C. Golden, J. A. Ditty, H. A. Heilman, J. M. Steim, P. E. Dixon, J. S. Brady, Edward King, H. Buffington, W. N. R. Copley, Dr. H. B. Stone, Donald Cameron, J. E. Bush, William G. Burge, Editor Roland B. Simpson, John E. Stevanson, Clarence O. Morris, Clark S. Hulings, E. R. N. Marten, William Cuptepete, C. A. Wolfe, Thomas B. Shunkle, J. Mark Williams, Dr. F. C. Monks, J. F. Carpenter, and John Moyer; praying for the favorable consideration of House bill 9048, introduced by S. TAYLOR NORTH, Member of Congress twenty-seventh congressional district of Pennsylvania, which provides for the erection of a public building in Kittanning, Armstrong County, Pa., on the site already owned by the Government, as provided by act of May 30, 1908, for the use and accommodation of the post office and other Government offices; to the Committee on Public Buildings and Grounds.

Also, petition of 40 citizens of Armagh and vicinity, 40 people of Queenstown, 412 people of Apollo, Woman's Christian Temperance Union of 707 people of Armstrong County, Men's Bible Class of Presbyterian Church of Cherry Tree, Woman's Christian Temperance Union of 30 people of Queenstown, all in the State of Pennsylvania, favoring national prohibition; to the Committee on the Judiciary.

By Mr. PAIGE of Massachusetts: Petition of Methodist Episcopal Church of Leominster and 34 citizens of Leominster, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. RANDALL: Memorial of Sacramento Development Association, of Sacramento, Cal., urging the establishment of the Lassen Volcanic Park in California; to the Committee on the Public Lands.

Also, memorial of Chamber of Commerce of Coalinga, Cal., favoring appropriation of \$300,000 for improvements in Yosemite National Park; to the Committee on Appropriations.

Also, memorial of San Francisco (Cal.) Association for the Study and Prevention of Tuberculosis, urging the creation of a commission to improve and supervise dairies; to the Committee on Agriculture.

Also, memorial of Brotherhood of Railroad Trainmen, favoring a national retirement law for Federal employees; to the Committee on Reform in the Civil Service.

By Mr. ROWE: Petition of Cuxhaven K. U. Verein of New York, in re foreign relations; to the Committee on Foreign Affairs.

Also, petition of Dr. Henry G. Wenzel, of New York, in re foreign relations; to the Committee on Foreign Affairs.

Also, memorial of Chamber of Commerce of the State of New York, in re pilotage bill; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Benjamin W. Freme, of Brooklyn, N. Y., in re House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

Also, petition of Gregor Manhart, of Brooklyn, N. M., in re prohibition in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ROUSE: Memorial favoring House bill 137; to the Committee on Rules.

By Mr. RUSSELL of Ohio: Petition of Men's Bible Class of First Presbyterian Sunday School of Greenville, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SABATH: Memorial of Bar Association of Illinois, indorsing House bill 133; to the Committee on the Judiciary.

Also, petition of Swedish Engineers' Society, of Chicago, Ill., indorsing bill for construction of a monument to Capt. John Ericsson; to the Committee on the Library.

By Mr. SMITH of Michigan: Petition of S. Sleeman and 18 citizens of Kalamazoo, Mich., favoring Webb-Smith-Sheppard-Gallinger joint resolution providing for the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

Also, protest of Charles S. Veeder and 17 citizens of Hillsdale County, Mich., against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, protest of L. O. Miller and 94 citizens of Kalamazoo, Mich., against House bill 491, the Siegel bill; to the Committee on the Post Office and Post Roads.

Also, protest of Elmer Losey and 86 citizens of Waldron, Mich., against Fitzgerald bill (H. R. 6468) and Siegel bill (H. R. 491); to the Committee on the Post Office and Post Roads.

Also, protest of C. S. Veeder and 14 citizens of Hillsdale County, Mich., against House bill 652, to provide for the closing of barber shops in the District of Columbia on Sundays; to the Committee on the District of Columbia.

By Mr. SNELL: Petition of Mrs. George F. Tuttle, Mrs. C. J. Vert, Mrs. W. E. Cross, Mrs. Orville W. Kellogg, Mrs. J. J. Robinson, Helen M. Carswell, Mrs. Edw. E. Baker, Mrs. D. F. Barker, Mrs. G. M. Lobdell, Helen M. Myers, Maude S. Beede, Mrs. G. H. Rymers, Miss Ellen A. Hewitt, Mrs. J. A. Black, Mrs. Sidney Whitelsey, Erminia J. Hall, Mrs. L. W. Hayes, Lucy R. Warren, Mrs. Albert M. Warren, Mrs. Hubert L. Barber, Mrs. Le Roy F. Utting, Mrs. T. Avery Rogers, Mrs. Benjamin I. Allen, Mrs. R. L. P. Mason, Margaret Mason, Mrs. A. A. Merrill, Miss L. A. Colson, Mrs. C. H. Jones, Mrs. John F. O'Brien, Mrs. W. W. Bell, Mrs. F. J. Riley, Mrs. Frank E. Tromblee, Miss Amie J. Adams, Mrs. J. O. Smith, Miss Lucy A. Hudson, Mrs. J. C. Stoughton, Mrs. Grant I. Clark, Mrs. W. H. Flint, Mrs. James Shaw, Mrs. Frederick M. Wilder, Mrs. C. S. Johnson, Mrs. John A. George, and Mrs. Herbert O. Dodge, all of Saranac Lake, N. Y., and members of Saranac Chapter, Daughters of the American Revolution, urging the passage of preparedness measures; to the Committee on Military Affairs.

By Mr. STAFFORD: Petition of resident of the fifth congressional district of Wisconsin, protesting against House bills 6468 and 491; to the Committee on the Post Offices and Post Roads.

By Mr. STEPHENS of California: Memorial of Labor Council, San Francisco, Cal., favoring wage scale for betterment of those employed under civil service; to the Committee on Reform in the Civil Service.

Also, petition of California Civic Association, James Douglas, and seven other citizens of Los Angeles, Cal., favoring an embargo on munitions of war; to the Committee on Foreign Affairs.

Also, petitions of J. K. Armsby Co., of San Francisco, Cal., and Cook, McFarland Co., of Los Angeles, Cal., favoring House bill 6097, protecting and promoting fish industry on the Columbia River; to the Committee on Merchant Marine and Fisheries.

Also, petition of Tri-County Reforestation Committee of Riverside, Cal., opposing Shields water-power bill; to the Committee on the Public Lands.

Also, petition of Retail Dry Goods Merchants' Association and sundry citizens of Los Angeles, Cal., indorsing House bill 138; to the Committee on the Post Offices and Post Roads.

Also, petition of International Brewery Workmen of America, of San Francisco, Cal., against national prohibition; to the Committee on the Judiciary.

Also, petition of State Building Trades Council, of San Francisco, Cal., favoring certain per diem wages in Government service; to the Committee on Reform in the Civil Service.

Also, letters and petitions, favoring national constitutional prohibition from Mrs. Terry Shappley and 75 other citizens of Los Angeles; Library Circle of the Chautauqua; Mrs. Clara Hughes; First Cumberland Presbyterian Church; Mrs. Hattie Dougherty and 300 other citizens; Mount Hollywood Church,

of Los Angeles; Clarence H. Lee and 4 other citizens, of Pomona, all of the State of California; to the Committee on the Judiciary.

Also, petition of Globe Grain & Milling Co., of Los Angeles, Cal., opposing the Rainey mixed-flour bill; to the Committee on Agriculture.

Also, memorial of Los Angeles Harbor Chamber of Commerce, of Wilmington, Cal., favoring establishing naval station and naval base and free port in Los Angeles Harbor; to the Committee on Naval Affairs.

Also, communication from North Alaska Salmon Co., San Francisco, Cal., in favor of House bill 19528, the Alaska fisheries bill; to the Committee on the Territories.

Also, letter from Labor Council, San Francisco, Cal., favoring House bill 12029, regulation of mesh in gill nets; to the Committee on the Merchant Marine and Fisheries.

Also, petitions of sundry citizens of Los Angeles and San Francisco, Cal., indorsing Senate bill 3946 and House bill 10845, military training in schools; to the Committee on Military Affairs.

Also, letters favoring Burnett immigration bill from Metal Polishers, Buffers, and Platers' Union, No. 67, Los Angeles; Ice Wagon Drivers' Union, of Los Angeles; Plumbers and Fitters' Local, Los Angeles; and Sacramento Federated Trades Council, Sacramento, all of the State of California; to the Committee on Immigration and Naturalization.

Also, letter favoring House bill 137, dairy investigation, from Dr. Walter C. Klotz, Los Angeles; and San Francisco Association for the Study and Prevention of Tuberculosis, San Francisco, all of the State of California; to the Committee on the Judiciary.

Also, resolution favoring House bill 348, to establish Lassen Volcanic Park, from Sacramento Valley Development Association, Sacramento, Cal.; to the Committee on the Public Lands.

Also, petitions favoring the Warren bill, from Mary Loy and seven other citizens of Los Angeles, Cal.; to the Committee on Military Affairs.

Also, resolutions from Los Angeles Harbor Chamber of Commerce, Wilmington, and Edward M. Fowler and 42 other citizens of Los Angeles, all of the State of California, favoring national and Pacific coast defense; to the Committee on Military Affairs.

Also, letter from Federal civil-service employees, San Francisco, Cal., favoring pay of customhouse laborers being raised to same as the post-office laborers; to the Committee on the Post Office and Post Roads.

Also, petition of Chamber of Commerce, San Francisco, Cal., favoring Senate amendment for three Indian warehouses; to the Committee on Indian Affairs.

Also, letters favoring an appropriation of \$300,000 for Yosemite National Park from California Club of San Francisco, Venice Chamber of Commerce, Venice; Richmond Industrial Commission, Richmond; Coalinga Chamber of Commerce, Coalinga; all in the State of California; to the Committee on the Public Lands.

Also, petition of O. H. Bagley and 11 citizens of Sawtelle; Juse E. Lowms and 74 other citizens of Los Angeles; William E. Ax and 19 other citizens of Los Angeles, all of the State of California, protesting against passage of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. STINESS: Petitions of Second Presbyterian Sunday School of 350 people, of Providence, R. I.; and Baptist Brotherhood of 200 people, of Providence, R. I., for national prohibition; to the Committee on the Judiciary.

By Mr. TEMPLE: Petition of citizens of McDonald, Pa., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Mrs. Zella George and 164 other members of the Grand Army of the Republic, favoring House bill 11535; to the Committee on Invalid Pensions.

By Mr. THOMAS: Petition of H. K. James in reference to our foreign relations; to the Committee on Foreign Affairs.

By Mr. TILSON: Petition of Elm Lodge, I. O. of M., of Meriden, Conn., urging passage of House bill 11168; to the Committee on Naval Affairs.

By Mr. WASON: Petition of Charles C. Sturtevant and 15 other residents of Keene, N. H., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of the Sunday school of the First Congregational Church of Kenne, N. H., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of C. H. C. Dudley and 12 other residents of Keene, N. H., favoring national prohibition; to the Committee on the Judiciary.

Also, resolutions of the Woman's Club of Milford, N. H., favoring the Linthicum resolution providing for a committee to investigate the sanitary condition of dairies; to the Committee on Rules.