

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate May 7, 1921.*

## ASSISTANT SECRETARY OF THE INTERIOR.

Francis M. Goodwin.

## DIRECTOR OF THE CENSUS.

William M. Steuart.

## REGISTER OF LAND OFFICE.

John Kelsey Jones, at Harrison, Ark.

## RECEIVER OF PUBLIC MONEY.

Willis W. Moore, at Harrison, Ark.

## PROMOTIONS IN THE ARMY.

## GENERAL OFFICERS.

*To be major generals.*

William Gray Price, Jr.

Avery Delano Andrews.

*To be brigadier generals.*

William Ruthven Smith, Coast Artillery Corps.

Dwight Edward Aultman, Field Artillery.

Johnson Hagood, Coast Artillery Corps.

Dennis Edward Nolan, Infantry.

William Durward Connor, Corps of Engineers.

Fox Conner, Field Artillery.

Preston Brown, Infantry.

Malin Craig, Cavalry.

Henry Davis Todd, Jr., Coast Artillery Corps.

Albert Jesse Bowley, Field Artillery.

William Hartshorne Johnston, Infantry.

Robert Alexander, Infantry.

## MEDICAL CORPS.

*To be captains.*

Charles Fremont Snell.

Jaime Julian Figueras.

## COAST ARTILLERY CORPS.

*To be first lieutenant.*

John Lawrence Hanley.

## QUARTERMASTER CORPS.

*To be captain.*

George Anthony Horkan.

*To be first lieutenant.*

Everett Roscoe Stevens.

## ORDNANCE DEPARTMENT.

*To be captain.*

Edward Elliott MacMorland.

## PROMOTIONS IN THE NAVY.

## MARINE CORPS.

*To be captain.*

Arthur H. Turner.

*To be first lieutenants.*

Thomas E. Kendrick.

Kenneth O. Cuttle.

*To be second lieutenants.*

Karl F. Umlor.

Thomas McK. Schuler.

Marvin V. Yandle.

Warren Sessions.

Leo Healey.

## POSTMASTERS.

## DELAWARE.

Richard F. McClure, Claymont.

## MAINE.

Pearl Danforth, Castine.

Joseph C. A. Daigenault, Jackman Station.

George M. Jackson, Millbridge.

## MASSACHUSETTS.

William J. Williams, Great Barrington.

Charles A. Kimball, Littleton.

Harry T. Johnson, Medway.

Edgar A. Craig, North Easton.

## NEBRASKA.

Henry Eichelberger, Crete.

Lewis A. Meinzer, Falls City.

Ernest W. Clift, Humboldt.

Edward B. Jameson, Lakeside.

Luther J. Saylor, Rising City.

Isaac L. Pindell, Sidney.

## SENATE.

MONDAY, May 9, 1921.

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

Our Father, we thank Thee for the sunlight of the morning. Grant that our hearts may be filled with light and life and joy, and enter upon the duties awaiting us with the consciousness of Thy smile upon us, and that we want to walk along the pathway of duty with Thy direction and under Thy guidance. Through Jesus Christ our Lord. Amen.

TRUMAN H. NEWBERRY, a Senator from the State of Michigan, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of the proceedings of Saturday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

## PETITIONS AND MEMORIALS.

Mr. NEW. I desire to present and have printed in the Record a copy of a concurrent resolution adopted by the Indiana Legislature, on behalf of the Great Lakes-St. Lawrence Tidewater Association, in approval of a plan to make the St. Lawrence River navigable for ocean-going vessels.

The resolution was referred to the Committee on Commerce, as follows:

A concurrent resolution approving the action of the governor in advancing the undertaking for a deep waterway from the Great Lakes to the Atlantic Ocean.

Whereas it is proposed to make such improvements in the St. Lawrence River as to make the Great Lakes accessible to ocean-going commerce, and as this improvement will in effect bring the State of Indiana hundreds of miles nearer the world's markets, and as there are within the State great resources that lie wholly undeveloped while the production of all things is diminished or retarded by distance from markets, and because our producers and the consuming public have alike suffered enormous losses in the last three years by transportation shortage and failure; and because by reason of these conditions the transportation situation constitutes an emergency need, and as a number of States have joined in the Great Lakes-St. Lawrence Tidewater Association, having as its object the early undertaking and completion of this improvement: Therefore be it

*Resolved by the senate (the house of representatives concurring),* That the State of Indiana is properly associated in the above-named organization with its neighboring Commonwealths in pressing to advance this undertaking, and that the action of the governor in so declaring is hereby approved and confirmed by the participation of this State, by the governor and those who represent him in the council of these States, is approved.

SEC. 2. That the representatives of this State in Congress of the United States be requested to facilitate and expedite in every way possible the prosecution of this undertaking for the economic freedom of a land-locked continent.

NOTE.—The above resolution was passed in Indiana Senate and House March 1, 1921.

The Great Lakes-St. Lawrence Tidewater Association desire it entered on the Senate's record in Washington.

Yours, truly,

C. H. COMSTOCK, Secretary.

INDIANAPOLIS, IND., May 5, 1921.

Mr. COLT presented a memorandum from Rev. M. Zalitach, sundry citizens, and sundry organizations of Americans of Ukrainian ancestry, in relation to the case of East Galicia, requesting that the Government of the United States recognize East Galicia, along with northern Bukovina, as an independent state, the west Ukrainian republic; that the Government of the United States recognize the lawful government of the west Ukrainian republic, namely, the government established by the Ukrainian national assembly under the leadership of Dr. Eugene Petrushevich; and that the Government of the United States, as one of the temporary sovereigns of East Galicia, demand of Poland that she immediately evacuate East Galicia, which was referred to the Committee on Foreign Relations.

Mr. WILLIS presented a resolution of the Lorain County Women's Christian Temperance Union, of Elyria, Ohio, favoring the reduction of armaments, which was referred to the Committee on Naval Affairs.

He also presented resolutions of the Optimist Club of Columbus and the Chamber of Commerce of Toledo, both in the State of Ohio, praying for the enactment of legislation providing adequate relief for disabled ex-service men, which were referred to the Committee on Finance.

## FEDERAL LIVE-STOCK COMMISSION.

Mr. NORRIS. By direction of the Committee on Agriculture and Forestry I report back favorably with several amendments the bill (S. 659) to create a Federal live-stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes, and I submit a report (No. 39) thereon.

The VICE PRESIDENT. The bill will be placed on the calendar.

## BILLS AND JOINT RESOLUTIONS INTRODUCED.

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

By Mr. TRAMMELL:

A bill (S. 1670) for the relief of Buffkin & Girvin; and .

A bill (S. 1671) for the relief of Edward B. Eppes; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 1672) for the appointment of William Edward Tidwell as first lieutenant in the United States Army; to the Committee on Military Affairs.

A bill (S. 1673) to authorize interstate cooperative associations; and

A bill (S. 1674) to amend an act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes"; to the Committee on Interstate Commerce.

A bill (S. 1675) to confer upon the Territorial courts of the Territory of Hawaii jurisdiction concurrent with the United States courts of that district of all offenses under the act of October 28, 1919, known as the national prohibition enforcement act; to the Committee on the Judiciary.

By Mr. ELKINS:

A bill (S. 1676) granting a pension to James H. Osburn; to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 1677) for the relief of the legal representatives of Henry D. Geddings; to the Committee on Claims.

A bill (S. 1678) for the relief of Edith B. Macon; to the Committee on the District of Columbia.

A bill (S. 1679) regulating the production of wares which enter into interstate commerce; to the Committee on Education and Labor.

A bill (S. 1680) to donate a gun or howitzer to the town of Winchester, in the State of New Hampshire;

A bill (S. 1681) to donate a captured German cannon to the city of Somersworth, N. H.;

A bill (S. 1682) to donate a captured German gun to the Gordon-Bissell Post of the American Legion, located at Keene, N. H.;

A bill (S. 1683) to donate a gun or howitzer to the city of Portsmouth, in the State of New Hampshire;

A bill (S. 1684) to donate a gun or howitzer to the town of Plaistow, in the State of New Hampshire;

A bill (S. 1685) to donate a gun or howitzer to the city of Dover, in the State of New Hampshire;

A bill (S. 1686) to donate a gun or howitzer to the town of Claremont, in the State of New Hampshire;

A bill (S. 1687) to donate a gun or howitzer to the town of Bennington, in the State of New Hampshire;

A bill (S. 1688) to donate a gun or howitzer to the town of Littleton, in the State of New Hampshire;

A bill (S. 1689) to donate a gun or howitzer to W. I. Brown Post, No. 31, Grand Army of the Republic, of Penacook, N. H.;

A bill (S. 1690) to correct the military record of John Sullivan;

A bill (S. 1691) to correct the military record of Samuel C. Rowe;

A bill (S. 1692) to correct the military record of Francis E. Barney (with accompanying papers);

A bill (S. 1693) to correct the military record of William N. Buck; to the Committee on Military Affairs.

A bill (S. 1694) granting a pension to Ursula S. Dinsmore;

A bill (S. 1695) granting an increase of pension to Nellie A. Sanborn;

A bill (S. 1696) granting a pension to Florence E. Thornburgh;

A bill (S. 1697) granting a pension to Grace P. Carter;

A bill (S. 1698) granting a pension to Charles Edward Stevens;

A bill (S. 1699) granting an increase of pension to John A. Laughlin;

A bill (S. 1700) granting a pension to Rufus E. Bean;

A bill (S. 1701) granting an increase of pension to Joseph Boudette;

A bill (S. 1702) granting an increase of pension to John W. Fletcher;

A bill (S. 1703) granting a pension to Dennis Ring (with accompanying papers);

A bill (S. 1704) granting a pension to Harriet A. Savage;

A bill (S. 1705) granting an increase of pension to Josephine Webber (with accompanying papers);

A bill (S. 1706) granting a pension to Henry Carroll; and

A bill (S. 1707) granting an increase of pension to Matthias V. Bridges; to the Committee on Pensions.

By Mr. FRELINGHUYSEN:

A bill (S. 1708) granting a pension to Annie M. B. Halsey; and

A bill (S. 1709) granting a pension to Mary H. Shupe; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 1710) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870 (16 Stat. L. p. 670), authorizing the Postmaster General to continue to use in the Postal Service Marcus P. Norton's combined post-marking and stamp-canceling hand-stamp patents, and directing him to "determine upon a fair, just, and equitable compensation for the use of said inventions" or arising otherwise; to the Committee on Post Offices and Post Roads.

By Mr. JOHNSON:

A joint resolution (S. J. Res. 53) proposing an amendment to the Constitution of the United States; and

A joint resolution (S. J. Res. 54) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

## AMENDMENT TO NAVAL APPROPRIATION BILL.

Mr. MCLEAN submitted an amendment, intended to be proposed by him to the naval appropriation bill, which was, on page 51, line 25, after the word "That," to insert "with the exception of submarine torpedo boats," so as to read: "Total increase of the Navy heretofore authorized, \$90,000,000: *Provided*, That, with the exception of submarine torpedo boats, no part of this appropriation can be expended except on vessels now being constructed," which was ordered to lie on the table and to be printed.

## AMENDMENTS TO EMERGENCY TARIFF BILL.

Mr. TRAMMELL submitted an amendment intended to be proposed by him to House bill 2435, the emergency tariff bill, which was ordered to lie on the table and to be printed.

Mr. FRELINGHUYSEN submitted an amendment intended to be proposed by him to House bill 2435, the emergency tariff bill, which was ordered to lie on the table and to be printed.

## PACIFIC COAST PETROLEUM INDUSTRY.

Mr. POINDEXTER. The report of the Federal Trade Commission, Part I, made pursuant to Senate resolution No. 138, is lying on the table. I move that it be printed as a public document.

The motion was agreed to.

## EMERGENCY TARIFF.

THE VICE PRESIDENT. Morning business is closed, and the calendar under Rule VIII is in order.

MR. REED. Mr. President, on to-morrow upon the convening of the Senate, or as soon thereafter as the business of the Senate will permit, I desire to submit some observations on the pending emergency tariff bill.

## AMENDMENT OF THE RULES—OPEN EXECUTIVE SESSIONS.

MR. HARRISON. Mr. President, some days ago I gave notice under the Standing Rules of the Senate that I would call up for the consideration of the Senate a resolution proposing to change Rules XXXVII and XXXVIII of the Standing Rules of the Senate, touching the closed executive sessions of the Senate, and providing that in the future there should be open executive sessions of the Senate in the consideration of presidential nominations and in the consideration of treaties, the only exception being when two-thirds of the Senators present concurring should vote for closed executive sessions of the Senate.

In pursuance of that notice I offer the following resolution and ask for its immediate consideration:

THE VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 73) was read, as follows:

*Resolved*, That clause 3 of Rule XXXVII of the Standing Rules of the Senate be amended so as to read as follows:

"3. Unless, by the concurrence of two-thirds of the Senators present, it is agreed to consider a treaty in executive session, all treaties shall be considered and acted upon by the Senate in open executive session."

*Resolved further*, That clause 2 of Rule XXXVIII of the Standing Rules of the Senate be amended so as to read as follows:

"2. All information communicated or remarks made by a Senator when acting upon nominations in executive session concerning the character or qualifications of the person nominated, also all votes upon any such nomination, shall be kept secret. If, however, charges shall be made against a person nominated, the committee may, in its discretion, notify such nominee thereof, but the name of the person making such charges shall not be disclosed. The fact that a nomination has been made, or that it has been confirmed or rejected, shall not be regarded as a secret."

*Resolved further*, That Rule XXXVIII of the Standing Rules of the Senate be further amended by adding at the end thereof a new clause, as follows:

"7. Unless, by the concurrence of two-thirds of the Senators present, it is agreed to consider a nomination made by the President in executive session, all nominations shall be considered and acted upon by the Senate in open executive session."

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Harrel	McNary	Simmons
Boorah	Harris	Moses	Smith
Broussard	Harrison	Nelson	Smoot
Bursum	Hefflin	New	Spencer
Cameron	Johnson	Newberry	Stanfield
Capper	Jones, N. Mex.	Nicholson	Stanley
Caraway	Jones, Wash.	Norris	Sterling
Colt	Kellogg	Oddie	Sutherland
Culberson	Kendrick	Overman	Trammell
Curtis	Kenyon	Phipps	Walsh, Mass.
Dial	Keyes	Pittman	Walsh, Mont.
Dillingham	Knox	Poindexter	Warren
Ernst	La Follette	Ransdell	Watson, Ga.
Fernald	Lodge	Reed	Watson, Ind.
Frelinghuysen	McCormick	Robinson	Williams
Glass	McKellar	Sheppard	Willis
Gooding	McKinley	Shields	Wolcott
Hale	McLean	Shortridge	

Mr. TRAMMELL. I wish to announce that my colleague [Mr. FLETCHER] is necessarily detained on committee business.

Mr. HEFLIN. I desire to announce that my colleague [Mr. UNDERWOOD] is necessarily absent on account of a death in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present.

Mr. KNOX. Mr. President, what is the request of the Senator from Mississippi?

Mr. HARRISON. I have moved the immediate consideration of the resolution proposing to amend the rules in accordance with the notice heretofore given by me.

Mr. ASHURST. Mr. President, this is Calendar Monday, and I must insist upon the regular order.

The VICE PRESIDENT. The calendar under Rule VIII is in order, and the first bill on the calendar will be stated.

#### THE CALENDAR.

The bill (S. 656) to create a bureau of aeronautics in the Department of the Navy was announced as first in order.

Mr. LA FOLLETTE. I ask that that bill may go over.

The VICE PRESIDENT. On objection, the bill will go over.

The bill (S. 1021) to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii was announced as next in order.

Mr. KENYON. Let that bill go over.

The VICE PRESIDENT. On objection, the bill will be passed over.

#### MARIVELES QUARRY, PHILIPPINE ISLANDS.

The joint resolution (S. J. Res. 28) authorizing the Secretary of War to investigate the claims of private parties to the Mariveles quarry within the limits of a United States military reservation in the Philippine Islands, and to permit the working thereof by the persons entitled thereto, provided military necessities permit, was considered as in Committee of the Whole.

The joint resolution was read, as follows:

*Resolved, etc.*, That the Secretary of War be, and he is hereby, authorized and empowered to make or cause to be made such inquiry and investigation into any equitable claims of such private parties in and to the stone quarries at Mariveles, Province of Bataan, in the Philippine Islands, within the limits of the United States military reservation as set aside by the President of the United States in Executive order of June 7, 1904, as may have filed claims with the War Department, or in other offices under its jurisdiction, and to permit the resumption of private operations therein by license or otherwise and to the extent that he may consider such claims of such parties entitle them to, with due regard to military necessities: *Provided, however*, that nothing herein authorized shall be deemed to remove the site of said quarry from the jurisdiction and control of the military authorities of the United States under and by virtue of the reservation made by the President as aforesaid.

Mr. JONES of Washington. Mr. President, I could not catch from the reading of the joint resolution what authority is proposed to be given to the Secretary of War to render a judgment or a decision. If any member of the Military Affairs Committee can give me any information in reference to that matter, I should like to have it.

Mr. ROBINSON. Mr. President, it appears that when the United States Government took possession of the Philippine Islands it also took possession of the lands upon which certain quarries were being operated. Those quarries have been regarded by the military authorities as necessary for military

purposes. They were prior to American occupation of the islands used as the principal source of building material for the city of Manila. It now, however, appears that similar material has been discovered in abundant quantities, and that there is no reason why the quarries should not be operated for commercial purposes and the output used in the construction of buildings in the city of Manila. For that reason the Secretary of War is authorized by the joint resolution to permit the former owners of the quarries to resume their operation.

Mr. JONES of Washington. The title of the joint resolution authorizes the Secretary of War to investigate the claims of private parties. What I wanted to learn was whether it authorized him to reach a conclusion, to pass on those claims, to determine the rights of the owners, and so forth; and if so, how far his action would bind the Government.

Mr. ROBINSON. The joint resolution is brief, and, as suggested by the Senator from Washington, its title is not very clear as to the authority which is proposed to be conferred on the Secretary of War. Under the joint resolution the Secretary of War is—

empowered to make or cause to be made such inquiry and investigation into any equitable claims of such private parties in and to the stone quarries at Mariveles, Province of Bataan, in the Philippine Islands, within the limits of the United States military reservation as set aside by the President of the United States in Executive order of June 7, 1904, as may have filed claims with the War Department, or in other offices under its jurisdiction, and to permit the resumption of private operations therein by license or otherwise and to the extent that he may consider such claims of such parties entitle them to, with due regard to military necessities: *Provided, however*, That nothing herein authorized shall be deemed to remove the site of said quarry from the jurisdiction and control of the military authorities of the United States under and by virtue of the reservation made by the President as aforesaid.

The sole purpose and effect of the joint resolution are to permit the parties who privately owned and operated the quarries prior to the military occupation of the islands by the United States to resume the possession of their property and their operation.

Mr. JONES of Washington. As I understand, the Secretary of War is to examine the equitable claims of these private parties?

Mr. ROBINSON. Yes.

Mr. JONES of Washington. Then, what can he do after he makes the examination? What report is he to make?

Mr. ROBINSON. The joint resolution gives him the power to permit the owners, if he finds their claims are sustained, to resume the operation of their quarries. That is the purpose of the joint resolution.

Mr. JONES of Washington. Is that the sole purpose of the joint resolution?

Mr. ROBINSON. Yes. I think the joint resolution once before passed the Senate. It was then presented to the committee by the Senator from Wyoming [Mr. WARREN], who was chairman of the Committee on Military Affairs at the time the United States Government took possession of the islands, and the statement made by the Senator from Wyoming to the Committee on Military Affairs made a very clear case that the joint resolution ought to pass.

In 1898, or about that time, owners were operating their quarries. They then passed into the control of the United States, and since that time the former owners have not been permitted to operate the quarries, the Government taking the position that the product of those quarries would be necessary for military purposes. Since that time, however, and comparatively recently, as I stated a moment ago, an abundance of building material has been found, and there is now no reason known to the Committee on Military Affairs, and no reason that suggests itself to me at this time, why the passage of this joint resolution would not be an act of justice to the parties who formerly claimed the property and operated it.

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

#### SUITS IN FORMA PAUPERIS.

The bill (S. 426) to amend an act entitled "An act to amend section 1, chapter 209, of the United States Statutes at Large, volume 27, entitled 'An act providing when plaintiff may sue as a poor person and when counsel shall be assigned by the court,' and to provide for the prosecution of writs of error and appeals in forma pauperis, and for other purposes," approved June 25, 1910 (36 Stats., p. 866) was considered as in Committee of the Whole.

The bill was read, as follows:

*Be it enacted, etc.*, That the act entitled "An act to amend section 1, chapter 209, of the United States Statutes at Large, volume 27, entitled 'An act providing when plaintiff may sue as a poor person and when counsel shall be assigned by the court,' and to provide for the prosecu-

tion of writs of error and appeals in *forma pauperis*, and for other purposes," approved June 25, 1910 (36 Stats., p. 866), be, and the same is hereby, amended so as to read as follows:

"That any citizen of the United States entitled to commence any suit or action, civil or criminal, in any court of the United States may, upon the order of the court, commence and prosecute or defend to conclusion any suit or action, or a writ of error or an appeal to the circuit court of appeals, or to the Supreme Court in such suit or action, including all appellate proceedings, unless the trial court shall certify in writing that in the opinion of the court such appeal or writ of error is not taken in good faith, without being required to prepay fees or costs or for the printing of the record in the appellate court or give security therefor, before or after bringing suit or action, or upon suing out a writ of error or appealing, upon filing in said court a statement under oath in writing that because of his poverty he is unable to pay the costs of said suit or action or of such writ of error or appeal, or to give security for the same, and that he believes that he is entitled to the redress he seeks in such suit or action or writ of error or appeal, and setting forth briefly the nature of his alleged cause of action or appeal: *Provided*, That in any criminal case the court may, upon the filing in said court of the affidavit hereinbefore mentioned, direct that the expense of printing the record on appeal or writ of error be paid by the United States, and the same shall be paid when authorized by the Attorney General."

Mr. JONES of Washington. Mr. President, I desire to ask the Senator from Minnesota [Mr. NELSON] what particular change the bill makes in the present statute. There is nothing in the reading of the bill to indicate the change which has been made.

Mr. NELSON. Mr. President, under the existing statute where a man has a meritorious case but is poor and without means the court may authorize him to sue in *forma pauperis*, as it is called in the old law Latin; that is, he may sue and the court will bear the expense. The rule of the court requires that when a case is appealed to the Supreme Court the record shall be printed, and the only change in existing law is the proviso at the end of the bill which authorizes the court to pay the expense of printing the record. That is the only change.

Mr. KENYON. The bill applies only to criminal cases?

Mr. NELSON. It only applies to criminal cases. I may add that the bill is recommended by the Department of Justice, and I think a similar bill was passed at the last session of Congress.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### CLOSING OF UPPER WATER STREET, DISTRICT OF COLUMBIA.

The bill (S. 813) to authorize the Commissioners of the District of Columbia to close upper Water Street between Twenty-first and Twenty-second Streets NW., was considered as in Committee of the Whole. It authorizes the Commissioners of the District of Columbia to close upper Water Street between Twenty-first and Twenty-second Streets NW., lying between Potomac Park and square 88, provided that the consent in writing of the owners of all private property in square 88 is first had and obtained; and upon the closing of the street between the limits named the Commissioners of the District of Columbia are authorized to transfer the land contained in the bed of the street to the Chief of Engineers, United States Army, as a part of the park system of the District of Columbia.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### BILL PASSED OVER.

The bill (S. 384) to require judges appointed under authority of the United States to devote their entire time to the duties of a judge was announced as next in order.

Mr. KENYON. Let that bill go over.

The VICE PRESIDENT. Under objection, it will go over.

#### STEVENS INSTITUTE OF TECHNOLOGY.

The bill (S. 52) for the relief of the Stevens Institute of Technology, of Hoboken, N. J., was considered as in Committee of the Whole. It proposes to pay to the trustees of the Stevens Institute of Technology, of Hoboken, N. J., \$45,750, being the sum paid to the United States January 28, 1870, as a collateral inheritance tax upon the bequest which provided for the establishment and endowment of the institute.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### REIMBURSEMENT OF MASSACHUSETTS FOR CIVIL-WAR EXPENDITURES.

The bill (S. 546) making an appropriation to pay the State of Massachusetts for expenses incurred and paid, at the request of the President, in protecting the harbors and fortifying the coast during the Civil War, in accordance with the findings of the Court of Claims and Senate Report No. 764, Sixty-sixth Congress, third session, was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay to the governor of the State of Massachusetts, or his duly authorized

agent, \$233,885.82, being the costs, charges, and expenses properly incurred by such State for interest and premium paid for coin in payment of such interest on bonds issued for money borrowed and expended at the request of the President of the United States during the Civil War in protecting the harbors and fortifying the coast, the accounting officers of the Treasury having found that the expenditures were so incurred and paid by the State; and which the Court of Claims in its report to Congress under the act approved July 16, 1916, as set forth in Document No. 369, House of Representatives, Sixty-fifth Congress, first session, also found had been so incurred and paid.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### WILLIAM B. LANCASTER.

The bill (S. 472) for the relief of William B. Lancaster was considered as in Committee of the Whole and was read, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William B. Lancaster, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, in full compensation for injuries received while employed by the Reclamation Service at the west portal, Strawberry Tunnel, Strawberry Valley project, Utah.

Mr. KENYON. Mr. President, will not the Senator from Utah [Mr. Smoot] give us an explanation of this bill? I think it is one that he introduced.

Mr. SMOOT. I shall be glad to do so, although the chairman of the committee is here.

Mr. ROBINSON. Mr. President, I reported that bill, and I shall be glad to make a statement about it.

Lancaster was working as a teamster at a rock quarry operated by the Government during the war. Through no fault of Lancaster, a large amount of refuse from the plant, including earth, became deposited on the roof of the building. While Lancaster was working under the roof as a teamster the roof was crushed in and Lancaster was very seriously injured. His injuries are pitiable. His suffering has been almost unlimited. He will never recover. A photograph of Lancaster as he appeared some years ago, when in the Army of the United States, was presented to the committee, with photographs of him as he appears now. A statement by Lancaster is also printed in the record.

There has never come under my observation a more pathetic case than that now under consideration. Lancaster was compelled to remain in the hospital for a very long period. The Government paid him what was the equivalent of a year's salary, but that was entirely consumed in the payment of his hospital expenses, so that as the result of the general compensation law now in force he has had a part of his expenses paid while he was suffering in the hospital, but has had absolutely nothing for compensation. The committee was unanimously of the opinion that this bill ought to pass.

Mr. SMOOT. Mr. President, I want to say also to the Senator from Iowa that after the year's salary was paid for Mr. Lancaster's care in the hospital he then had to find friends to give him money to continue his hospital treatment. I never in my life saw a human being alive and moving about in such condition as Mr. Lancaster is to-day. He is in a horrible condition. He is suffering to-day and will suffer all his life; and this \$5,000 is merely to try to pay the expenses he has incurred up to the present time, with perhaps a little to help him on, because he can not live very much longer.

Mr. KENYON. I was not objecting to the bill; I merely wanted to know about it. It is evidently a meritorious measure.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and open to amendment. If there be no amendment to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### AGNES INGELS, DECEASED.

The bill (S. 1300) for the relief of the heirs of Agnes Ingels, deceased, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of," to strike out "\$10,000" and insert "\$5,000," so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the heirs of Agnes Ingels, deceased, of Lexington, Ky., the sum of \$5,000 for injuries occasioned to the said Agnes Ingels while a visitor at Hot Springs, Ark., by the negligent operation of United States Government motor truck No. 25967 while said truck was in the care and custody of and being driven

by an enlisted man of the United States Army under the orders of his superior officer, and while the use of such truck was dangerous because of its defective condition, such condition being known to the officer responsible for the maintenance of said truck in operation, the injuries occasioned as aforesaid resulting in the death of said Agnes Ingels.

The amendment was agreed to.

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

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### AMENDMENT OF THE JUDICIAL CODE.

The bill (S. 214) to amend section 24 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was announced as next in order.

The reading clerk read the bill.

Mr. OVERMAN. Mr. President, perhaps I should explain this bill. It passed the Senate at the last session. Most of what has been read is the law now. It changes it only in this respect:

As the law is now, if a man has a claim of over \$10,000 against the Government, if he lives in Iowa, or no matter where he lives, he has to come to Washington and employ a Washington lawyer. He has to go before a court that has no jury. This bill extends the jurisdiction so that the courts may have jurisdiction of claims amounting to as much as \$50,000. The bill says \$100,000, but the committee has prepared an amendment making it \$50,000, so that if a man outside of Washington has a claim against the Government he has a right to sue in his own bailiwick and have a jury of his own peers.

Mr. POINDEXTER. Mr. President, let that bill go over. There is no report filed on it, and I should like to run through it and examine it.

The VICE PRESIDENT. There is an objection, and the bill will be passed over.

#### JAMES DUFFY.

The bill (S. 723) for the relief of James Duffy was considered as in Committee of the Whole, and was read, as follows:

*Be it enacted, etc.* That in the administration of the pension laws and the laws conferring rights and privileges upon honorably discharged soldiers, their widows and dependent relatives, James Duffy, late of Company A, Twenty-fourth Regiment Wisconsin Volunteer Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of the above organization on the 6th day of October, 1862: *Provided*, That no pay, pension, bounty, or other emoluments shall accrue prior to the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, was read the third time, and passed.

#### HENRY J. DAVIS.

The bill (S. 724) for the relief of Henry J. Davis was announced as next in order.

Mr. OVERMAN. Let that go over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

#### ORION MATHEWS.

The bill (S. 725) for the relief of Orion Mathews was announced as next in order.

Mr. OVERMAN. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

#### PAYMENTS FROM LUMP-SUM APPROPRIATIONS.

The bill (S. 581) to repeal the act prohibiting increased pay under lump-sum appropriations to employees transferred within one year was announced as next in order.

Mr. WARREN. Mr. President, I want to ask my friend from South Dakota [Mr. STERLING] to let that bill and the next one go over until he can get further along in the framing of his classification bill. They are matters that we will consider and act upon, but I do not think we should make the repeal at this time; so I object to the consideration of the bills.

Mr. STERLING. That is agreeable to me.

The VICE PRESIDENT. Senate bill 581 and Senate bill 582 will be passed over.

The bill (S. 158) for the relief of certain estates was announced as next in order.

The reading clerk read the bill.

Mr. SMOOT. Mr. President, I do not see the chairman of the committee in the Chamber. I therefore ask that this bill go over.

The VICE PRESIDENT. The bill will be passed over.

#### REUBEN R. HUNTER.

The bill (S. 906) for the relief of Reuben R. Hunter was announced as next in order.

The reading clerk read the bill.

Mr. SMOOT. Mr. President, I should like to have a direct appropriation made for this purpose rather than have the bill

pass as reported. It seems to me that in a case of this kind we ought to make a direct appropriation, and then we will know what amount will be paid.

Mr. JONES of New Mexico. Mr. President, the bill which was introduced in the last Congress did provide for a lump appropriation; but the Committee on Claims considered the whole subject, and at the suggestion of that committee it was changed to a monthly allowance instead of a lump sum. I should have been quite willing to have a lump sum provided for in the bill, but the Committee on Claims was apparently unanimous in the belief that this man ought to be put in the same position as an injured Federal employee.

The Senator from Utah doubtless will recall that in this case Mr. Hunter as a private citizen, not in the employ of the Government, participated in putting out a forest fire, and while so doing lost both his eyes.

Mr. SMOOT. Yes; I remember the case very well, and we have just passed a bill for a man named Lancaster whom we gave \$5,000. He certainly is in a horrible condition. I should like to prepare an amendment to this bill giving Mr. Hunter a direct appropriation; and for that reason, and that only, I shall ask that the bill go over for the day. I have not the amendment prepared or I would offer it at this time.

Mr. JONES of New Mexico. The chairman of the Committee on Claims is present, and I am sure the committee has fully considered that question. I am only fearful that if we let the matter be changed and make a lump-sum appropriation for this man's benefit a delay will result, and we may not be able to get the bill through the other House.

Mr. SMOOT. I assure the Senator that I shall have the amendment in next Monday, when the calendar comes up again.

Mr. JONES of New Mexico. At any rate, I should like to ask the chairman of the Committee on Claims a question as to the general policy of that committee regarding such relief measures.

Mr. SMOOT. I do not think any definite plan has been agreed upon, for we have just passed two bills of a similar character here and they were lump-sum bills.

Mr. JONES of New Mexico. I observed that that had been done, and I was just wondering whether there had been any change in the policy of the committee.

Mr. SMOOT. I ask that the bill may go over to-day, and I assure the Senator that I will have the amendment ready by next Monday.

#### PREFERENCE RIGHTS TO EX-SERVICE MEN.

The bill (S. 594) for the relief of certain ex-service men whose rights to make entries on the North Platte irrigation project, Nebraska-Wyoming, were defeated by intervening claims was considered as in Committee of the Whole, and was read, as follows:

*Be it enacted, etc.* That the ex-service men qualified to make entry under the homestead laws, who were successful at the drawing held March 5, 1920, for farm units on the North Platte irrigation project, Fort Laramie unit, Nebraska-Wyoming, and to whom approved water-rental applications were duly issued, but who were prevented from making homestead entries for the lands covered by such applications because of the reinstatement of certain conflicting homestead entries, shall each have a preferred right of entry under the homestead laws at the next opening of lands under said project, for not less than 30 days before the date set for the opening of such lands to other entries: *Provided*, That this act shall not be considered as entitling any person to make another homestead entry who shall have received the benefits of the homestead laws since being prevented, as aforesaid, from exercising the right acquired at the said drawing on March 5, 1920.

Mr. PITTMAN. Mr. President, I would like to ask the Senator having the bill in charge how many men this applies to?

Mr. WARREN. To two men.

Mr. PITTMAN. If I recollect correctly, I opposed the bill in the committee.

Mr. WARREN. I think there were originally 13 or 14 men asking for relief, and the department was able to arrange exchange and settlement with all but two. Those men were of the World War service and were entitled to preference, with others, and exercised their rights. They got their certificates and paid their money. In the meantime the Douglas, Wyo., land office raked up some later report showing that they had allowed this same property to go to other parties. So they are without the use of their homestead rights, and their money is gone. This bill simply provides that they can go to the next reclamation unit which is opened and get what they lost in this one in way of their homestead rights.

Mr. PITTMAN. I understand that the bill not only provides that they can go to the next unit but it provides that they shall have a preference right in the next unit.

Mr. WARREN. They had 60 days in which to file in the drawing on this unit we are speaking of—the Nebraska-Wyoming unit. This proposed bill cuts them down to 30 days. Quite likely when the next unit is opened the returned soldiers will

do as they did before—that is, exercise their preference rights in order that they may get desirable homesteads. Of course, they could not exercise their homestead rights while they were abroad.

Mr. SMOOT. The bill merely places the two men in the same position they were in before. They had a preference right in the drawing in this unit.

Mr. WARREN. They are out \$500 apiece. The Government has their money and they have nothing to show for it.

Mr. PITTMAN. It is perfectly fair that these men should have something. The question is as to whether it is fair as against another group of men who will draw on an entirely separate unit.

Mr. WARREN. But these two men did have their rights, and they pursued the course indicated for them. The fault is entirely with the Government. The Government has taken their money and their settlement rights. The bill gives them 30 days in which to file in a new drawing.

Mr. PITTMAN. How many applications were made at that drawing?

Mr. WARREN. I do not remember, but some thousands I believe.

Mr. SMOOT. There were some 12 soldiers who had the preference right. Ten were taken care of, and the report of the Secretary of the Interior gives exactly the reasons why these two men were not. It was through no fault of their own.

Mr. PITTMAN. I understand it was because the land they drew was not open to withdrawal.

Mr. WARREN. The department itself is asking for this relief. The bill was drawn in the Department of the Interior.

Mr. PITTMAN. As I understand it, there were over a thousand men seeking locations on those three units. It happened that of those who could get in on this project two drew blanks; in other words, they drew land which was not open to drawing. But they are in exactly the same position as about a thousand others.

Mr. WARREN. The Senator is entirely mistaken. Those who could not draw neither relinquished their homestead rights nor gave up their money. These two men relinquished their rights, and they paid their money for the water. We are simply giving back to them what makes them as nearly whole as possible because their loss was on account of a mistake of the Government itself through its agents.

Mr. PITTMAN. As I remember, in the committee all I insisted on, in which I was overruled, was that these men should be put in exactly the same position they were in before the drawing, and in exactly the same position a thousand other ex-soldiers were in who did not get in on that project, and that we should not give them a preference right over that thousand.

Mr. WARREN. The Senator certainly would not expect the Government to keep their money and give them no further right to a homestead.

Mr. PITTMAN. No; I want them to have their homestead rights restored, or I want their money given back to them; but I want them to have equal rights in the drawing with the next thousand who were excluded from this drawing. But I do not intend to object to the passage of the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, was read the third time, and passed.

#### PREFERENCE TO DISCHARGED SERVICE MEN.

The bill (S. 809) to give preference right of employment on construction work on United States reclamation projects, and preference right of entry on the public lands, to honorably discharged soldiers, sailors, and marines, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert:

That men and women who served in the Army or Navy of the United States in the war with Germany and have been honorably separated or discharged therefrom or placed in the Regular Army or Naval Reserve shall have preference in employment upon projects constructed by the United States Reclamation Service: *Provided*, That they are found to possess the capacity necessary for the proper discharge of such duties: *Provided further*, That the rights and benefits conferred by this act shall not extend to any person who having been drafted for service under the provisions of the selective service act shall have refused to render such service or to wear the uniform of such service of the United States.

The amendment was agreed to.

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

Mr. HARRISON. May I ask if the Senator from Utah is in charge of this bill?

Mr. SMOOT. I am not in charge of the bill.

Mr. HARRISON. I see the bill proposes to give preference to honorably discharged soldiers, sailors, and marines. The Senator from Utah is on the Finance Committee, which has had before it for eight or nine months a bill which passed the House of Representatives two sessions of Congress ago proposing to compensate soldiers, known as the adjusted compensation bill, or bonus bill. What is the status of that bill?

Mr. SMOOT. The bonus bill is now before the Finance Committee, and so far there have been no hearings held upon it at this session. I do not think there will be a necessity for any further hearings. I think the committee will report that bill to the Senate.

Mr. HARRISON. When, may I ask?

Mr. SMOOT. I can not tell exactly.

Mr. HARRISON. What is the Senator's best judgment about it?

Mr. SMOOT. It depends on how soon we get through with the hearings on the revenue bill.

Mr. HARRISON. Nothing will be done, then, on this soldiers' bill, even though the Senator's opinion is that it will not be necessary to have any more hearings, until after the hearings are closed on the general tariff bill and after it has passed the Senate?

Mr. SMOOT. I did not say that, and I do not want the Senator to take my answer as a positive statement. I was only expressing what I thought would follow. It may be reported to the Senate before those hearings are finished. The Finance Committee will meet every morning at 10:30, I suppose, for some weeks to come.

Mr. HARRISON. I do not want to pry into the secrets of the Finance Committee—

Mr. SMOOT. There are none.

Mr. HARRISON. No; I understand there are no secrets in any committee work; but has there been any motion made by anyone to bring that bill out during this session of Congress?

Mr. SMOOT. Mr. President, that committee have not as yet taken up their calendar for the consideration of any bills before it at this session.

Mr. HARRISON. Then there has been no motion made to bring that bill out of committee?

Mr. SMOOT. There has not.

Mr. HARRISON. The Senator will recall that about 10 days before the last Congress closed both the senior Senator from Pennsylvania [Mr. PENROSE], the chairman of the Committee on Finance, and his right bower, the Senator from North Dakota [Mr. McCUMBER], told a delegation of soldiers representing the American Legion, who came here, that in all probability that bill would be reported out immediately, and would be passed before the session closed. The Senator recalls that?

Mr. SMOOT. No; I do not know what they told the representatives of the American Legion.

Mr. HARRISON. I am only quoting what I saw in the papers.

Mr. SMOOT. What the Senator sees in the papers is not always just the fact.

Mr. HARRISON. So the committee is not going to make good the suggestion of those distinguished members of the committee made to this delegation representing the American Legion?

Mr. SMOOT. Mr. President, I do not think the representatives of the American Legion are in any way, shape, or form alarmed over what the Senate Finance Committee is going to do. I think they have confidence in the committee. I say to the Senator that I am positive the bill will be reported to the Senate, and I have not the least doubt but that it will pass the Senate.

Mr. HARRISON. I hope they have confidence that the committee will bring out that legislation. I think they are about the only ones who have.

Mr. SMOOT. I am sorry for the Senator from Mississippi if he has not any confidence in that committee.

The VICE PRESIDENT. The bill is in the Senate and open to further amendment.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to give preference right of employment on construction work on United States reclamation projects to honorably discharged soldiers, sailors, and marines."

#### EXCHANGE OF ARMS AND EQUIPMENT.

The bill (S. 1574) authorizing the Secretary of War to exchange, with foreign nations desiring same, samples of arms and equipment in use by the Army of the United States was considered as next in order.

MR. LA FOLLETTE. Let that go over.

THE VICE PRESIDENT. The bill will be passed over. The consideration of the calendar is completed.

EXCHANGE OF LANDS IN HAWAII.

MR. WARREN. Mr. President, I would like to know what became of Senate bill 1021, to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii.

THE VICE PRESIDENT. It went over on objection.

MR. WARREN. Does the RECORD show who objected?

THE VICE PRESIDENT. The Senator from Iowa [Mr. KENYON] objected.

MR. WARREN. That Senator is not in the Chamber at this time.

PERSONAL EXPLANATION—LEAGUE OF NATIONS.

MR. SPENCER. Mr. President, an incident occurred in the last campaign with which I was personally concerned and which has a certain public interest. I very much desire that at least my colleagues in the Senate should know the facts in chronological order as they actually occurred.

During this presidential campaign of 1920, while discussing before the people of Missouri the League of Nations and the relation of our country to its provisions, I said many times in effect that the undertaking of article 10 of the covenant, "to preserve as against external aggression the territorial integrity of all States members of the league," meant just what it said, and that a concrete illustration of the effect of this obligation upon the United States was to be found in the statement which I alleged President Wilson had made at the eighth plenary session of the peace conference on May 31, 1919, when he declared that the peace of the world depended upon armed strength and led the delegates then present, and particularly the Rumanian delegates, to believe that if at any time in the future their territorial boundary lines as established by the treaty of peace should become endangered an American Army and an American Navy would be sent to preserve the integrity of their territory, and I said in substance that this promise to send an American Army and an American Navy overseas was precisely the thing which the obligation of article 10 imposed and which the nations of Europe expected.

Mr. Joseph P. Tumulty, the then Secretary to the President, upon hearing of the statement which I was making, telegraphed to the St. Louis Post-Dispatch as follows:

The attention of the President has been called to a speech delivered in your State by Senator SPENCER, in which he quoted the President as saying in a speech delivered to a delegation made up of Rumanians and Serbs in Paris that if any nation ever invaded their territory he would send the American Army across the seas to defend their boundary lines.

The excerpt from the speech of Senator SPENCER has been called directly to the President's attention, and he authorized me to say that Senator SPENCER's statement is absolutely and unqualifiedly false.

I had then, as I confess I still have, a serious doubt as to whether at that time the attention of the President himself had ever been called to the statements which I was repeatedly making, but that the origin of the telegram which I have just quoted was entirely with Mr. Tumulty, and I made public, after reading Mr. Tumulty's telegram, the following statement:

No one familiar with conditions at Washington place any credence in the statement of Mr. J. P. Tumulty that the President himself has considered and denied what I have often said and what I expect to repeat again and again, and that is that the President, in his agreement, which he demands the American people shall, by "a solemn referendum," approve, has attempted to obligate this Nation to send its Army and Navy anywhere in the world where a boundary line is invaded, and that American soldiers shall "preserve against external aggression the territorial integrity of every member of the league" and in every part of the globe.

The President illustrated this pledge to the Rumanian delegates by assuring them that if the world was ever troubled again he would send an American Army and an American fleet.

It is significant that the first denial comes at this late date and from the President's private secretary, Mr. J. P. Tumulty, who dares, as he has again and again done in far more important matters, to speak in the voice of the President.

PROMISE MATTER OF RECORD.

The promise of the President is a matter of record. It has been printed over and over again in the public press and never denied. In the issue of the Century Magazine for May it was expressly set out and severely criticized by that distinguished author, Mr. Herbert Adams Gibbons. It was declared in the Senate months before that and was never denied. There can be no doubt about the promise or the intention of the President to bind the United States without any qualification or exception to send its Army and Navy into every world trouble wherever an invasion of a boundary line occurred.

It is now for the first time denied by Mr. J. P. Tumulty in the vain hope of stemming the rising tide of universal opposition to any such un-American obligation.

The American people never will agree to it. The American soldiers who fought in the Great War repudiate it. The conscience of the country protests against it. It is far more important than any political affiliation, and the record of the President's agreement in article 10 of the treaty and his promise to the Rumanians in the official stenographic notes of the eighth plenary session, as I have stated it, are facts the whole world knows.

Doubtless the newspapers which were publishing the matter promptly notified Mr. Tumulty of this statement which I made, for I soon received the following telegram from Mr. Tumulty, which I did not answer:

The newspaper representatives have called my attention to a statement given by you to the St. Louis papers, containing the following quotation:

"I do not for a moment believe that the President ever made any such denial, or that the matter was ever called to his attention, as J. P. Tumulty indicates in his letter. Anyone who knows the situation at Washington knows that Mr. Tumulty is himself conducting the administration of government far more than the President of the United States, and has become accustomed to issue orders and make statements originating entirely in his own mind, but falsely announced as having back of them the knowledge and sanction of the President."

I shall not attempt to characterize the reflection upon the President himself which is found in this statement. I shall leave to your conscience to say whether you consider this statement as worthy of a Senator of the United States. The statement you make charging that I have falsely issued a denial at the White House that the President had promised military aid to the Rumanians and Serbs is one that I can not allow to pass without comment.

It is a fact that the President, in his own handwriting, authorized me to say that the alleged quotation from you contained in the St. Louis Post-Dispatch was false. If you doubt the authenticity of the President's authority, his written direction to me is on file at the White House, where either you or any representative you may appoint may examine it.

(Signed) J. P. TUMULTY,  
Secretary to the President.

Very soon thereafter I received a telegram direct from President Wilson himself reading as follows:

Senator SELDEN PALMER SPENCER,  
St. Louis:

I have just been shown your statement that my secretary's denial of the previous statement by you that I had promised American military aid to Rumanians and Serbs was issued by him without my knowledge and sanction, and that you did not believe that I had made any such denial or that the matter was ever called to my attention by Mr. Tumulty, and that I requested him to issue the denial to which you refer.

I reiterate the denial.  
The statement you made was false.

WOODROW WILSON.

To this telegram I at once, on October 5, 1920, replied as follows:

ST. LOUIS, October 5.

The PRESIDENT,

White House, Washington, D. C.:

I beg to acknowledge receipt of your telegram of October 5, in which you deny that you promised American military aid to Rumanians and Serbs and that previous denial which Mr. J. P. Tumulty had made was at your request. The statement of yours to which I have often referred in my address was the statement in the stenographic notes of the eighth plenary session of the peace conference, in which you are reported to have said to Premier Bratiano of Rumania as follows: "You must not forget that it is force that is the final guaranty of the public peace. If the world is again troubled, the United States will send to this side of the ocean their Army and their fleet."

This statement appeared in the issue of the Century Magazine for May, 1920, in an article by that distinguished writer, Mr. Herbert Adams Gibbons, who, I am informed, was attached to your own publicity department in Paris. It was made upon the floor of the Senate on February 2, 1920, by Senator REED and, so far as I have learned, has never been denied until now. It has been widely circulated over the United States. If you did not make that statement to Premier Bratiano, I should be much indebted if you will be good enough to inform me.

I have, under date of April 11, 1921, received from the State Department in answer to my request a note in which the Secretary of State writes:

I send you herewith a copy of the statement by President Wilson on May 31, 1919, at the plenary session of the peace conference as set forth in the official report in English of the proceedings on that day.

The full and accurate text of what the President of the United States did say when speaking in English at the eighth plenary conference on May 31, 1919, I ask leave of the Senate to print in full as an appendix to my remarks.

THE VICE PRESIDENT. Without objection, permission is granted.

MR. SPENCER. The quotations from this official address which the President of the United States made, and which I desire to read, are as follows:

We must not close our eyes to the fact that in the last analysis the military and naval strength of the great powers will be the final guaranty of the peace of the world. \* \* \*

\* \* \* There underlies all these transactions the expectation on the part, for example, of Rumania, Czechoslovakia, and of Serbia, that if any covenants of this settlement are not observed, the United States will send her armies and her navies to see that they are observed.

The version of what the President said as written in French is reported as follows. Both the original in French and a literal translation thereof reads:

If the world finds itself troubled anew, if the conditions which we all regard as fundamental are again drawn into question, the guaranty which is given to you will mean that the United States will send to this side of the ocean their Army and their Navy.

I ask leave to have the original in French, as it will support it, also inserted in the RECORD.

THE VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Si le monde se trouve de nouveau troublé, si les conditions que nous regardons tous comme fondamentales, sont remises en question, la garantie qui vous est donnée a venir dire que les États-Unis feront passer de ce côté de l'océan leur armée et leur flotte.

Mr. SPENCER. After this controversy arose as to what President Wilson said it was reported to the American press by Premier Bratiano himself, who was present at the time President Wilson spoke, that the statement of the President was:

The allied and associated powers will guarantee to maintain as much as possible the just conditions to which they will have agreed. They take upon themselves this engagement and naturally upon them falls the principal responsibility.

It must not be forgotten that their force is the guaranty. The same argument applies to their authority. It is on the same basis that the minority States mentioned should understand that the principal powers will guarantee the very existence of these States.

Is it unjust that they agreed to this demand since conditions which we regard as fundamentally just are in question? The guaranty given to you amounts to this—that the United States will send from the other side of the ocean their Army and their fleet.

Mr. REED. Mr. President—

Mr. SPENCER. I yield to my colleague.

Mr. REED. Was the statement just read made to the representatives of Rumania and Czechoslovakia? What is the Senator now quoting from?

Mr. SPENCER. The quotation which I have just made is a statement of Premier Bratiano himself as to what his notes show was said by the President of the United States at the eighth plenary conference.

On October 6, 1920, in evident reply to my telegram of October 5, the President wired me as follows:

HON. SELDEN P. SPENCER,

*St. Louis:*

I am perfectly content to leave it to the voters of Missouri to determine which of us is telling the truth.

WOODROW WILSON.

To this telegram I replied as follows:

OCTOBER 6, 1920.

THE PRESIDENT:

Your telegram of date has been repeated to me while campaigning in the State. There must be no misunderstanding about a matter of such great national importance as to whether you stated to Premier Bratiano, of Rumania, that an American Army and Navy would be sent across the sea in case the world is again troubled. It has been for months publicly asserted that such agreement on your part is incorporated in the stenographic reports of the eighth plenary session of the peace conference. I again beg of you to let me know whether such is the fact.

SELDEN P. SPENCER.

To this telegram I received no answer.

The last statement from the White House was on the following day, October 7, 1920, and I beg the Senate to bear in mind that date, and in my judgment its bearing upon the whole controversy is perhaps the most important of all the statements. It was printed generally throughout the country and reads as follows:

The contribution to-day from the White House in the controversy between President Wilson and Senator SPENCER, of Missouri, who charged the President with having definitely promised the aid of the American Army and Navy to Rumania and Serbia at the peace conference, was a statement by Secretary Tumulty that the President has no stenographic report of the eighth plenary session, at which the promise is alleged to have been made, and that so far as the President knows there is no such record in this country.

The statement which the Missouri Senator has charged to President Wilson, and which is being used as part of the Republican campaign against the League of Nations, is said, according to various published reports, to have been made by the President at a session of the council of four on May 31, 1919. Mr. Spencer, however, referred to it as having been made at the eighth plenary session of the peace conference.

"President Wilson tells me there is no stenographic record of the proceedings of the conference in his possession," Mr. Tumulty said, "and so far as the President knows there is none in this country."

I did not at the time place any credence in the statement that there was no official copy in the hands of the President or accessible to him in the State Department containing a full account of what actually happened on May 31, 1919, and I recently requested of the State Department information in regard to this fact. Under date of April 15, 1921, I received a reply from the Secretary of State reading as follows:

THE SECRETARY OF STATE,  
Washington, April 15, 1921.

HON. SELDEN P. SPENCER,  
*United States Senate.*

MY DEAR SENATOR SPENCER: In answer to your letter of April 13, I beg to say that the records of the Department of State show that 500 copies of protocol No. 8, in English, from which the extract sent to you with my letter of April 11 was taken, were sent by the peace commission to the Department of State on July 9, 1919, and were received by the department on July 22, 1919. Three hundred additional copies, also in English, were sent by the embassy at Paris on February 12, 1920, and received in the Department of State on March 16, 1920.

I have the honor to remain,

Very sincerely yours,

CHARLES E. HUGHES.

I make no comment upon what this record shows. It speaks for itself with convincing force. I may perhaps be pardoned

for making the statement in conclusion, with reference to the last telegram sent to me from President Wilson, in which he expressed his entire contentment to leave the matter in issue between us to the voters of Missouri, that out of 114 counties in Missouri I carried 83 of them at the election of November 3, 1920, and that my majority over my distinguished opponent, who was the warm personal supporter of President Wilson's side of the controversy, and who was himself the Third Assistant Secretary of State when the facts in the dispute were happening, was 121,663.

#### APPENDIX.

FULL TEXT OF PRESIDENT WILSON'S ADDRESS ON MAY 31, 1919, TO THE PLENARY SESSION OF THE PEACE CONFERENCE.

"The President of the United States, speaking in English, makes the following speech:

"Mr. President, I should be very sorry to see this meeting adjourn with permanent impressions such as it is possible may have been created by some of the remarks that our friends have made. I should be very sorry to have the impression lodged in your minds that the great powers desire to assume or play any arbitrary rôle in these great matters, or presume, because of any pride of authority, to exercise an undue influence in these matters, and therefore I want to call your attention to one aspect of these questions which has not been dwelt upon.

"We are trying to make a peaceful settlement; that is to say, to eliminate those elements of disturbance, so far as possible, which may interfere with the peace of the world, and we are trying to make an equitable distribution of territories according to the race, the ethnographical character of the people inhabiting them.

"And back of that lies this fundamentally important fact that, when the decisions are made, the Allied and Associated Powers guarantee to maintain them. It is perfectly evident, upon a moment's reflection, that the chief burden of their maintenance will fall upon the great powers. The chief burden of the war fell upon the greater powers, and if it had not been for their action, their military action, we would not be here to settle these questions. Therefore, we must not close our eyes to the fact that in the last analysis the military and naval strength of the great powers will be the final guaranty of the peace of the world.

"In those circumstances, is it unreasonable and unjust that, not as dictators but as friends, the great powers should say to their associates, "We can not afford to guarantee territorial settlements which we do not believe to be right, and we can not agree to leave elements of disturbance unremoved, which we believe will disturb the peace of the world?"

"Take the rights of minorities. Nothing, I venture to say, is more likely to disturb the peace of the world than the treatment which might in certain circumstances be meted out to minorities. And therefore if the great powers are to guarantee the peace of the world in any sense, is it unjust that they should be satisfied that the proper and necessary guaranties have been given?

"I beg our friends from Rumania and from Serbia to remember that while Rumania and Serbia are ancient sovereignties the settlements of this conference are greatly adding to their territories. You can not in one part of our transactions treat Serbia alone and in all of the other parts treat the Kingdom of the Serbs, Croats, and Slovenes as a different entity, for they are seeking the recognition of this conference as a single entity, and if this conference is going to recognize these various powers as new sovereignties within definite territories, the chief guarantors are entitled to be satisfied that the territorial settlements are of a character to be permanent, and that the guaranties given are of a character to ensure the peace of the world.

"It is not, therefore, the intervention of those who would interfere, but the action of those who would help. I beg that our friends will take that view of it, because I see no escape from that view of it.

"How can a power like the United States, for example—for I can speak for no other—after signing this treaty, if it contains elements which they do not believe will be permanent, go 3,000 miles away across the sea and report to its people that it has made a settlement of the peace of the world? It can not do so. And yet there underlies all of these transactions the expectation on the part, for example, of Rumania and of Czechoslovakia and of Serbia that if any covenants of this settlement are not observed the United States will send her armies and her navies to see that they are observed.

"In those circumstances is it unreasonable that the United States should insist upon being satisfied that the settlements are correct? Mr. Bratiano—and I speak of his suggestions with the utmost respect—suggested that we could not, so to say, invade

the sovereignty of Rumania, an ancient sovereignty, and make certain prescriptions with regard to the rights of minorities. But I beg him to observe that he is overlooking the fact that he is asking the sanction of the allied and associated powers for great additions of territory which come to Rumania by the common victory of arms, and that, therefore, we are entitled to say: "If we agree to these additions of territory, we have the right to insist upon certain guarantees of peace."

"I beg my friend Mr. Kramar and my friend Mr. Trumbitch and my friend Mr. Bratiano to believe that if we should feel that it is best to leave the words which they have wished to omit in the treaty it is not because we want to insist upon unreasonable conditions, but that we want the treaty to accord to us the right of judgment as to whether these are things which we can afford to guarantee.

"Therefore the impressions with which we should disperse ought to be these, that we are all friends—of course, that goes without saying—but that we must all be associates in a common effort, and there can be no frank and earnest association in the common effort unless there is a common agreement as to what the rights and settlements are.

"Now, if the agreement is a separate agreement among groups of us, that does not meet the object. If you should adopt the language suggested by the Czechoslovakian delegation and the Serbian delegation—the Jugo-Slav delegation—that it should be left to negotiation between the principal allied and associated powers and their several delegates, that would mean that after this whole conference is adjourned groups of them would determine what is to be the basis of the peace of the world. It seems to me that that would be a most dangerous idea to entertain, and therefore I beg that we may part with a sense, not of interference with each other but of hearty and friendly cooperation upon the only possible basis of guaranty. Where the great force lies there must be the sanction of peace. I sometimes wish in hearing an argument like this that I were the representative of a small power, so that what I said might be robbed of any mistaken significance, but I think you will agree with me that the United States has never shown any temper of aggression anywhere, and it lies in the heart of the people of the United States, as I am sure it lies in the hearts of the peoples of the other great powers, to form a common partnership of right and to do service to our associates and no kind of disservice."

AMENDMENT OF THE RULES—OPEN EXECUTIVE SESSIONS.

Mr. ASHURST. Mr. President—

Mr. WATSON of Indiana. As the Senator from Arizona is about to address the Senate on his amendment increasing the duty on cotton, I ask that the unfinished business may be laid before the Senate.

Mr. HARRISON. Will the Senator from Arizona yield merely for a brief announcement?

Mr. ASHURST. I yield.

Mr. HARRISON. This morning before the regular order was demanded I had moved the consideration of a resolution, under a notice that had been filed some days before, to change the rules of the Senate. It is now only 40 minutes until the hour arrives to take up the unfinished business. I imagine that the resolution to which I refer will precipitate some debate, so I shall not press it during the morning hour this morning, but hope, with the acquiescence of Senators in charge of the pending legislation, to get it up to-morrow immediately following the speech of the senior Senator from Missouri [Mr. REED].

EMERGENCY TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue; to regulate commerce with foreign countries; to prevent the dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes.

Mr. ASHURST. Mr. President, some misapprehension exists as to the meaning of lines 14 and 15 on page 3 of the emergency tariff bill, and I shall ask the Senate to indulge me while I try to make an explanation as to what those words and figures mean.

It will be remembered that when the emergency tariff bill was pending before the Senate in the third session of the Sixty-sixth Congress I offered an amendment practically the same as the amendment I am now going to discuss. The amendment was to strike out the numeral "7" and to insert the numeral "20" in the bill. The lines to which I now address myself are found on page 3 of the bill, lines 14 and 15 thereof, reading as follows:

16. Cotton having a staple of 1½ inches or more in length, 7 cents per pound.

My amendment proposes to strike out the numeral "7" and to insert in lieu thereof the numeral "20," so that the rate of duty would be 20 cents on cotton having a staple or fiber 1½ inches or more. The remarks I am about to make may be tedious to Senators, as they are statistical in character, but I believe it is my duty to make some explanation in detail as to the expansion of this industry. I now read from a pamphlet entitled "Cotton Production in the Irrigated Southwest in 1920," by Mr. C. S. Scofield, of the United States Department of Agriculture:

"COTTON PRODUCTION IN THE IRRIGATED SOUTHWEST IN 1920.

"THE DEVELOPMENT OF THE INDUSTRY.

"[By C. S. Scofield, United States Department of Agriculture.]

"Prior to 1905 cotton was practically an unknown crop on the irrigated lands of the southwestern United States. An attempt was made to produce the crop in the San Joaquin Valley in California in 1873 and 1874, but high labor costs and the low prices for the product caused the experiment to be abandoned.

"From 1905 to 1912 numerous experiments with cotton were made in the irrigated valleys of Arizona and southern California, and by 1912 the crop was fairly well established in several places. In that year the first commercial quantity of cotton of the Egyptian type was grown. Varieties of the American upland type were produced in commercial quantities as early as 1909.

"From 1912 to 1920 the acreage devoted to cotton has increased rapidly, particularly in the last three years, when the stimulus of war demands and consequent high prices have been felt. It is probable that, including some 30,000 acres of upland cotton in the Pecos and Rio Grande Valleys in Texas and New Mexico, there have been not far from 500,000 acres devoted to cotton in the Southwest in 1920. This acreage includes also about 125,000 acres in Lower California, adjacent to the Imperial Valley, operated largely under American supervision, the product of which is marketed through American channels.

"Of this half million acres of cotton about one-half, or 250,000 acres, was devoted to the production of the Pima variety, which is of the type known commercially as Egyptian. This variety produces a fiber 1½ to 1¾ inches in length. For the acreage devoted to upland cotton there has been no standardization of seed supply, and there has been much varietal mixture and consequent deterioration. At first there were some fairly pure stocks of Triumph or Mebane (1-inch staple) and of Durango (1½-inch staple), but these have been intermixed and contaminated with still other varieties until there is practically no pure seed of upland cotton available for general planting in the Southwest. With the Pima variety there is an ample supply of pure planting seed available each year since 1917.

"During the last 10 years, within which the irrigated area devoted to cotton has extended from practically nothing to approximately 500,000 acres, there has been a very large extension of the area of irrigated land. In the aggregate and within the sections where cotton has been grown the increase of irrigated area has probably been nearly equal to the increase in cotton acreage. But the relatively high value of the cotton crop, and the requirements of capital, labor, and machinery for its production and marketing, and for the manufacture of its seed products, combine to make it a factor of the first importance in the agricultural complex of the irrigated Southwest.

"Because of its rapid growth and because of the profitable returns it has given in the past three years, this industry has attracted wide attention. In the matter of returns the industry has had two bad years—one in 1914, when the outbreak of the World War caused a temporary market stagnation, and the other in 1920, when a general decline in the prices of agricultural products set in late in the season, which had been conspicuous for the high costs of labor and materials required in production.

"It is still too early to determine the final effect of the present price recession on the cotton industry of this region, but it seems clear that it has temporarily at least reached the end of its first period of rapid expansion, and that it must from now on settle into a more stable equilibrium with its associated industries.

"THE TWO KINDS OF COTTON.

"The two kinds of cotton now being grown in the irrigated Southwest differ from each other in so many important respects—botanical, agronomic, and commercial—that they must be considered separately in order to avoid continual confusion in the discussion of the subject. It has been noted above that the upland type of cotton includes several varieties which have been hopelessly intermixed with consequent deterioration of quality and yield. The Pima cotton, on the other hand, is all of the one variety; the seed for the entire 250,000 acres grown in 1920 hav-

ing come from a single plant selected in 1911. Continuing care has been exercised to prevent varietal mixture either in the field or at the gin, and thus the most important, if not the only, cause of varietal deterioration has been eliminated.

Upland cotton can be matured in a shorter growing season than Pima. The latter requires a growing season of 275 to 300 days between frosts, while the former may be grown safely with 225 days. Upland cotton is ginned on saw gins, while the Pima variety is ginned on roller gins. The lint of both types is marketed in the same kind of bales, and the seed of both types is manufactured in the same way. It has been the general experience in the Southwest that upland cotton yields somewhat more lint per acre than Pima, possibly 30 per cent more, but the yields of seed cotton are approximately the same for both kinds. On the other hand, the lint of the Pima variety has the higher market value, possibly double that of upland. The production costs are about the same for both, while the harvesting costs are nearly twice as much for Pima as for upland. It is not the purpose here, however, to discuss the relative merits of the two types of cotton for the region under consideration, but rather to point out the differences, and then to discuss certain features of each branch of the industry separately.

*"THE UPLAND COTTON AREAS.*  
*"Pecos Valley.*

Proceeding from East to West, cotton is found under irrigation first in the Pecos Valley in New Mexico and Texas. In this region of high altitude and short growing season only upland cotton can be grown. The 1920 crop is estimated at 7,000 bales, which probably represents about 10,000 acres, of which a small portion is presumed to be Durango and the remainder is made up of varieties of the Texas big boll type. In 1918 the pink bollworm was reported from one section of the valley, but prompt measures have apparently been successful in checking its spread. The Mexican boll weevil has not been reported as causing damage in this section.

*"Rio Grande Valley.*

In the Rio Grande Valley, both north and south of El Paso, where water from the Elephant Butte Reservoir is available, upland cotton has been grown in 1919 and 1920. In the latter season it is reported that there were about 22,000 acres devoted to the crop. Earlier experiments with Pima cotton had shown that the season was too short for this variety because of the high altitude. Late in November, 1920, two areas of pink bollworm infestation were found. One just southeast of the city of El Paso and the other up the valley close to the line of New Mexico. The quarantine measures that may be necessitated by the presence of this insect, together with the present low prices for cotton, may cause a reduction of the cotton acreage in this section for the near future. The agronomic conditions have been very favorable, and if protection from insect injury can be had, the cotton crop should find an important place in this valley.

*"Yuma Valley.*

On the Yuma reclamation project conditions are favorable to the production of both upland and Pima cotton. Upland cotton was first grown there on a substantial scale in 1914, but adverse market conditions that year caused a reduction in the acreage in 1915, while from 1916 on there has been a rapid increase. In 1917 some Egyptian cotton of the Yuma variety was planted, but the returns from the upland varieties were so high that this type continued to be the more commonly grown. In 1920 special inducements were offered by several tire companies for the production of Pima cotton, so that about 10,000 acres were planted to that variety, while possibly 15,000 to 18,000 acres were planted to upland varieties.

As early as 1912 the Department of Agriculture recommended to the farmers of the Yuma Valley that they try cotton of the Egyptian type, but without result. In 1913 some Durango seed was distributed, and in 1914 Durango was planted extensively, as was Triumph and some other Texas varieties. At the present time the seed of these upland varieties has been so badly mixed that the 1920 crop is highly unsatisfactory. The quarantine regulations, both State and National, make it difficult, if not impossible, to import new supplies of planting seed, and there are indications that the farmers may be forced to establish for themselves locally supplies of pure seed for planting. It is not yet clear which of the varieties will be adopted, nor is it clear that in the present period of low prices there will be effective action taken to provide pure planting seed.

It has been demonstrated that very large yields of cotton can be secured in the Yuma Valley, particularly in the lower valley near Somerton and Gadsden. On some of this land cotton-root rot is serious. Some insect pests and plant diseases have been troublesome—for example, the cotton aphid, the cot-

ton stainer, and anthracnose. There have been some cultural difficulties, such as getting good stands and irrigating properly, but, on the whole, upland cotton has done well, and in years of good prices the crop returns have been satisfactory. Up to the present time neither the pink bollworm nor the Mexican boll weevil has been in this valley nor in the adjacent irrigated valleys of California.

*"Imperial Valley.*

For purposes of discussing the cotton industry the Imperial Valley may be held to include the area irrigated by the diversion from the Colorado River at Pilot Knob, just above the international boundary. This area includes something over 130,000 acres of land in the territory of Baja California, Mexico, and something less than 400,000 in Imperial County, Calif. Cotton has been produced in substantial quantities in this region since 1910. In 1920 almost the whole of the irrigated area in Baja California was planted to cotton, while about 90,000 acres of the irrigated land in Imperial County was planted to cotton, of which about 28,000 acres was planted to the Pima variety. Prior to 1920 the Pima acreage in the Imperial Valley was so small as to be negligible, but this year the tire companies secured the planting of this variety in Imperial County by a system of contracts similar to those used in the Yuma Valley. There was very little Pima cotton planted on the Mexican side of the line.

Except for two or three properties, all of the irrigated land in Baja California is operated under lease from the Colorado River Land Co. (successor of the California-Mexican Land & Cattle Co.). This cotton land is rented, generally for cash, first year \$2.50, second year \$5, third year \$7.50, and fourth and fifth years \$10 per acre. In addition, the renter pays the taxes, about \$1.60 per acre, and the water charge, about \$8 to \$9 per acre. This acreage has been operated in large properties with rather shiftless cultural methods. It is estimated by a man familiar with local conditions that not over 10 per cent of this cotton land has ever been plowed, almost no attempt has been made to grow other crops than cotton, possibly for the reason that the Mexican Government has maintained very high duties, either export or import, that have tended to discourage general farming. Most of the money used for growing the cotton crop on the Mexican side of the line is provided by American concerns, among which the Globe Milling Co. has been latterly one of the most important. This concern now owns most of the ginning plants in the Imperial Valley, as well as one or more oil mills. It bought out recently the properties built up by Messrs. Dale and Speer, of Fort Worth and El Paso.

The seed cotton, cotton seed, and cotton lint produced in Baja California is all marketed in the United States. On moving across the line through the port of Mexicali it is assessed the following export duties: For baled lint or seed cotton the export tax is equivalent to \$12.54, American money, for each 1,000 kilos. For cotton seed the export tax is equivalent to \$5.825, American money, for each 1,000 kilos. The Federal Horticultural Board of the United States Department of Agriculture is represented at Calexico by Mr. O. A. Pratt, who inspects the cotton fields in Baja California, supervises all imports from Mexico or the eastern United States with a view to preventing the introduction of dangerous insect pests, and issues permits for the importation of the Mexican-grown cotton into the United States.

In Imperial County cotton was grown in 1920 on rather less than 25 per cent of the cropped land. This proportion of the acreage in cotton would not be in excess of the limits of good farming if the crop were incorporated into a systematic rotation. Too often this is not the case. Much of the cotton is grown year after year on the same land or put on new land by renters. Prior to 1919 the whole Imperial Valley suffered a water shortage some time each summer, often at a time when the need of water was most acute for the cotton crop. As a result of these conditions, there have been many poor yields, and the crop as a whole has been scarcely profitable to the growers even during the recent years of high prices.

Partly because of these recurring water shortages and partly because of shifting and speculative propensities of the cotton growers of the valley, the cost of credit has been relatively high. There has been a conspicuous lack of community cooperation in dealing with such problems as seed supply, labor, and markets. Cotton production has not been handled efficiently, other industries have been periodically more profitable, and, taken as a whole, the cotton situation in the Imperial Valley falls short of being satisfactory. It seems probable that if the present marketing conditions continue the acreage next season will be reduced.

*"Coachella Valley.*

The Coachella Valley, which is the name applied to a north-westward extension of the same depression in which the Im-

perial Valley lies, has not been an important cotton-producing section. Early truck crops and dates have attracted more attention than cotton, though there are many good-sized fields of that crop in the valley this year. Previous experiments had shown that the climatic conditions were rather too severe for Pima cotton, chiefly because of strong winds in the spring and high summer temperatures. Some upland cotton has been grown with rather indifferent success for several years. In 1920 the high prices prevailing for Pima cotton in the Salt River Valley attracted the attention of farmers in the Coachella Valley and an aggregate of a few hundred acres of Pima cotton was planted. A somewhat larger acreage, probably not over 1,000 or 1,500 acres, was also planted to upland varieties, including some thought to be Durango.

"The water supply of the Coachella Valley comes from moderately deep wells which tap an underflow, fed from the mountains which surround it on the west. In the lower end of the valley, the southeastern end, these wells flow freely; at the upper end, the westward end, it is necessary to lift the water 15 to 25 feet, for which cheap hydroelectric power, supplied by the Southern Sierras Co., is used.

"At the Indio Date Garden, of which Mr. Bruce Drummond is superintendent, two small plats of upland cotton of the Acala variety were planted in the spring of 1920. One of these plats was located on desert soil and the other on land that had been in alfalfa. Both plats were well cared for though rather a poor stand was obtained on the plat on alfalfa land. Despite the severe summer temperatures, the plants on both plats grew well and fruited abundantly. Prior to November 30 the desert-soil plat of a little over one-half acre had been picked twice and had yielded at the rate of 3,300 pounds of seed cotton per acre. The other plat had not all been picked over at the date mentioned, but so far as then picked was yielding at the rate of 3,000 pounds of seed cotton per acre. These plats were planted with fairly pure seed of the variety, and because of this fact and the high yield and attractive appearance of the crop they were attracting wide attention both in the Coachella and Imperial Valleys. It seems probable that some attempt will be made to give this variety further trial in this region and possibly also to provide for the continued production of a pure seed supply.

"It is hardly to be expected that a large acreage of cotton will be produced in the Coachella Valley, nor that the Pima variety will be grown there, but it may be that a small acreage may be devoted to the production of the Acala or some other upland variety on a pure-seed basis, with a view to selling planting seed in the Imperial Valley, or even in Texas and Oklahoma, where there is a continuing demand for pure seed of good vitality.

*"San Joaquin Valley.*

"In the San Joaquin Valley the first serious experiments with cotton production were begun in 1917 near Bakersfield and Fresno. In 1920 there is assumed to be something like 20,000 acres of cotton in the valley, of which about half is upland and half is Pima. Bakersfield and Fresno continue to be the chief centers, but there are several fields around different points between these towns and the Boston Land Co. west of Fresno has planted some 2,500 acres of cotton, chiefly Durango.

"Most of the planting seed for the San Joaquin upland cotton was brought from the Imperial Valley and is badly mixed. There is one lot of Acala cotton from seed sent from Oklahoma by the Department of Agriculture in the spring of 1919 that was grown on about 100 acres of land in 1920, which is still fairly pure and has made a good showing.

"Most of the cotton in the San Joaquin Valley is grown with pumped water, which is relatively expensive. On some of the higher lands the lift required is 100 feet or more. Unless the price of cotton should continue relatively high it is doubtful if upland cotton can be grown profitably on the higher lands. On the lower lands where the water lift is less and where alfalfa, barley, and rice are now the chief crops, it may be practicable to continue the production of upland cotton, particularly if pure seed of the long staple varieties is used.

"The outstanding feature of the San Joaquin Valley is the fruitfulness of cotton. This is true both with the upland and the Pima. There is much less boll shedding than in the valleys south and east and the potential yield is correspondingly high. There is danger, however, that ripening of the late crop may be hindered by foggy weather.

"In addition to the areas enumerated above, upland cotton has been grown in a number of other localities in the irrigated Southwest, for example, in the Blythe district, the Parker Indian Reservation, and in several of the mountain valleys in southern California. In none of these has the acreage been very

large. In some of them cotton may become relatively important with the development of additional water supplies.

"The preceding paragraphs may be summarized in a tabular statement as to the irrigated acreage of upland cotton in the Southwest in 1920, with the reservation that these figures are merely provisional estimates.

*"Upland cotton in the irrigated Southwest in 1920.*

	Acres.
Pecos Valley	10,000
Upper Rio Grande Valley	22,000
Yuma Valley	18,000
Imperial Valley, Mexico	125,000
Imperial Valley, Calif.	60,000
Coachella Valley	1,000
San Joaquin Valley	10,000
Other valleys	9,000
Total	255,000

*"THE PRODUCTION OF PIMA COTTON.*

"Prior to 1920 Pima cotton was extensively produced only in the Salt River Valley in Arizona. Experimental plantings had been made in other localities and the variety was well known throughout the region in which its production is possible. The Egyptian type of cotton to which the Pima belongs was first produced in the Salt River Valley in 1912. From that year until 1916 the original American selection, known as the Yuma variety, was used. The Pima variety, which came from a single plant of the Yuma variety, was selected in 1911 and was carefully tested during the next four years. Its superiority had been so clearly established by 1915 that arrangements were made to substitute it for the older variety in the Salt River Valley. Accordingly, a supply of seed sufficient to plant 275 acres was furnished a group of farmers near Tempe, Ariz., in the spring of 1916 and from this acreage a supply of pure seed was produced with which to plant the entire cotton acreage of the valley in 1917. This one variety has been grown exclusively in that valley since that time. The purity of the variety has been maintained by separate ginning and careful field inspection.

"The progress of cotton production in the Salt River Valley is shown in the following table, which gives the acreage and the yield of cotton for each year since 1912. The figures for acreage are only approximate; those for yields are as given in the ginning report published by the Bureau of the Census.

*Cotton acreage and yields in the Salt River Valley.*

	Acres.	Bales.
1912	480	375
1913	3,800	2,135
1914	12,000	6,187
1915	2,000	1,095
1916	6,800	3,331
1917	29,000	<sup>1</sup> 15,966
1918	78,000	<sup>2</sup> 36,187
1919	85,000	<sup>2</sup> 42,374
1920	180,000	(*)

<sup>1</sup> In addition to the acreage in the Salt River Valley there were 4,000 acres in the Yuma Valley and 200 acres in the Imperial Valley which contributed to this yield.

<sup>2</sup> In 1918 it is estimated that Pima cotton was grown on 3,000 acres in the Yuma Valley, 3,000 acres in the Imperial Valley, 2,000 acres in the San Joaquin Valley, and 500 acres in the Palo Verde Valley, the yield of which is included above. In 1919 there was probably as much of an acreage grown outside of the Salt River Valley.

<sup>3</sup> The complete beginning return for the 1920 crop is not available at the time of writing.

"The price at which this cotton has sold each year is obviously a difficult matter to determine. In the earlier years, when the crop was small, fairly accurate information was available, but in the later years, when the crop was larger and the marketing season extended over many months during which price changes were sometimes very great, it was no longer possible to learn the price at which the crop left the producers' hands. The following figures are set down as the best estimate that can be made of the average price obtained by the grower each year:

*Approximate selling price of cotton in the Salt River Valley from 1912 to 1919, in cents per pound.*

	Cents.
1912	21
1913	18.5
1914	15.5
1915	22
1916	42
1917	80
1918	55
1919	85

"It will be observed from a comparison of the two tables above that a marked increase in cotton acreage has followed promptly on a sharp advance in price. The acreage increase in 1920 was still further stimulated not only in the Salt River Valley but elsewhere in the Southwest by two factors: The price of cotton advanced rapidly throughout the marketing season from

an opening around 60 cents to a final price of \$1.25, and several of the large tire manufacturing companies offered to contract with growers for the crop, with a guaranteed basis of 60 cents per pound and as much as 75 cents in some cases.

"The entire Pima acreage in the Southwest in 1920 may be provisionally estimated as follows:

	Acres.
Salt River Valley	185,000
Yuma Valley	10,000
Imperial Valley	30,000
San Joaquin Valley	10,000
Other valleys	5,000
Total	240,000

"From this acreage it would appear to be safe at the present time to estimate a crop of 120,000 bales.

"The entire acreage of irrigated cotton in the Southwest for 1920 may be estimated as follows:

	Upland.	Pima.
	Acres.	Acres.
Pecos Valley	10,000	185,000
Upper Rio Grande	22,000	10,000
Salt River Valley	18,000	125,000
Yuma Valley	60,000	60,000
Imperial Valley, Mexico	1,000	100
Imperial Valley, California	10,000	10,000
Coachella Valley	9,000	5,000
San Joaquin Valley	10,000	10,000
Other valleys	255,000	240,000
Total		

#### "GINS AND GINNING.

"The production of cotton involves the installation of gins and oil mills, and the character of the control of the former at least has a very important relation to the welfare of production. The following is a list of the roller gins operating in the Southwest in November, 1920, as furnished by Mr. S. H. Hastings and checked by Messrs. McLachlan and Camp:

##### "Roller gins in the Southwest in 1920.

###### SALT RIVER VALLEY.

Southwest Cotton Co.	180
McCall (Firestone)	80
Atha (American Thread Co.)	18
Tempe Exchange	10
Phoenix Ginning Co. (Fisk)	20
Farmers' Gin	20
Scottsdale (Cooperative)	10
Buckeye (Dunlap)	20
Mesa (Attaway-Phelps)	32
Total	390

###### YUMA VALLEY.

Southwest Cotton Co.	20
McCall (Firestone)	12
Total	32

###### IMPERIAL VALLEY.

Southwest Cotton Co.	40
Fowler (Fisk)	20
El Centro gin	6
Seeley	4

Total	70
-------	----

###### SAN JOAQUIN VALLEY.

Arvin and Shafter (Cooperative)	20
Wasco	10
Bakersfield	18
Fresno	8
Total	56
Grand total	548

"These roller gins are capable of turning out  $1\frac{1}{2}$  to 2 bales of cotton per day if run continuously with two shifts of men. When equipped with self-feeders a 10-stand plant requires a crew of eight or nine men for its operation.

"Notwithstanding the large number of gins in the Salt River Valley in 1920, this number was not adequate to keep up with the volume of cotton being picked at the height of the season. In the latter part of November there were estimated to be 30,000 cotton pickers at work in that valley, gathering daily at least 1,000 tons of seed cotton, or the equivalent of 1,000 bales of lint. The daily ginning capacity was hardly above 700 bales per day.

"The charge made for ginning Pima cotton in 1920 is \$1.20 per hundred pounds of seed cotton, which includes the bagging and ties and an assessment of \$4 per bale for the support of the organization that imports the labor for picking. It is said, on good authority, that the actual cost of ginning is somewhat higher than this. In 1912 and 1913 the regular charge for gin-

ning was about 50 cents per hundred pounds of seed cotton, or \$10 per bale, and the gins as then operated required the services of one man at each gin as a feeder.

"The mechanical feeders now in general use seem to be giving good satisfaction. Some new departures are being made in the covering of the rolls on the gins. Formerly the gin rolls were covered with strips of heavy leather, wound spirally on a wooden core and glued and pegged in position. Latterly a type of heavy hydraulic packing, made of rubber and cotton, has been used. At first this packing was put on in a series of disks pressed close together; later it was used in spiral strips alternating with strips of leather. Finally some rolls are being tried with the packing used alone in the spiral form just as the leather was formerly used.

"The ginning of the upland cotton crop, which is done with saw gins, is in general adequately provided for. In fact, in the Imperial Valley there were more saw gins than were needed for the volume of the crop coming off the plants at the end of November. The charge for saw ginning is this year 35 cents per hundred pounds of seed cotton, with an additional charge of \$2.25 per bale for bagging and ties.

"There are a number of oil mills in the Southwest for the manufacture of cotton seed. Prior to the war these mills paid about \$15 per ton for seed. This price was advanced during the war until in 1919 seed sold up to \$85, and possibly even as high as \$100, per ton. In 1920 the price of seed dropped back to the general level of \$15 to \$20 per ton. These prices were so disappointing that many farmers who had live stock were hauling their seed home from the gin with the intention of feeding it unless a better price could be secured.

"Up to the present time it has not been customary to compress the Pima cotton at primary shipping points. Some of the crop, moving eastward by way of Galveston, has probably been compressed for ocean shipment, but much of the crop has gone through to the mills in the low-density bales turned out at the gin. The upland crop, on the other hand, has largely been compressed at primary points. There are two compresses in the Imperial Valley, one at Imperial and the other at Calexico.

"The Pima crop is sampled at the gin before the bale is packed. The upland crop is sampled in the gin yard or at the compress, each bale being slashed on both sides for the sample.

#### "THE LABOR SITUATION.

"One of the earliest problems in connection with the establishment of cotton production in the Southwest was that of securing the labor for picking the crop. Labor has always been relatively scarce and high priced in these new regions, and it was feared that the labor requirements of the cotton crop might be difficult to meet. At first it was thought that it might be possible to draw upon the Indians of the various Arizona reservations for the cotton-picking season, and during the first years that cotton was grown numbers of Pimas and Papagos were brought into the Salt River Valley for the picking season. As the cotton acreage was extended, however, it became clear that the supply of Indian labor available would not be sufficient to meet the needs of the cotton growers and it was decided to seek additional labor in Mexico.

"The effective importation of Mexican labor required money and united action. To meet these needs the farmers of the Salt River Valley formed a labor organization and selected Mr. W. H. Knox to take charge of the work. The necessary money was raised by an ingenious expedient. All of the gin owners of the valley were persuaded to sign an agreement that they would increase the ginning charge by \$2 per bale above the regular charge and pay over to the labor organization the money so collected to be used as a fund for securing pickers.

"With these signed agreements as collateral the management of the labor organization was able to borrow from the local banks the money needed for its operations early in the season. This enterprise was launched in the summer of 1916. For the first two years labor was sought not only in Mexico but from Texas and Oklahoma and other points in the older cotton belt. Later it was found easier to get results from Mexico, so that recently that country has been the chief source of supply.

"It has been necessary for the labor organization to get a special dispensation from the Federal immigration authorities to bring this labor in. The immigrants not eligible for permanent entry must be returned to Mexico. It has been found advisable to bring in families, and this has necessitated the provision of medical care, shelter for living, and schooling for children. So far as can now be judged, this plan of importing labor has worked out well in the Salt River Valley. It has been possible to bring in sufficient labor to fill the need, and thus to prevent undue increases in the cost of cotton picking. At first the current rate of pay for cotton picking (Pima cotton) was

\$2 per hundred pounds of seed cotton. This rate has been increased from time to time until in 1920 the pickers are paid \$4 per hundred pounds.

"It is estimated by Mr. Knox that there were in the Salt River Valley in 1920 about 30,000 cotton pickers. Of these, about 15,000 were brought in from Mexico during the season, about 5,000 were Mexicans who had remained in the valley from previous seasons, and the remaining 10,000 included those diverted from other work in the valley and those who came in on their own account from other sections.

"Attempts have been made to extend the operations of the Salt River Valley labor organization to the Yuma and Imperial Valleys, but so far without conspicuous success. In the Imperial Valley south of the line it is possible to use Chinese, Japanese, and Mexicans almost without restriction, and that district has not suffered any serious labor shortage. North of the line it has been different, labor shortages have been perennial. This past season a serious attempt was made to form a central labor organization patterned after the one in the Salt River Valley. This failed because the gimmers would not all agree to assess their patrons and thereby raise the funds. As a result of this lack of organization picking costs have been higher both in the Yuma and Imperial Valleys than in the Salt River Valley and the picking has not been so well done. Apparently no organized effort was made to get cotton pickers for the crop in the San Joaquin Valley this past season. There was, in consequence, a shortage of pickers even at the price of \$5 per hundred, which is equivalent to 19 cents or 20 cents per pound of lint.

"It is estimated that on the average cotton pickers will gather from 60 pounds to 100 pounds of seed cotton per day when working in Pima fields and from 125 to 175 pounds per day in picking upland cotton. Thus on the basis of an average yield of 1,000 pounds of seed cotton per acre from Pima cotton provision must be made for 1 picker for each 6 acres of the crop. For upland cotton, on the other hand, the labor situation might be regarded as satisfactory if there were available 1 picker for each 12 acres.

#### THE COST OF PRODUCTION.

"It is not proposed here to undertake to state how much it costs to produce a pound of cotton in the Southwest. To do so would be like attempting to say how much it costs to build a house. But just as one might in the latter case set down some fairly precise information as to the local prices of brick, cement, lumber, and skilled labor so it is possible to make some estimates at least of the costs involved in the production of cotton. However, these can be no more than estimates. The actual costs will differ from farm to farm and from section to section.

"The production of cotton in the Southwest involves the use of land, of irrigation water, of certain agricultural implements, of labor both of men and horses, of skilled supervision, and finally seed for planting. Items of cost or value such as these may be assessed against each acre of land involved, regardless of the yield obtained. When the crop is ready to harvest the cost items are more conveniently charged against some unit of the crop as the 100 pounds of seed cotton or the bale of lint.

"This matter of production costs is always one of acute interest to cotton growers, but in 1920 the interest became abnormally keen as the season advanced and market prices for cotton declined. Growers and bankers alike felt the need of taking stock of the situation, not only to deal with the immediate problem of operating credits but also to determine a future course of action.

"It may be worth while before taking up current production costs to recall estimates made in 1913 and 1914, when cotton was a new crop in the Salt River Valley. Such estimates were published in Bulletin 332 of the United States Department of Agriculture. They may be listed as follows:

	Table IV.	Table V.
1. Fixed charges:		
Land rental or interest and taxes.....	\$12.00	\$17.25
Irrigation water.....	1.50	2.00
	13.50	19.25
2. Growing cost:		
Cultural operations and seed.....	15.00	15.10
Total per acre cost.....	28.50	34.35
3. Harvesting cost (per 100 pounds seed cotton):		
Picking.....	2.00	2.00
Hauling to gin.....	.21	.07
Ginning.....	.36	.56
Cost per 100 pounds seed cotton.....	2.77	2.63

"There were three different yields involved in the two tables cited above, (1) 1,200 pounds, (2) 1,800 pounds, and (3) 2,552 pounds, all in terms of seed cotton per acre. The first two were included in the estimate of Table IV and the third in Table V. If we divide the total cost per acre of Table IV by 1,200 we have \$2.37, which, with the harvesting cost of \$2.77, makes a total of \$5.14 per hundred pounds of seed cotton. Similarly we find for the 1,800-pound yield a total cost of \$1.58 plus \$2.77, or \$4.35. Finally, for the third case, with a yield of 2,552 pounds of seed cotton per acre, the cost is \$1.35 plus \$2.63, or \$3.98.

"The ginning experience in 1913 and 1914 was that 100 pounds of seed cotton would yield about 28 pounds of lint and 72 pounds of seed. The seed could then be sold at the gin for \$15 per ton, or 75 cents per hundred pounds. Thus, if we deduct from the cost of the 100 pounds of seed cotton the gin value of the 72 pounds of seed, we have, by dividing the 28 pounds of lint into the remainder, a figure for the net cost of the lint:

"Case 1. Yield, 1,200 pounds:  $\frac{\$5.14 - \$0.54}{28} = \$4.60$  = 16.4 cents per pound lint.

"Case 2. Yield, 1,800 pounds:  $\frac{\$4.35 - \$0.54}{28} = \$3.81$  = 13.6 cents per pound lint.

"Case 3. Yield, 2,552 pounds:  $\frac{\$3.98 - \$0.54}{28} = \$3.44$  = 12.3 cents per pound lint.

"These figures are approximately what was thought to be the cost of production of Egyptian cotton in the Southwest in the first years of the industry. At that time it was thought that this type of cotton might bring on the average 20 to 22 cents per pound, at which price a fair profit might be made if good yields were obtained. The importance of high yields, even at some increase in the cost of cultural operations, is very obvious. The proportionate amount of fixed charges is so large that it is only with large yields that the unit cost of the product can be reduced.

"With this background of prewar costs in mind, we can make a comparable list of the costs prevailing in 1920. It should be kept in mind that in the six years since the time of the earlier estimate land values, as well as the cost of labor and material, have increased very greatly. While the figures given below do not represent any extensive compilation of data, it is believed that they represent fairly well the average of the rather wide range of costs. In the case of land rental or its equivalent, interest on investment, the range for 1920 was very great. Some good land under a long period of rental cost the operator only \$15 per acre. On the other hand, land rented in the spring of 1920 committed the operator in some cases to as much as \$84 per acre for the year. The costs of land preparation and of irrigation water also varied greatly, though probably within narrower limits than the item of land rental. On the other hand, the costs of picking and ginning were nearly if not quite the same in all cases, and the costs of most of the other labor operations were not widely different.

*Cost of producing Pima cotton in the Salt River Valley in 1920, estimate.*

1. Fixed charges:		
Land rental or interest and taxes.....	\$35.00	
Use of machinery and equipment.....	3.75	
Irrigation water.....	5.00	
		\$43.75
2. Growing cost:		
Cultural operations and seed.....	30.50	
Supervision.....	5.00	
		35.50
Total cost per acre.....		79.25
3. Harvesting cost (per 100 pounds seed cotton):		
Picking.....	4.00	
Hauling to gin.....	.25	
Ginning.....	1.20	
Yardage, insurance, association fees.....	.35	
Picking, supervision, tents, etc.....	.15	
Total.....		5.95

"The ginning experience of 1920 showed that 100 pounds of seed cotton would yield about 25 pounds of lint and 75 pounds of seed. The price of seed was somewhat uncertain, but it is hardly safe to estimate it as above \$20 per ton. It is thought that the average yield in 1920 will turn out to be a little above 1,000 pounds of seed cotton per acre (0.5 bale), with many fields giving only 800 pounds and a few giving 1,600 pounds. To cover this range the cost estimates may be given for yields of 800 pounds (0.4 bale), 1,200 pounds (0.6 bale), and 1,600 pounds (0.8 bale). With these data the complete formula for determining the cost of production for any yield may be stated as follows: Divide the acre cost of production by the yield of seed cotton, to the quotient add the harvesting cost, from this sum subtract the value of the seed, and divide the remainder by the

lint percentage to obtain the net cost per pound of lint. For the three yields mentioned we have the following:

1. Yield 800 pounds per acre:

$$\frac{(\$79.25 + \$5.95) - .75}{800} = 60.4 \text{ cents.}$$

2. Yield 1,200 pounds per acre:

$$\frac{(\$79.25 + \$5.95) - .75}{1,200} = 47.2 \text{ cents.}$$

3. Yield 1,600 pounds per acre:

$$\frac{(\$79.25 + \$5.95) - .75}{1,600} = 40.6 \text{ cents.}$$

"If we add to these three the formula for the half-bale yield generally estimated for the Salt River Valley we have:

4. Yield 1,000 pounds per acre:

$$\frac{(\$79.25 + \$5.95) - .75}{1,000} = 52.6 \text{ cents.}$$

"This figure may be taken as a fair statement of the average cost of production for the valley in 1920.

"It may be proper at this point to consider the problem of how Pima cotton may be produced at a lower cost in the future. This reduction in cost may be accomplished either by obtaining larger yields or by lowering the land rental and wages, or by a combination of the two. If we are entering upon a period of economic readjustment during which lower prices prevail, it is inevitable that there must be lower returns on capital invested and a lower scale of wages for labor.

"Prior to the war land rentals in the Salt River Valley ranged around \$15 per acre, and the wages of farm labor were little more than half those prevailing in 1920. The prices of agricultural machinery were also much lower five years ago. It is, of course, impossible to forecast the rate or the extent of price readjustment, but it is the part of wisdom to consider seriously how to reduce production costs.

"In order to simplify this problem as much as possible, at least two basic assumptions may be made, one that Pima seed cotton will turn out 25 per cent at the gin and the other that seed will be worth \$20 a ton. With these two assumptions granted, it is possible to construct a table of cost and yield relationships that will show what yields must be secured with given production costs or what production costs can be allowed with a given yield in order to obtain cotton lint at a certain price. In this table production cost is held to include all charges assignable to an acre of cotton land, such as land rental or interest and taxes; use of machinery and equipment; irrigation water; all costs of growing the crop, such as preparation of the land and planting; planting seed; labor for irrigation, cultivation, thinning and weeding; and supervision of production operations. These items in the 1920 estimate, given above, totaled closed to \$80 per acre. The item in the table designated as net harvesting cost is made to include the cost of picking; hauling to gin; ginning; yardage, insurance, and association fees, picking supervision, tents, etc., less the value of the cotton seed at the gin. Thus, the net harvesting cost given in the 1920 estimate was slightly above \$5 per hundred pounds of seed cotton.

"The following table shows in a striking way how the cost of the lint declines as yields increase. Thus, in the first line of the table, with a production cost of \$80 per acre and a net harvesting cost of \$5 per hundred pounds of seed cotton, the lint cost is 60 cents per pound when the yield is 800 pounds of seed cotton per acre and only 36 cents per pound when the yield is 2,000 pounds of seed cotton per acre. On the other hand, if it is possible to reduce the production cost to \$50 per acre and the net harvesting cost to \$4 per hundred, a yield of only 1,000 pounds per acre can be made at 36 cents.

Table showing the net cost of cotton lint, in cents per pound, with different rates of production cost, harvesting cost, and yield of seed cotton.

$$\frac{P+H}{G} = C \quad G=25 \text{ per cent.}$$

P	H	Y		Y		Y		Y	
		800	1,000	1,200	1,400	1,600	1,800	2,000	
		Cents.							
\$80	\$5	60.0	52.0	46.6	42.8	40.0	37.7	36.0	
	4	56.0	48.0	42.6	38.8	36.0	33.7	32.0	
	3	52.0	44.0	38.6	34.4	32.0	29.7	28.0	
\$70	5	55.0	48.0	43.3	40.0	37.5	35.5	34.0	
	4	51.0	44.0	39.3	36.0	33.5	31.5	30.0	
	3	47.0	40.0	35.3	32.0	29.5	27.5	26.0	
\$60	5	50.0	44.0	40.0	37.1	35.0	33.3	32.0	
	4	46.0	40.0	36.0	33.1	31.0	29.3	28.0	
	3	42.0	36.0	32.0	29.1	27.0	25.3	24.0	

Table showing the net cost of cotton lint, in cents per pound, with different rates of production cost, harvesting cost, and yield of seed cotton—Continued.

P	H	Y 800	Y 1,000	Y 1,200	Y 1,400	Y 1,600	Y 1,800	Y 2,000
		Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
\$50	\$5	45.0	40.0	36.6	34.2	32.5	31.0	30.0
	4	41.0	35.0	32.6	30.2	28.5	27.0	26.0
	3	37.0	32.0	28.6	26.2	24.5	23.0	22.0
\$45	5	42.5	38.0	35.0	32.8	31.2	30.0	29.0
	4	38.5	34.0	31.0	28.8	27.2	26.0	25.0
	3	34.5	30.0	27.0	24.8	23.2	22.0	21.0
\$40	5	40.0	36.0	33.0	31.4	30.0	28.9	28.0
	4	36.0	32.0	29.3	27.4	26.0	24.9	24.0
	3	32.0	28.0	25.3	23.4	22.0	20.9	20.0
\$35	5	37.5	31.0	31.7	30.0	28.8	27.8	27.0
	4	33.5	30.0	27.7	26.0	24.8	23.8	23.0
	3	29.5	26.0	23.7	22.0	20.8	19.8	19.0
\$30	5	35.0	32.0	30.0	28.5	27.5	26.6	26.0
	4	31.0	28.0	26.0	24.5	23.5	22.6	22.0
	3	27.0	24.0	22.0	20.5	19.5	18.6	18.0

Note.—In the column headed "P" the production cost is given in dollars per acre. In the column headed "H" the net harvesting cost is given in dollars per hundred pounds of seed cotton. In each yield column is given the corresponding cost of lint in cents per pound. In making these computations it is assumed that the seed cotton yields 25 per cent of lint and that the seed is worth \$20 per ton.

"In considering the cost of producing upland cotton in the Southwest a somewhat different set of figures must be used. In some cases where upland cotton has been produced on less valuable land than Pima cotton the yields, in terms of seed cotton, have been approximately the same, though because of the higher ginning percentage upland has given distinctly higher lint yields. The cost of picking and ginning has been much less.

"On the other hand, the production costs, except for a possibly lower land rental, are approximately the same for the two kinds of cotton. The harvesting costs may be estimated for the season of 1920 as follows:

Harvesting cost (per 100 pounds of seed cotton, upland):

Picking	\$2.00
Hauling to gin	.25
Ginning, \$0.35, including bag and ties	.50
Yardage, insurance, association fees	.35
Picking supervision, tents, etc.	.15
Total	3.25

"From this total there may be deducted the value of the cotton seed at the gin. With a ginning outturn of 33 per cent of lint there should be left 67 pounds of seed, which may be estimated as worth \$20 per ton. This taken from the total harvesting cost leaves \$2.58 as the net harvesting cost.

"If it is assumed that the average yield of upland seed cotton in the irrigated Southwest in 1920 was 1,000 pounds per acre, or two-thirds of a bale, and that the production cost was as much as \$10 per acre less than for the Pima, because of lower land rental, we find by reference to the following table that the cost of lint would be close to 29 cents per pound.

Table showing the net cost of lint, in cents per pound, with different rates of production cost, harvesting cost, and yield of seed cotton.

P	H	Y		Y		Y		Y	
		800	1,000	1,200	1,400	1,600	1,800	2,000	
		Cents.							
\$80	\$2.50	37.9	31.8	27.7	24.9	22.7	21.0	19.7	
	2.00	36.4	30.3	26.2	23.4	21.2	19.5	18.2	
	1.50	34.9	28.8	24.7	21.9	19.7	18.0	16.7	
\$70	2.50	32.6	28.8	25.2	22.7	20.8	19.4	18.2	
	2.00	31.1	27.3	23.7	21.2	19.3	17.9	16.7	
	1.50	29.6	25.8	22.2	19.7	17.8	16.4	15.2	
\$60	2.50	30.3	25.7	22.7	20.6	18.9	17.7	16.7	
	2.00	28.8	24.2	21.2	19.1	17.4	16.2	15.2	
	1.50	27.3	22.7	19.7	17.6	15.9	14.7	13.7	
\$50	2.50	26.5	22.7	20.2	18.4	17.1	16.0	15.2	
	2.00	25.0	21.2	18.7	16.9	15.6	14.5	13.7	
	1.50	23.5	19.7	17.2	15.4	14.1	13.0	12.2	
\$45	2.50	24.6	21.2	18.9	17.3	16.1	15.2	14.4	
	2.00	23.1	19.7	17.4	15.8	14.6	13.7	12.9	
	1.50	21.5	18.2	15.9	14.3	13.1	12.2	11.4	
\$40	2.50	22.7	19.7	17.7	16.2	15.2	14.3	13.6	
	2.00	21.2	18.2	16.2	14.7	13.7	12.8	12.1	
	1.50	19.7	16.7	14.7	13.2	12.2	11.3	10.6	
\$35	2.50	20.8	18.2	16.4	15.2	14.2	13.5	12.9	
	2.00	19.3	16.7	14.9	13.7	12.7	12.0	11.4	
	1.50	17.8	15.2	13.4	12.2	11.2	10.5	9.9	
\$30	2.50	18.9	16.7	15.2	14.1	13.3	12.6	12.1	
	2.00	17.4	15.2	13.7	12.6	11.8	11.1	10.6	
	1.50	15.9	13.7	12.2	11.1	10.3	9.6	9.1	

Note.—In the column headed "P" the production cost is given in dollars per acre. In the column headed "H" the net harvesting cost is given in dollars per hundred pounds of seed cotton. In each yield column is given the corresponding cost of lint in cents per pound. In making these computations it is assumed that the seed cotton yields 33 per cent of lint and that the seed is worth \$20 per ton.

"It has been the general experience for many years that cotton of 1½-inch staple, such as the Pima, is worth in the market one year with another about twice as much per pound as upland cotton of 1-inch staple. There is no good reason for expecting that this price relationship will be changed materially in the near future.

"Even in the demoralized market at the close of the year 1920, when upland cotton is worth only 12 cents to 13 cents to the grower in the Southwest, Pima cotton could be sold at better than 30 cents. Where the two kinds of cotton have been grown on the same class of land in 1920 each yielding 1,000 pounds of seed cotton per acre, equivalent to one-half of a bale of Pima and two-thirds of a bale of upland, it will be seen by reference to the two preceding cost tables that the net cost of the Pima lint is nowhere twice as much as the net cost of the upland lint. Even with the lowest production cost given in the table, \$30 per acre, and allowing the corresponding net harvesting costs of \$5 for Pima and \$2.50 for upland, the table shows that for the 1,000-pound yield a lint cost of 32 cents for Pima and of 16.7 cents for upland. A comparison of these net costs with current market values gives no ground for changing from Pima production to the production of upland cotton.

#### THE IMPORTANCE OF INCREASED YIELDS.

"The most conspicuous feature of the cotton situation in the Southwest in 1920 was the importance of getting larger yields. It was to be expected that with such a large increase in acreage much of the land planted to cotton would be found unsuited to the crop, and many of the farmers with little or no previous experience would make serious mistakes in the cultural operations, particularly in irrigation.

"It is not the purpose here to attempt to point out in detail the mistakes made in land selection or in cultural practice. It is intended rather to point out that large yields are essential to cheap production. To make this point clear one has only to study the tables given in the previous chapter. Take, for instance, the first of these which deals with Pima cotton, the first line of which shows a production cost of \$80 per acre and a net harvesting cost of \$5 per hundred pounds of seed cotton. When the yield is 800 pounds per acre the net cost of lint is shown to be 60 cents per pound, while a yield of 2,000 pounds of seed cotton per acre, not an unusual yield for good land and good care, shows a net cost of only 36 cents per pound of lint.

"This matter can be stated in another way. Supposing there were two farmers growing cotton with a scale of harvesting costs that would net \$5 per hundred pounds of seed cotton and with a market outlet at 35 cents per pound for the lint, so that they would aim to make the crop for at least 33.3 cents per pound. If one of them should so handle his operations as to make a crop of 1,200 pounds of seed cotton while his neighbor with more skill or better land made 1,800 pounds per acre, the first farmer would get only \$40 per acre to cover production costs and land rental, while the other would have \$60 to apply on the same account.

"Some of the land in the Salt River Valley, for instance, is not well suited to cotton because of some inherent quality, such as alkali or liability to root rot. But for the most part, the low yields that have been obtained have been due either to adverse climatic conditions, improper cultural management, or lack of suitable crop rotation. Of these difficulties the two last named may be overcome and doubtless will be in large measure, as experience is accumulated.

#### THE CLIMATIC DIFFICULTIES.

"The cotton crop in the Southwest is subject to the hazards of climate no less than in the eastern cotton belt. Cold weather in the early spring, rain that crusts the ground after the crop is planted, wind and hail during the growing season, excessively hot weather during the flowering period, an occasional water shortage during the critical months of late summer when the crop is making, and early autumn frosts make up a formidable array of hazards. Add to these plant lice and cotton stainers, with an occasional epidemic of 'black arm,' and there are surely troubles enough.

"Fortunately, however, it is unlikely that all these adversities will occur in any one season. And there is one outstanding advantage, the season of the cotton harvest is seldom rainy or windy, so that field damage is relatively slight.

"The season of 1920 was characterized by a cold, late spring, followed by a period of favorable growing weather which was in turn followed by a period of excessive heat. The first killing frost in the autumn did not come until near the end of November, except in the San Joaquin Valley, where a killing frost occurred on October 31.

"In other seasons there have been killing frosts in all the southwestern valleys as early in the fall as was the case in the San Joaquin Valley this year. When a killing frost occurs it stops the growth of the cotton plant, but it does not ordinarily injure the bolls that are nearly or quite mature, but have not yet opened. It is the usual thing for these bolls that are full-sized, but green at the time of frost, to burst open within a week or 10 days after the frost, so that the final picking can be made.

"In the San Joaquin Valley this season it was observed that the normal frost opening did not occur, particularly on the lower lands of the valley. On the higher lands the early frost was less severe, and the weather after the frost was drier and nearly normal frost-opening occurred. On the lower lands, however, fields seen a month after the frost showed very little frost-opening. A few bolls on the upper part of the plant had cracked at the tip but had not fluffed out so as to permit easy picking, while the bolls on the lower part of the plant where the bulk of the crop was borne had not cracked at all.

"In seeking an explanation of this phenomenon it was learned that the weather in the valley during November had been unusually humid. There had been a number of rainy and cloudy days, and also many days in which the morning fog had hung over the valley bottom until well into the middle of the day. The humidity record of the Weather Bureau station at Fresno shows that the month of November, 1920, was more humid than normal, while the same month in 1919 was less humid than normal. The significant data are given in the following table.

"Dry-bulb temperatures in degrees F., and relative humidity in per cent for November, 1919, and November, 1920, and the normal relative humidity for the month, as reported from the Weather Bureau station at Fresno, Calif. Station located 89 feet above the ground:

	Dry bulb.			Relative humidity, per cent.		
	5 a.m.	Local noon.	5 p.m.	5 a.m.	Local noon.	5 p.m.
November, 1919, mean.....	43.1	61.1	62.3	59.4	35.9	31.5
November, 1920, mean.....	46.9	60.1	60.0	84.4	55.7	57.5
Normal.....	.....	.....	.....	78.3	49.2	45.0

"This delayed opening of the bolls was observed on both Pima and upland cotton, and if such conditions are found to be of frequent occurrence they may constitute a serious obstacle to the extension of cotton production in the lower part of the valley, where the cheaper land and cheaper irrigation water would otherwise favor such extension. This autumn humidity, if it proves to be a serious obstacle to cotton production, is the more to be regretted, because the climatic conditions of the summer appear to be particularly favorable to heavy fruiting of cotton. It has been observed that cotton plants of both types are more fruitful in the San Joaquin Valley than in the other valleys of the Southwest. They seem to produce more flowers and a larger proportion of the flowers develop into bolls than is the case in the other valleys.

"It is probable that this greater fruitfulness is associated with the less extreme summer temperatures, though other factors may be involved. It is clear that there is ordinarily much less boll shedding in the San Joaquin Valley than in the other southwestern valleys.

#### "BOLL SHEDDING.

"The flower of the cotton plant is borne at the node of a fruiting branch, the flower pedicel being attached to the node close to one side of axil of the leaf. When the plant is subjected to certain adverse conditions during the flowering period, the flower bud, the flower, or the young boll may be dropped off the plant by a process similar to that by which mature leaves are dropped from deciduous plants. This reaction is known as boll shedding, and is one of the chief causes of reduced yields in the Southwest. The exact cause of boll shedding is not yet definitely known. It is believed to result from a combination of high temperatures and a sudden change in the water supply available to the plant.

"It has been observed that upland cotton reacts more quickly to the conditions that cause shedding than Pima cotton, but, on the other hand, when these conditions become particularly severe the final loss to the Pima cotton is likely to be greater than to upland cotton. This may be explained by the capacity of the upland cotton to recover more quickly than Pima cotton and put on more fruit late in the season when conditions are more favorable.

"Boll shedding was so severe on Pima cotton in 1920 as to attract general attention. It is estimated that in some cases fully half the potential crop was lost in this way. In many fields the plants had practically no fruit on the lower branches, and the first few nodes on the branches near the middle of the plant had lost their fruit.

"The outstanding characteristic of the Pima cotton in the San Joaquin Valley was that the fruit was held on the lower branches as well as on the upper ones. Though final maturity was checked by an early frost, the crop was on the plants. The plants in the San Joaquin Valley bore fruiting branches at the eighth or ninth node of the main stem, and these lower branches held their crop. In the Imperial and Salt River Valleys, on the other hand, few plants bore fruiting branches below the sixteenth node, and often these lower branches were bare of fruit.

"There was sufficient uniformity in the plant reactions in the different valleys to indicate that climatic rather than cultural differences were primarily responsible. But there were sufficient differences from field to field in the same section to indicate that the adverse effect of climatic conditions could be minimized, to some extent at least, by the proper cultural practice. Just what this proper cultural practice is remains to be determined. It is probably to be sought in the matter of irrigation. There is some reason for believing that if the irrigation water is so applied that the plants do not suffer for water during excessively hot weather in the flowering period the tendency to shed the fruit may be checked. There is probably a soil relationship as well—that is, a soil that is very permeable and has at the same time a relatively high water-holding capacity, so that the extremes of available moisture supply are less acute, may be found to have a restraining effect on boll shedding.

"If it should be found that more uniform soil moisture conditions during the flowering period actually offsets to some extent the injurious effects of very hot weather, it would be important to avoid overdoing the remedy. During the early years of Pima cotton production it was observed that farmers were inclined to give the crop too much water during the early period of its growth. Too much irrigation early in the season appears to stimulate the vegetative growth of the plants at the expense of fruit production, and to increase also the difficulty of picking, because of the larger size of the plants. It may be possible to restrict irrigation early in the season before flowering time, thus checking excessive vegetative growth, and then irrigate frequently enough during the flowering and fruiting period, and particularly during the times of very hot weather, so as to check boll shedding, without forcing the plants into too much growth. Experiments to determine this point would seem to be well worth while; for, as the matter stands at present, boll shedding is a very serious factor in reducing yields in the irrigated Southwest, and cotton producers must find a way of getting larger yields if profitable crops are to be made under present economic conditions.

#### COTTON PRODUCTION AND OTHER CROP INDUSTRIES.

"It is a well-recognized fact that cotton production can not be continued on the same land for an indefinite number of years without a decline in yield. It is not possible, however, to predict the rate of decline in any given case. On some land, naturally rich, the rate of decline would probably be slow. In some cases as many as eight successive crops have been grown with the last one showing no serious signs of distress. In other cases the second or third successive crop has shown a marked decline in productivity.

"When cotton was first proposed as a crop for the Southwest it was thought that in case it proved profitable it might come to occupy as much as 25 per cent or even 30 per cent of the cropped land. With this proportion of the land in cotton it was thought that a satisfactory system of crop rotation could be worked out, including alfalfa, grain, and truck crops. The profitable production of grain and alfalfa in the irrigated Southwest presupposes the feeding of live stock on the farms, for these commodities are too bulky to justify long shipment to market. Live-stock production, in itself ordinarily profitable, also gives a by-product of farm manure which if used on cotton land greatly increases yields.

"The abnormal prices for cotton during and since the war have stimulated cotton production to such an extent that in the Salt River Valley at least the cotton acreage in 1920 was nearly equal to the combined acreage of all other crops. It is hardly to be expected that such a large proportion of the land in this valley will be put in cotton again in the near future. Already plans are being made to put some of the cotton land back into

alfalfa and more of it will doubtless go into grain sorghums next summer. But such crops are profitable only if fed to live stock on or near the project, and at the present time the live stock population of the Salt River Valley is not large enough to consume much more alfalfa and grain than is now grown.

"The obvious need for the welfare of that valley is to increase its live-stock population, but that is another story.

"The present discussion of cotton in relation to other crop industries may be limited to pointing out two important considerations, namely, these other industries should be profitable in themselves and not used solely or too largely as a means of maintaining cotton yields and thus stand, in a measure, as an expense against the cotton crop; and cotton can not be grown continuously and profitably under conditions where its essential associated crops, such as alfalfa and grain, can not be grown at a profit on their own account. This second consideration is intended to apply to those sections where, because of recent high prices, cotton production has been undertaken with land and water costs so high that the production of alfalfa and grain is conceded to be out of the question.

#### SYNDICATED COTTON PRODUCTION.

"The term 'syndicated production' is used here in reference to large scale production operations, whether individual, partnership, or corporate, as to management. When a single organization operates several thousand acres, all or chiefly in a crop like cotton, it has to deal with problems which differ in important respects from those of a farmer operating 100 acres or less. In the irrigated Southwest there are a number of cases where as much as 5,000 acres and even 10,000 acres of land is operated under a single management.

"There is, of course, nothing very unusual in this so far as size alone is concerned; the unusual feature lies in the fact that almost without exception those who are managing these large producing enterprises have had no previous experience or training in such work. Some of them may have had some farming experience and some of them have had experience in large-scale operations in other lines, but for most of them, if not for all of them, large-scale cotton production is a new experience. The remarkable thing, then, about these syndicated enterprises is not that serious mistakes and miscalculations have been made in their management, but that they have been even passably successful.

"These syndicated production enterprises, particularly those inaugurated by interests associated with the manufacture or use of cotton, have served one very useful purpose: They have given the farmers and bankers of the Southwest confidence in the ultimate stability of the market for cotton. These farmers and bankers, some of whom were at first skeptical as to whether there would be a satisfactory and continuing market for cotton, saw no further occasion for doubt on this point when the ultimate consumer began to invest large sums of money in production.

"There is no very obvious reason why cotton can not be produced on a large scale nearly or quite as efficiently and economically as on a small scale. But this can not be done if the large-scale producer does not know or disregards the fundamental agronomic or economic principles of cotton farming. Without undertaking to formulate all these fundamental principles, the following may be set down as among the more important for the cases under consideration:

"1. The average cotton farm is not very profitable and the large enterprise must get better than average yields at little if any more than average production costs if it is to return a profit on the investment.

"2. Expensive overhead costs must be avoided and labor must be continuously and effectively employed.

"3. Cotton must be grown in rotation with other crops if yields are to be maintained and labor and equipment effectively utilized.

"4. The other crops grown in connection with cotton for purposes of rotation must be so produced and utilized as to return at least a small profit on their own account and not stand as a liability against the cotton crop.

"5. The whole operation should be so conceived and conducted as to pay a reasonable return on the investment over a period of years and not so as to have to look for ultimate profit to an increase in land values.

"It may be urged that most of the actual profits that have been made in American farming have been derived from the progressive increase in land prices and not from the difference between production cost and crop returns. But it would be unsound economics to hold that the increase in land prices can go on indefinitely. There is reason for believing that in some sections of the country it has already gone too far.

"There may be a justification for syndicated cotton production when undertaken by cotton manufacturers which would not hold for others. This lies in the fact that certain users of cotton have such specialized requirements and their needs are so exigent that they can not afford to depend for their supplies of raw material on the hazards of a fluctuating market or the whims of a group of farmers who may change from one kind of cotton to another in a season or two. In such a case the cotton manufacturer might be justified in undertaking to produce all, or at least a large part, of the cotton he required, not so much because he could hope to do so cheaper than it could be done by farmers but because he could thereby reduce the hazards of his business.

"RELATIONS OF MANUFACTURERS TO COTTON PRODUCERS.

"One of the outstanding features of cotton production in the United States has been that cotton manufacturers have not maintained close relationships with cotton producers. Until recent years the two were completely separated geographically, cotton manufacturing being done almost wholly in New England or overseas. Within the last few years a number of cotton-manufacturing plants have been built in the South, but even these are quite as likely to draw their supplies of cotton from distant parts of the cotton belt as from near by.

"The producers of cotton and the users of the raw material have had almost no direct dealings with each other. The gap has been bridged by an elaborate system of middlemen. These middlemen have served, and doubtless continue to serve, many useful purposes, but they have also acted as a very effective insulation between the producers and manufacturers of cotton. It is very largely because of this insulation that the special needs and the ultimate discriminations of the manufacturers have been so slow in finding their way back to the producer.

"While the manufacturers of cotton have not maintained direct relationships with the producer, the manufacturers of cottonseed products have taken a different course. They have built their plants in the very midst of the cotton fields, and in many cases have built and operated ginning plants for the use of the farmers. Through these ginning plants the seed manufacturers have been able to establish direct relations with the producer. They have largely determined the kind of cotton that should be planted, because they have had planting seed to sell, and they have in many cases acted as the agents through whom the farmer secured credit for the production of his crop. Because of this advantage of position the cottonseed-oil man has been in position to influence the farmer in certain important matters. Were it to his interest to do so, he might exert a powerful influence in such matters as clean picking and better baling.

"This important advantage of position has only recently been appreciated by a few cotton manufacturers. These have begun, particularly in the Southwest, to establish gins, to furnish planting seed, to provide credit for growing the crop, and in some cases to contract in advance for the lint produced. This course of procedure may come to be regarded as an alternative to syndicated production. It has the advantage of being cheaper to undertake and of being less likely to result in serious loss.

"The service of establishing and operating a cotton-ginning plant and providing of credit for crop production partakes somewhat of the character and involves some of the responsibilities of a public service. Because of that fact, persons thus engaged are in a measure subject to public regulation, and unless the business is conducted in a satisfactory manner it will not be possible to exercise much influence through such agencies. If a cotton manufacturer aims to use these agencies as a means of obtaining a fairly constant supply of a certain type of cotton, he must so conduct them as to retain the confidence and good will of his patrons. This should not be a very difficult matter, particularly if he is prepared to operate this part of his business at a small profit or even at a small loss in order to provide himself with a continuing supply of cotton. Probably the most important feature of such an arrangement as the one outlined is the opportunity to provide cotton growers with planting seed. The kind of seed planted very largely determines the kind of cotton obtained, and it is upon the proper management of the ginning business that the purity and value of the seed supply depends.

"SEED SUPPLIES.

"Certain differences between Pima cotton and the upland varieties grown in the Southwest have already been mentioned. None of these differences is more marked than is the contrast as regards seed supply. Ever since Pima cotton was first grown in the Salt River Valley the matter of maintaining the purity of the seed has been given most serious consideration. A group

of farmers organized under the somewhat inappropriate name of the Tempe Cotton Exchange has assumed responsible leadership in supervising the production and distribution of planting seed. They have operated one 10-stand gin at Tempe, which has ginned only cotton from selected fields intended to supply seed. The seed is delinted and bagged at the gin and stored in a concrete warehouse. Each bag of seed is stamped with the variety name and the association mark, and it is now planned to ticket each bag with a certificate of inspection provided by the county agent.

"The records of field production of the seed supply are so handled that each bag of seed bears a number which shows when that particular stock of seed was inspected in the field to insure its purity. The system of field roguing and inspection has been described in detail elsewhere and need not be further mentioned here. During the past two seasons it has been necessary for the Southwest Cotton Co. to assist the Tempe Exchange in ginning and storing the seed supply. The capacity of the exchange gin is only about two and a half million pounds of seed, which has not been enough to supply the demand in the Salt River Valley and the other sections of the Southwest. In the spring of 1920 the demand for seed was so great that all of the pure seed was used for the first planting. The spring weather was cold and more than the usual replanting was required. As a result it was necessary to use some seed that had been run into oil-mill warehouses. Although this oil-mill seed was all grown locally, and therefore reasonably pure, there was enough seed in it of hybrid origin so that hybrid and off-type plants could be seen in every field in which it was used. This year's experience is a striking demonstration of the importance of guarding the seed supply continuously, even in a community where no other type of cotton is grown.

"It is hard to describe the seed supply situation in the upland cotton districts. There have been supplies of pure seed in these sections in time past. There was at one time a large supply of Durango seed and shipments of pure seed of other varieties have been brought in from time to time. These stocks have been so effectively mixed at the gins that it is now almost impossible to distinguish them. This mixture of varieties would be much less serious if it were possible to bring in new supplies of seed, but the danger of insect invasion is so great that it has been necessary to prohibit the westward movement of seed.

"The effect of this general mixture of the upland varieties has been shown both in decreased yields and in reduced prices for the lint. For several years the upland cotton from the irrigated Southwest sold at a premium over similar eastern cotton because of its bright color. Recently, however, there has been a pronounced tendency to discriminate against it because of the irregularity in length of staple, despite its better grade.

"If there is to be maintained a continuing production of upland cotton in the Southwest it seems clear that some provision must be made to produce locally a supply of better planting seed than that now available. In fact, it would seem that one of the best reasons for continuing to grow upland cotton on high-priced irrigated land would be found in the production of pure stocks of planting seed to ship to the main cotton belt. One of the serious problems in the east is that in wet seasons the seed loses its vitality before planting time. In this respect the seed from the dry western valleys would have a very great advantage.

"FINANCING AND MARKETING THE CROP.

"It may be assumed from the figures given in preceding pages that the cotton crop of the irrigated Southwest in 1920 will turn out about 120,000 bales of Pima cotton, about 160,000 bales of upland cotton, and about 170,000 tons of seed, and that the production and harvesting of this crop up to the time it is ready for market will involve the use of money or credit to the sum of about \$50,000,000. This money or credit is chiefly supplied through the local banks.

"In the case of the Salt River Valley alone the total investment in the production and harvesting of the Pima crop must be not less than \$20,000,000. The bank resources of Phoenix, the financial center of the valley, were reported in the recent census as \$27,500,000. Clearly the financing of the production of the cotton crop is among the most important of the problems of the Phoenix bankers. The daily interest charge on the money invested in the Salt River Valley cotton crop this year is something over \$4,000. With the turn of the year new calls must be met for funds for the next season's operations and other crops and industries demand credit accommodations, for only about half the acreage of the valley is devoted to cotton. The 1920 cotton crop must be placed on another credit basis.

"In the last two or three seasons the cotton crop was much smaller in amount, if not much less in aggregate value, and buyers from the east were bidding for it actively as it came from the gins. This season buyers are holding off. Some cotton has been consigned to eastern points on credit advances ranging from \$175 per bale down to \$100 per bale for Pima. These advances were not sufficient, in some cases at least, to release the cotton from the obligations already made against it. This situation was rapidly becoming serious in the latter part of November and continues so. It is receiving, as it deserves, the serious attention of the best minds in the community, and in this, as in other difficulties that have been met and overcome, there is a spirit of community action and community confidence that is indomitable.

"In conclusion it may be said that while the production of cotton under irrigation in the Southwest has scarcely yet passed beyond the experimental stage, it has been given a fair trial. The present indications are that it will be continued, though probably on a reduced scale, for the next few years. The experiment has gone far enough to demonstrate that good cotton can be grown, that varietal purity and high quality of product can be maintained where proper attention is given to the matter of seed supplies. At present it is doubtful if there is another crop that could be extensively substituted for cotton that would give better returns for the labor and capital invested."

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. MCKELLAR. I notice that the Senator's amendment is to increase the duty on cotton 20 per cent.

Mr. ASHURST. The amendment proposes to increase the duty from 7 cents a pound to 20 cents a pound.

Mr. MCKELLAR. Yes. I am informed that the provision of the bill making the duty applicable only to cotton having a staple of 1½ inches or more in length will exclude but very little Egyptian cotton; that the greater part of the Egyptian cotton that comes to this country now has a staple of less than 1½ inches in length. If that is true, it would be immaterial what the tariff is on cotton if the length of staple covered by the bill is so great that Egyptian cotton would not be excluded.

Mr. ASHURST. The Senator is correct. On this point I now read again from the Government publication entitled "Cotton Production in Southwest:"

This variety—

That is, our southwestern cotton grown on irrigated land—produces a fiber 1½ to 1¾ inches in length.

I introduced an amendment to the emergency tariff bill last February proposing to strike out the fraction "three-eighths" and insert "one-eighth," so that if the bill should pass the cotton growers of the Southwest, who were so distressed, might obtain some relief. I voted for the bill in the vain hope that the psychological effect might be of some value to the cotton growers, but it would have been practically of no benefit, first, because the duty was too low and, secondly, because the figures "1½" should have read "1½" or "1¾."

Mr. MCKELLAR. One and one-eighth would be better. A great deal of cotton similar to that which is raised in the Senator's State is raised in the Mississippi Delta just below where I live, and a great deal is also produced in Florida, some in South Carolina, and probably in other portions of the country to a small extent; but none of this long-staple cotton will be benefited in any way if the 1½-inch provision is permitted to remain in the bill. It would make no difference how high the tariff duty is on it if no Egyptian cotton were kept out.

Mr. ASHURST. The production of sea-island cotton last year dwindled to 1,725 bales—400-pound bales, I believe. The length of fiber as at present prescribed in the bill might give some relief to the growers of those 1,725 bales; that would be about all.

Mr. TRAMMELL. Mr. President, if the Senator will yield, I will state that, having in view the contention made by the Senator from Tennessee, I have proposed an amendment to make the length of staple 1½ inches instead of 1¾ inches. I have an amendment of that kind pending.

Mr. MCKELLAR. Mr. President, if the Senator from Arizona will yield further, as I understand the situation, the present wording of this bill is unimportant in so far as long-staple cotton produced in the United States is concerned, for long-staple cotton will be admitted under the terms of the bill.

Mr. ASHURST. I yield.

Mr. MCKELLAR. My understanding is that practically no Egyptian cotton is of 1½-inch staple.

Mr. ASHURST. Oh, yes.

Mr. MCKELLAR. The great body of the Egyptian cotton that comes over here under the law as it is now has a staple less than 1½ inches in length, and, therefore, the pending bill would not affect it.

Mr. ASHURST. In other words, the Senator makes the point that with the figures as they are no relief would be granted at all.

Mr. MCKELLAR. Substantially no relief would be granted at all. Unless the provision shall be changed the cotton producers may as well understand that they will get no relief under this bill.

Mr. ASHURST. Let me repeat on that very point that in the last Congress I introduced an amendment changing the figures from 1½ to 1¾, but, while the amendment was adopted in the Senate, it was defeated in conference.

Mr. WOLCOTT. Mr. President, will the Senator yield?

Mr. ASHURST. I yield; yes, sir.

Mr. WOLCOTT. Did I understand the Senator to say a moment ago that there are about 1,700 bales of cotton raised in this country which would be protected by the 1½-inch provision?

Mr. ASHURST. I must make myself clear, and I will answer the Senator in this way.

Sea-island cotton—which is grown on the coast of the Carolinas and Florida, on the islands near the coast—is of a long staple or long fiber. In 1915 there were produced of that variety 111,716 bales. The next year, 1916, there were produced 117,559 bales. In 1917 there were produced 92,619 bales. In 1918 there were produced 52,208 bales. In 1919 there were produced only 6,916 bales. In 1920 the production of sea-island cotton shrank to 1,725 bales. I believe these are 400-pound bales. In other words, in five years, from a production of 111,716 bales, sea-island cotton production shrank to 1,725 bales. This sea-island production was practically wiped out, but hundreds of thousands of bales of long-staple cotton have been pouring in from Egypt, which, of course, enters directly into competition with the Pima or Arizona Egyptian cotton.

Mr. WOLCOTT. Of what length of staple is the sea-island cotton the production of which has dwindled to 1,700 bales—1½ inches or greater?

Mr. ASHURST. I should not say it was greater. Some of it is not much greater, but it ranges from 1½ to 1¾.

Mr. WOLCOTT. Does the Senator attribute the dwindling of that industry to the absence of protection?

Mr. ASHURST. No. That was caused by the boll weevil.

Mr. WOLCOTT. There must be some other cause, because it is common knowledge that in 1920, the year of smallest production, cotton prices were perhaps higher than ever before in history, and back in those other years when the production was so great that they were able to make money on a much lower price for the cotton.

Mr. ASHURST. I believe this dwindling of the production of sea-island cotton has been brought about by the boll weevil. Am I correct in that?

Mr. MCKELLAR. I have been so informed. I call the Senator's attention to paragraph 17 of the bill, which puts a tariff of 7 cents per pound on the manufactured goods.

Mr. ASHURST. Yes.

Mr. MCKELLAR. If we are correct about Egyptian cotton being prevented from coming in under section 16, that would mean that we are putting a tariff on the manufacturers of Egyptian cotton to the absolute exclusion of American cotton.

Mr. ASHURST. That is one of the quarrels I have with the bill. After proposing to place a duty of 7 cents per pound on the raw material, we find that the manufacturers are going to absorb the benefit of it, because the very next paragraph, as the Senator points out, reads:

Manufactures of which cotton of the kind provided for in paragraph 16 is the component material of chief value, 7 cents per pound, in addition to the rates of duty imposed thereon by existing law.

Of course, we should move to strike out that paragraph, otherwise the bill would simply be for the benefit of the manufacturers instead of the producers.

Mr. President, I shall now read from a brief submitted to the chairman of the subcommittee on cotton of the Ways and Means Committee of the House of Representatives. This brief was prepared by Mr. Dwight B. Heard, of Phoenix, Ariz., who represented the Chamber of Commerce and the Cotton Growers' Association, and it is so clear and so complete, with material facts and data, that I am sure Senators who are interested in this subject will be enlightened. It is addressed to Hon. WILLIAM R. GREEN, chairman subcommittee on cotton, Com-

mittee on Ways and Means, House of Representatives, and is as follows:

Hon. WILLIAM R. GREEN,  
Chairman Subcommittee on Cotton,  
Committee on Ways and Means,  
House of Representatives.

SIR: Availing of your suggestion that I present in concise form a statement in behalf of the needs of the producers of American Egyptian cotton, I present the following:

STATEMENT BY DWIGHT B. HEARD, OF PHOENIX, ARIZ., REPRESENTING THE ARIZONA EGYPTIAN COTTON GROWERS' ASSOCIATION, THE PHOENIX (ARIZ.) CHAMBER OF COMMERCE, AND THE PHOENIX CLEARING HOUSE ASSOCIATION, AS TO THE NEED OF A PROTECTIVE TARIFF ON AMERICAN EGYPTIAN OR PIMA LONG-STAPLE COTTON.

PRELIMINARY STATEMENT.

The American Egyptian or Pima long-staple cotton industry, which during the past 15 years has developed as an essential national industry, now faces destruction through competition with cotton of similar type produced by the present labor of Egypt on a present wage scale of 40 cents per day for a 12-hour day.

This Egyptian long-staple cotton is now being laid down at New England spinning points at 26 cents per pound, almost exactly one-half the estimated production cost of last year's American Egyptian crop, as per a report recently furnished Congress by Mr. Wallace, Secretary of Agriculture.

In the season of 1919-20, 485,000 bales of Egyptian cotton were imported into the United States as compared with an average importation for the previous five years of 202,000 bales. It is conservatively estimated that 70 per cent of this importation was Sakellaridis cotton, the type principally used for the manufacture of tire yarns and with which the American-grown Egyptian cotton comes in direct competition.

The standard of living of the Egyptian peasants who furnish the labor in the cotton fields of Egypt is vastly inferior to an American standard of living. This peasant labor is exceptionally efficient. These Egyptian laborers at the price of 40 cents per day work from sunrise to sunset, while in Arizona, where 85 per cent of the American Egyptian crop is grown, the cost of field labor for a 9-hour day in 1920 was \$3. It is estimated that in 1921 this will be reduced to \$2—still more than five times as large as the Egyptian wage, in view of the shorter hours in Arizona.

It is conservatively estimated that one-third of the cost of the production of long-staple cotton is involved in the picking. The cost of picking cotton in Egypt in 1920, according to the best information available, was less than \$10 per 500-pound bale; while in Arizona the cost of picking the same size bale was \$80. This situation presents an intolerable condition which can only be remedied by the reasonable protection asked. Officials of the United States Department of Agriculture have recently estimated that the cost of producing American Egyptian Pima cotton in Arizona in 1920, on the basis of a yield of half bale to the acre, was 52.6 cents. The attached statements from well-informed Arizona growers show an estimated average cost of production in 1921 of approximately 41 cents. According to the most recent market quotations, Old World Egyptian cotton of the Sakellaridis variety, the type which most nearly corresponds to the America Pima, and which comprises about 70 per cent of the import from Egypt, is being laid down in New Bedford for 26 cents per pound. The duty asked for by American producers to maintain this industry on a living basis is but 20 cents per pound. It is evident that unless the relief asked for through a protective tariff is promptly granted the industry built up through 20 years' cooperation with the United States Department of Agriculture faces destruction.

BRIEF HISTORY OF THE AMERICAN EGYPTIAN COTTON.

Pima cotton was originated and developed by the Department of Agriculture as a result of plant-breeding work carried on in Arizona since 1902. A strikingly superior individual plant, selected in 1910 at the Government experimental station at Sacaton on the Pima Indian Reservation in southern Arizona, was the parent of the Pima variety, of which 250,000 acres were grown in 1920 in Arizona and California. It is an interesting coincidence that the plant which gave rise to the Sakellaridis variety, the principal competitor of Pima, was discovered in Egypt in the same year, 1910.

Pima cotton can be successfully grown only on the irrigated lands of southern Arizona and California, where the climatic and soil conditions have proven to be exceptionally favorable for the growth of this type, which is not adapted to conditions in the eastern cotton belt.

The Pima cotton has an average length of staple of 1½ inches and is maintained in a high state of uniformity by careful seed selection, under the supervision of the United States Depart-

ment of Agriculture. It is used in the manufacture of fine dress goods, hosiery, and sewing thread; but principally in automobile-tire fabrics. It is estimated that 80 per cent of the Pima crop in recent years has been used for this last purpose. In all these classes of manufacture the American-grown Egyptian cotton is in direct competition with Sakellaridis cotton imported from Egypt.

DECLINING SEA-ISLAND PRODUCTION MAKES PIMA ESSENTIAL TO NATIONAL DEFENSE.

During the recent war exhaustive Government tests showed that the Pima cotton was a thoroughly satisfactory substitute for sea-island cotton in the manufacture of airplane wings and balloon cloth, and during the last year of the war large quantities of cloth were manufactured from Pima cotton and successfully used in the air work. The first tests of Pima cotton for this work were made at the suggestion of the Department of Agriculture, which pointed out that with the rapid advance of the boll weevil the sea-island crop might be suddenly wiped out and that a substitute must be found if possible in an American-grown cotton. Since Arizona and California are well isolated from the boll-weevil district and were already producing a cotton of extra long staple and great uniformity, which was known to be capable of substitution for sea-island, an extension of Pima cotton growing in that region appeared to be a military necessity, and for that reason was especially encouraged by the Department of Agriculture in the war period. The figures given in the table showing the production of sea-island and American-Egyptian cottons during the last five years make it clear that the Department of Agriculture was thoroughly justified in calling attention to the necessity of a substitute for sea-island cotton, which now has almost disappeared from cultivation. If the war had been prolonged even for another year the Pima cotton would have become the sole reliance for this vital purpose.

Partly as a result of stimulation by the Government during the war the acreage of Pima cotton has been greatly expanded during the past two years, and with the sudden slump in the market in 1920 the growers have been left with fully 90 per cent of their last crop unsold. The danger is very great that unless adequate protection is furnished against the competition of cheaply grown foreign cotton this highly specialized cotton, which recent experience has shown to be essential to the national defense, will disappear.

With the sea-island cotton practically gone, this country would be entirely dependent on foreign sources of supply.

Statement of the production of Pima and sea-island cottons, in bales, during the past 5 years.

Year.	American Egyptian or Pima. <sup>1</sup>	Sea island. <sup>2</sup>
1916.	3,331	117,559
1917.	15,966	92,619
1918.	40,343	52,208
1919.	42,374	6,916
1920.	91,965	1,725

<sup>1</sup> 500-pound bales.

<sup>2</sup> 400-pound bales.

Estimated imports of Sakellaridis Egyptian cotton in equivalent 500-pound bales during the past five years.

Year.	Bales (500 pounds).
1915-1916.	204,000
1916-1917.	119,000
1917-1918.	80,000
1918-1919.	70,000
1919-1920.	340,000

COST OF PRODUCTION.

In a very carefully prepared statement recently issued by Mr. C. S. Scofield, of the United States Department of Agriculture, based on a yield of a half bale to the acre in the Salt River Valley of Arizona, where about 85 per cent of the Pima cotton is produced, a production cost is shown for the season of 1920 of 52.6 cents per pound. Owing to reductions which have already occurred in the price of field labor and estimated reductions which are anticipated in the cost of picking and ginning Pima cotton for next season, it is estimated that the cost of production in 1921 on the basis of a half bale to the acre will be at least 42 cents.

It will be observed that if the 20 cents per pound tariff asked for is added to the present delivered price of Egyptian Sakellaridis cotton in New England the American grower would make only a very small profit above cost of production. It is hoped by this legislation to stabilize the price of American-Egyptian Pima cotton so as to justify continuing the American industry based on a price of approximately 50 cents to the producer.

The attached statements, Exhibits A, B, and C, of estimated cost of production in the Salt River Valley of Arizona for 1921, made by Mr. W. S. Stevens, president of the Arizona American-Egyptian Cotton Growers' Association, Mr. Charles M. Smith, a grower who keeps exceptionally accurate records, and the writer, who has grown this type of cotton for the past five years, are presented for the purpose of giving detailed estimates as to the cost of production for 1921.

On the Salt River Valley reclamation project in Arizona 186,000 acres were farmed in Pima cotton in 1920, on which a crop of seventy-two thousand 500-pound bales was produced. Confronted as they have been during the recent months with a price for this cotton far below its cost of production, the majority of the producers, through the assistance of the banks, have held on to their cotton, anticipating a relief from the existing situation, and it is estimated that 67,000 bales of this crop still remain in the hands of the producers. This situation illustrates the urgent need for immediate relief.

The emergency tariff bill, as passed by the House of Representatives on April 15, 1921, and now before the Committee of Finance of the Senate, in paragraph 16 contains the following clause as to the protective duty on long-staple cotton:

Cotton having a staple of 18 inches or more in length, 7 cents per pound.

It is evident that the above is not adequate to protect this industry on the basis of American standards of living. In the report of April 18, 1921, in connection with the emergency tariff bill, on page 20, the Bureau of Markets of the Department of Agriculture definitely recommends a duty of not less than 10 cents per pound, making the following statements:

(4) Large areas of land in this country are available for the production of extra staple cotton, but because of the costs of reclamation, irrigation, and the higher standards of living and cost of labor, the cost of production of such cotton in the United States is high and our producers need a protective tariff to equalize the cost of production abroad with that in the United States.

(6) In the table following are presented quotations on the selling price of Sakellaridis Egyptian and American Egyptian cottons. It will be observed that on March 15 the price of fully good Sakellaridis was 35 cents and good fair Sakellaridis 26½ cents, c. i. f., landed Boston, and that American Egyptian cotton of No. 2 grade was quoted at 26½ cents, and No. 3 grade at 25½ cents, landed Boston. Such prices are far below the estimated cost of production of cotton in Arizona and California. It should be further pointed out that from the table the prices of good fair Sakellaridis and No. 2 Arizona Egyptian have been practically identical since November 18 last. In other words, the price of good fair Sakellaridis seems to fix the price of American Egyptian cotton.

(9) Producers of long-staple cotton have faced adverse market conditions in the sale of last year's crop and are said to have on hand a large part of last year's production. Accordingly, it is believed that the producer would receive the benefit of whatever protection that might be conferred by the proposed tariff measure.

I am presenting the foregoing statement at the request of the Arizona American Egyptian Cotton Growers' Association, the Phoenix Chamber of Commerce, and the Clearing House Association of Phoenix, whose letters in this connection are attached herewith. In this statement I have endeavored to present figures and facts as to this industry whose existence is so seriously threatened, and in view of the fact that through some misunderstanding the producers of American-Egyptian cotton had no opportunity to present their case before the Committee on Ways and Means of the House I trust opportunity may be found before the emergency bill passes the Senate to increase the duty on long-staple cotton from 7 cents to the 20 cents so urgently needed.

Very respectfully,

DWIGHT B. HEARD.

PHOENIX, ARIZ., April 25, 1921.

I ask unanimous consent to have printed in the RECORD also the Exhibits A, B, and C attached to the communication.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT A.

ARIZONA AMERICAN-EGYPTIAN COTTON GROWERS' ASSOCIATION,  
Phoenix, Ariz., April 14, 1921.

Mr. DWIGHT B. HEARD,  
Phoenix, Ariz.

MY DEAR MR. HEARD: Complying with your request to make up an additional statement of cost for producing cotton in 1921, as I view the situation, I submit as follows:

There is such a wide difference in the ideas of rental values that I have eliminated this altogether, considering a man that is working on payment of one-fourth of his crop as rent. I have eliminated, as far as possible, the question of diversified farming, in that a portion of the crops produced might be used in feeding and caring for the stock of the grower. I am taking as a basis an exceptionally good man with an exceptionally good team, and giving him all the land that such a man can possibly handle under favorable circumstances, which is 50 acres. I am considering that this man and his one team must do all the work of preparing and planting, cultivating, supervising, picking, and delivering the cotton to the gin. In handling this acreage, he will have no time whatever to do any hoeing or irrigating. This is pro-

vided in moderate charges. We have considered the cost of picking on the prewar basis, which is really less than it should be when we consider the fact that shoes are 100 per cent more than four years ago, and that provisions and clothing have not anywhere near been reduced to prewar basis.

This man and his team are allowed \$1,200 for the year. Out of this \$1,200 the man's only living expense, or his wage and feed for his team, are all included. This man and his team is far above the average in being thoroughly able to cultivate and handle 50 acres of land, but I am considering the average yield to be the actual average being produced in our valley since Pima cotton has been introduced, which has been one-half bale per acre. Of course, we have exceptional cases where people may average better than one-half bale for several years, but this is offset wherein just as many farmers produce less than one-half bale for the same period of time, because they are liable to the losses incurred from hail storms, black arm, root rot, and other losses; so that, on the whole, I think that this is a very conservative estimate of the average cost for the year 1921:

A man and team, one year	\$1,200.00
Irrigation water, at \$3.75 per acre	187.50
Planting seed, \$1 per acre	50.00
Hoeing, including thinning, at \$7 per acre	350.00
Expense of irrigation, \$3 per acre	150.00
Implements, \$250, depreciation only	50.00
Showwork	25.00
Incidentals, including sacks, tents, etc.	100.00
Ginning 25 bales, at \$20	500.00
Picking 25 bales, at 3 cents per pound	1,500.00
	4,112.50
Total, less 11½ tons of seed, at \$20	225.00
Total cost of 18½ bales, 6½ having been paid as rent	3,887.50
Cost per pound	.413

Very truly,

W. S. STEVENS.

EXHIBIT B.

APRIL 24, 1921.

Mr. DWIGHT B. HEARD,  
Phoenix, Ariz.

DEAR MR. HEARD: The following is my estimate of the cost of production of Pima cotton in the Salt River Valley for 1921:

ESTIMATED COST OF PRODUCTION, 80 ACRES COTTON, SEASON 1921.

Based on low wage scale of \$3 per day, including board—cheap horse feed, but no allowance for horses when not actually employed, nor for man when he is not actually in field.

Plowing, at \$3.75 per acre	\$300
Disking after plowing, at 80 cents per acre	64
Dragging twice, at \$2	160
Labor, irrigating before and after plowing	54
Disking before planting, at 80 cents	64
Planting, at 70 cents per acre	56
Cultipacker, at 50 cents per acre	40
Cultivating about 8 times, including furrowing out, at 70 cents	448
Chopping, at \$1.25 per acre	100
Hoeing twice, at \$1.50 per acre	240
Labor, irrigation, 4 times after planting	60
Planting seed	40
Depreciation in equipment	150
Incidental expenses	250
Irrigation water, 3 acre-feet, at \$7.50 per acre	600
Taxes, State and county, at \$5 per acre	400

Estimated cost to picking time	3,026
Picking, basis ½ bale per acre, at 3 cents per pound	2,400
Ginning, basis ½ bale per acre, at \$20 a bale	800
Overhead, including tents, sacks, wood insurance, hauling cotton to gin, etc., at ¼ cent per pound seed cotton	600
	6,826

Total as above

Actual cost of production (labor only), 34 cents per pound.

IMPORTANT NOTE: The above does not include any land rent or interest on land investment—does not allow anything for living expenses while farmer is not in field—nothing for ditch cleaning, keeping up fences, etc. On the above basis 45 cents per pound would mean ultra-conservative cost of production, 1921.

CHAS. M. SMITH.

EXHIBIT C.

APRIL 21, 1921.

Estimate of Dwight B. Heard, of Phoenix, Ariz., as to cost of production of American-Egyptian (Pima) cotton, under the Salt River reclamation project, Arizona; for season of 1921, cost per acre based on production of one-half bale to an acre and present cost of labor and supplies.

Annual payment to United States Government due on Roosevelt Dam and Salt River Valley project	\$2.00
Taxes on basis average assessed on location \$183 per acre and average combined State, county, school, high school, and road district tax rate of \$2.50	4.57
Irrigation water service based on annual use of 3 acre-feet	3.60
Seed for planting, select Government-inspected seed at 2 cents per pound, 30 pounds per acre	.60
Labor for irrigating once before plowing, six times after plowing, at 30 cents per acre	2.10
Plowing, per acre	4.50
Dragging twice at \$1	2.00
Harrowing twice at \$1	2.00
Planting	.75
Rolling	.75
Seven cultivations, including furrowing out	5.60
Chopping or thinning	1.25
Average summer hoeing, cost per acre	7.50
Expense per acre to picking time	37.22

—

Picking 1,000 pounds seed cotton, equaling one-half bale of lint at 3 cents per pound	\$30.00
Ginning one-half bale cotton at \$20	10.00
Transport to gin of seed cotton, 5 cents per 100 pounds	.50
Overhead and incidental expenses per acre, including tents and wood for pickers, depreciation on machinery, shop work, picking sacks, insurance based on 7 cents per pound of seed cotton	7.00
	47.50
Deduct value of cotton seed, 750 pounds to each 1,000 pounds of seed cotton at value of \$16 per ton	84.72
	6.00
Net cost of producing one-half bale or 250 pounds of Pima long-staple cotton lint per acre	78.72
Cost per pound Pima lint cotton exclusive of any return on value of land	.3149
Figuring a revenue on the land of but \$20 per acre would add 8 cents to production cost of lint cotton and make the actual production cost per pound of Pima cotton lint	.3949

[Copy.]

Hon. J. W. FORDNEY,  
Chairman Ways and Means Committee,  
House of Representatives, Washington, D. C.

DEAR SIR: From the standpoint of safeguarding the financial interests of the Salt River Valley of Arizona, the Phoenix Clearing House Association is vitally interested in the proposal to enact a protective tariff on American Egyptian Pima long-staple cotton. This is a special type of cotton developed by the United States Department of Agriculture through an experimental stage of 12 years or more, and which has become known to the cotton trade at large as the equal of any cotton in the world. This type of cotton has been extensively used for the manufacture of tire fabric on account of its superior length of staple and high tensile strength.

Last year in the Salt River Valley 185,000 acres were planted to long-staple cotton with a resulting yield of more than 72,000 bales. Estimates place the cost of last year's crop at about 60 cents per pound.

No general market has so far developed for the staple, and the few sales made during recent weeks have ranged from 24 to 30 cents per pound, basis No. 2.

Salt River Valley is especially adapted to the growing of long-staple cotton; the cultivation of this staple is restricted to a few valleys in the Southwest, where the length of the growing season permits the development of the fiber and general cultural conditions are favorable.

It seems important that some steps be taken to insure the permanence of this new industry in the Southwest, which is just beginning to supply a growing demand for this superior type of cotton.

In order that the industry may survive the growers of Arizona and California need the benefit of a protective tariff of a sufficient amount to enable them to compete with Egyptian Sakellarides cotton, produced in Egypt by native labor on a wage scale entirely out of harmony with the American standard of living.

The Phoenix Clearing House Association, in special meeting, hereby earnestly advocates the adoption of a protective tariff on American Egyptian Pima long-staple cotton of 20 cents per pound.

Mr. Dwight B. Heard, representing the Arizona American Egyptian Cotton Growers' Association and the Phoenix Chamber of Commerce, will appear before your committee in behalf of the foregoing proposal. Mr. Heard is fully qualified to speak for the cotton growers of the Southwest, and we bespeak for him your most favorable consideration.

Yours, respectfully,

THE PHOENIX CLEARING HOUSE ASSOCIATION,  
By B. E. MOORE, Vice President.  
PHOENIX, Ariz., April 14, 1921.

[Copy.]

THE PHOENIX CHAMBER OF COMMERCE,  
Phoenix, Ariz., April 14, 1921.

Hon. DWIGHT B. HEARD,  
Heard Building, Phoenix, Ariz.

MY DEAR MR. HEARD: We are glad to have you represent the Phoenix Chamber of Commerce, with a membership of 1,100, at any and all meetings held in Washington in connection with the tariff or any other subject vital to this section of the Southwest.

This is to advise that you have been appointed as the general official representative of this organization at the board of directors' meeting held to-day, April 14.

Yours, very truly,

W. W. LAWHON,  
President.  
HARRY WELCH,  
Secretary.

Mr. ASHURST. I know how dry and unattractive statistics are, but I have confidence that Senators will peruse at least some of the statistics, and Senators ought to read them before they vote on the cotton schedule. Before I conclude, however, let me put these figures in juxtaposition before Senators. I will be very brief.

This Egyptian cotton is being imported into the United States at the time when the farmers are trying to build up this long-staple cotton industry, at the very time our farmers are working in a sun which blazes down sometimes at 115 degrees and sometimes at 120 degrees, working in competition with the Egyptian laborer, who, as I have said in the Senate heretofore, works 12 hours, and has since Cambyses came in from Persia, 2,500 years ago, and subjugated Egypt, been possessed of physical efficiency that is one of the phenomena of the world; the Egyptian fellahin works 12 hours in that hot climate. Our people in the Southwest have gone into competition with them and have tried to build up this industry. But unless some relief be

granted thousands of Americans, who believed their Government at least would extend to them the same measure of consideration it extends to the Egyptian, will be driven to failure.

In 1911 there were imported from Egypt into the United States 183,786 bales of cotton. The United States took 12 per cent of the Egyptian crop that year.

In 1912 there were imported 175,835 bales, the United States taking 12 per cent of the Egyptian crop.

In 1913 there were imported 191,075 bales. In 1914 there were imported 137,355 bales. In 1915 there were imported 261,220 bales. In 1916 there were imported 339,854 bales.

Then in 1917, owing to the activity of the submarines and the necessity of using lands to raise wheat to feed the soldiers, the production fell off. It was reduced in 1917 to 198,805 bales. In 1918 it was 114,580 bales. In 1919 it was 100,006 bales.

Then, Mr. President, we find that in 1920 there were imported into the United States 485,003 bales of this long-staple Egyptian cotton, grown by these Egyptian laborers, who, as I said before, receive about 30 shillings a month. I will read the whole statement:

Wages to cotton laborers (in Egypt) in 1912 averaged 30 shillings per month, according to Arno Schmidt. Assuming an increase of 100 per cent, the present average wage would be 60 shillings, which at current exchange (the pound sterling—\$3.92 at New York on April 15, 1921) would amount to \$11.76 per month, or 39 cents per day.

I respectfully submit that Americans, whose ideas of living are so immensely superior to the ideas of the Egyptian laborer, can not work in competition with that Egyptian laborer who receives 39 cents a day.

Mr. STANLEY. Mr. President—

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

Mr. ASHURST. I yield.

Mr. STANLEY. Is it not true that this long-staple cotton is raised in the main upon irrigated lands?

Mr. ASHURST. That is true; I might say wholly. The Pima cotton, which term is used interchangeably with Arizona Egyptian cotton, is raised wholly on irrigated lands.

Mr. STANLEY. Prior to the recovery by reclamation of these lands by the Government, all of this long-staple cotton was imported, was it not?

Mr. ASHURST. Except such long staple as was grown in what we call the sea-island country, those islands off the coast of Florida and South Carolina.

Mr. STANLEY. There was no considerable amount of this long-staple cotton grown in continental United States?

Mr. ASHURST. It is my opinion that while some long staple was grown, there was no, as we call it, Egyptian Sakellaridis cotton grown in the United States, and there is none now grown in the United States except in Arizona and California.

Mr. STANLEY. Does the Senator believe it is a sound business policy in a government or a corporation to spend hundreds of millions of dollars in order to enable people hitherto engaged in a profitable business to engage in an unprofitable business?

Mr. ASHURST. I do not see the force of the Senator's question.

Mr. STANLEY. I will try to make myself clear.

Mr. ASHURST. It is my fault that I did not perceive the Senator's meaning.

Mr. STANLEY. I beg the Senator's pardon. These people who are engaged in growing long-staple cotton, under the stimulus of a bonus from the Government, were formerly engaged, if they were in the South, in raising short-staple cotton or corn or cattle, or anything else, in an unprotected and at the same time prosperous business. Is it wise that the Government should erect great dams, like the Roosevelt Dam, should spend untold millions of the people's money in reclaiming lands, not that people may make money on them but that they may lose money on them; not that they may engage in a profitable business but that they may be induced, and further buttressed and protected, into engaging in an unprofitable business? If this was a business that was of long standing, and some foreign competitor were underselling us, there might be some reason for it. But is there any more reason for the Government building dams in order that men may raise cotton at a loss than for the Government to make hothouses in order that they may raise grapes or bananas at a loss in Montana or Nebraska or Alaska?

Mr. ASHURST. The United States has already invested in Arizona \$20,000,000 in irrigation projects. That sum of money is not a gift; it is not a gratuity out of the Federal Treasury. The farmers and water users under the irrigation projects are required to repay that \$20,000,000 to the Government within 20 years.

Mr. STANLEY. Mr. President, if the Senator will excuse me, I understand that, and I am not maintaining now that the Government will not ultimately recover some part of the money it has spent.

Mr. ASHURST. The Government will recover all of it.

Mr. STANLEY. It does not make any difference, for the purposes of my question. I wish to ask the Senator if he regards it as good business in an individual or a corporation or a Government to deliberately expend, in the way of advancement or permanent investment or gratuity, millions of money for the encouragement of a business which will be unprofitable the minute men enter into it?

Mr. ASHURST. As I was proceeding to say, the Senator will bear in mind that twenty millions of dollars have been invested in Arizona in reclamation projects. An intensive campaign throughout the United States, not only in respect to cotton but all other agricultural projects, has been carried on for 10 years. No speaker, no singer, and few clergymen believe they have done their duty until they shall have admonished people to "Get back to the land"; and, indeed, Mr. President, if we are to subsist the American people, and if those who dwell in the cities, and now constitute 52 per cent of our people, are to subsist, we "must get back to the land." But you can not get a man back to the land by singing him a song or telling him how refreshing it is to arise with the sun. You can get a man "back to the land" only by making it profitable to him to get back to the land. As a business proposition, how vain, how idle, how childlike, to appropriate \$20,000,000 to build up irrigation projects in Arizona, in California, and elsewhere, to encourage farmers, to send out literature to farmers urging them to plant long-staple cotton and other agricultural products, and then after they have planted their crops say that we will open wide the gate and allow the laborer in Egypt, who gets 40 cents a day, to come into competition with and destroy our farmer by taking away his market.

The Senator is entirely right. It is absurd to appropriate money and make speeches and sing songs and deliver lectures by the thousand urging people to go back to the soil, and as soon as they reach the land we say our solicitude is for the Egyptian laborer, not for the Arizona cotton grower. I think the Senator is entirely right.

Mr. STANLEY. It is well for the Government to send people back to the land if their activities upon the land will add to the wealth of their countrymen, if they make two blades of grass grow where one grew before, if they raise two bushels of grain where one grew before. The purpose of having them go back to the land is to add by the most direct and most immediate method of creating essential wealth to the prosperity of the community. But if we have to pension the man on the land, his being back on the land does not help the community any. He is simply living in the shade of the country trees and breathing in the salubrious air of the country climate. Having the moral influence of the rural precincts does not help the rest of us if we have to pay him to live there. He had better raise posies and daisies and tulips or he had better raise Cain or hunt and fish and do nothing than to tax the American public \$5 or \$10 for every dollar's worth of stuff that he produces. Our country produces a modicum of sea island cotton, 1 pound perhaps in 5, and that costs us five times as much—

Mr. ASHURST. We are producing more of the long-staple cotton.

Mr. STANLEY. But our importations exceed that production immensely now.

Mr. ASHURST. The production of long-staple sea island cotton, of the kind grown in Arizona, dwindled last year to about 1,700 bales.

Mr. STANLEY. How much did we import?

Mr. ASHURST. We imported over 400,000 bales.

Mr. STANLEY. Exactly; and we imported ten times as much as we raised, did we not?

Mr. ASHURST. No. We raised 250,000 bales in the Southwest.

Mr. STANLEY. And imported how much?

Mr. ASHURST. We imported last year 485,000 bales.

Mr. STANLEY. That is twice as much. If you put a duty of 7 cents a pound on the cotton he produces, you impose a duty of 15 cents on every pound of cotton produced. You charge every consumer in the United States, 100,000,000 people, for an essential in order to create a new industry in which a few thousand people are engaged; and you know from the start, from the time you build your dam and before they go there, that they are going to lose money unless they live, not upon their labor but upon mine, not upon wealth created but from wealth appropriated, not on account of the natural advantages

of the country but on account of the partial operation of the law.

Mr. ASHURST. Whenever the distinguished Senator from Kentucky, who served with distinction in the House and who serves with distinction here, arises I tremble. I do not always tremble when other Senators rise, but I know that his reflections are usually correct, and his choice rhetoric is hard to answer, but on this particular subject it so happens that he has a wealth of misinformation. This long-staple cotton goes into tires for automobiles, where great tensile strength is required.

Mr. STANLEY. Mr. President, I do not wish to interrupt the Senator too much, but is not this sea-island cotton used in the manufacture of mercerized cloth?

Mr. ASHURST. It is used in the making of high-grade shirts. Democrats voted and spoke, most of them, for a luxury tax. This cotton goes into very high-grade shirting—into shirts that cost from \$6 to \$8 apiece.

But let us see about the philosophy of the situation. Have you been in universities and colleges so long that you are filled with free-trade theories? If you are a free trader, and have never done a day's work with your hands in your life, you can make a good argument for free trade, provided you say, "I believe in free trade on everything," but how a Democrat can stand for free trade on some things and tax other things I do not perceive.

I warn Democrats now, do not permit the American people to suspect that you look with favor on free trade. We lost the election of 1880 and we lost the election of 1888 because there was a suspicion in the public mind that we looked with favor on free trade. I have seen Democratic Senators in the North and in the West go down to defeat in their candidacies for Congress because they were suspected of being free traders. Every intelligent man knows that free trade exists only in the imagination of theorists. I was about to say there is no free-trade nation, but there is one, the Eskimos.

Sir, you are for a protective tariff? Very well, you can at least make an argument for a protective tariff if you say, "I am for a tariff on manufactured goods, and I am for a tariff on the raw materials," but how can you in honesty stand up and say "I am for a tariff on manufactured articles, but I am opposed to a tariff on the raw materials"?

We have reached the day, Mr. President, when the farmer who must subsist the people and the stock grower and the cotton grower who must clothe the people are going to say, "If you want free trade, very well; if you want a protective tariff, very well; but you shall not longer put the manufactured article, the product of the factory, under a high protective tariff and allow the products of the ranch and the field and the farm to be kept on the free list." If this be a farmers' bill, if this be a bill to protect the agricultural interests of our country, then let us protect the agricultural interests of our country.

I have already asked unanimous consent to include in the RECORD certain tables that have been prepared, some by myself and some by the Department of Agriculture, giving the importations of Egyptian cotton into the United States and the growth within recent years. I shall ask that my amendment lie upon the table until the time for voting comes, and then I shall ask a roll call on the amendment in the belief and in the earnest hope that it will be adopted, because if it is not adopted the bill will be of no utility and will be of no service to the cotton growers of the Southwest.

Mr. HARRISON. Mr. President, the Senator's amendment proposes to increase the rate, as I understand it, as well as to decrease the length of staple.

Mr. ASHURST. Oh, no; merely to increase the rate from 7 to 20 cents a pound.

Mr. HARRISON. Does it propose also to decrease the length of the staple?

Mr. ASHURST. I have not introduced such an amendment, but I believe some other Senator from a Southern State has introduced such an amendment.

Mr. HARRISON. I did not know. I wanted to know what the Senator's amendment was and whether he desired the staple to be decreased from 1½ inches in length.

Mr. ASHURST. Of course, my amendment proposes to strike out 7 cents and insert 20 cents, but I have no objection to the suggestion of the Senator from Mississippi. I would not claim something for my own constituents that I would be unwilling to grant to other people.

Mr. HARRISON. May I ask if all the cotton grown in Arizona is 1½ inches in length?

Mr. ASHURST. We have some of what we call upland cotton that is of about that length, but the great bulk of our cotton is from 1½ to 1¾.

Mr. HARRISON. In that connection I wish to call the attention of the Senator to the report of the House Ways and Means

Committee, upon which this legislation was based, in which report, prepared by Mr. YOUNG, who introduced the measure in the House, it was said:

The Young emergency tariff bill proposes a duty of 7 cents a pound on cotton the staple of which 1½ inches in length. We are of the opinion that the minimum length of staple on which a tariff is to be levied should be 1½ inches and that the duty should be increased from 7 cents to not less than 10 cents a pound.

So there is a report and argument for a protective tariff on cotton of 1½-inch staple, stating that as between 1½ and 1¾ inches as applied to cotton from other countries the shorter staple should be adopted, and yet when they write their bill they only propose to make it 1½ inches.

Mr. ASHURST. I may say for the Senator's information that my amendment which decreased the length of staple from 1½ to 1¾ inches, as shown in the bill introduced in the last session of Congress, passed the Senate but was rejected in conference.

Mr. HARRISON. Of course, the bill throughout is based on just the same deceptive and misleading and incorrect statements as are found touching cotton in this report.

Mr. ASHURST. It seemed to me a species of hypocrisy so continuously to urge the farmer to work and then give him no sensible, practical method to get a profit out of his work. We hear so much about the ultimate consumer. I am thinking of the producer. If ever a time existed in the history of our country when we should think of the producer that time is here now, and that is the reason why I wish this rate increased from 7 to 20 cents a pound.

Mr. President, I ask unanimous consent to include in the RECORD at this point certain statistics on this subject.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter is as follows:

DEPARTMENT OF COMMERCE,  
OFFICE OF THE SECRETARY,  
Washington, April 20, 1921.

MY DEAR SENATOR: In compliance with your request of April 15, I take pleasure in quoting below the imports of unmanufactured cotton into the United States from Egypt during the calendar year 1920 and the months of January to March, 1921, inclusive:

Calendar year:	Pounds.
1920	179,894,406
1921	
January	3,455,490
February	3,881,283
March	6,508,351

The reports furnished to this department covering imports of unmanufactured cotton do not indicate the number of bales, but show figures for pounds instead.

Yours, faithfully,

HERBERT HOOVER,  
Secretary of Commerce.

Hon. HENRY F. ASHURST,  
United States Senate, Washington, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE,  
BUREAU OF PLANT INDUSTRY,  
Washington, D. C., April 23, 1921.

Hon. HENRY F. ASHURST,  
United States Senate.

DEAR SENATOR ASHURST: I am sending you herewith a copy of a report on cotton production in the irrigated Southwest in 1920, together with some data prepared by Mr. Kearney for Mr. Heard's use.

Very truly yours,

C. S. SCOFIELD,

Agriculturist in Charge Western Irrigation Agriculture.

Production of American Egyptian cotton (500-pound bales).

[Compiled Apr. 20, 1921.]

1912	375
1913	2,135
1914	6,187
1915	1,095
1916	3,331
1917	15,966
1918	40,343
1919	42,374
1920 <sup>1</sup>	91,965

<sup>1</sup> Census Bureau ginning report of Mar. 21, 1921.

Imports of Egyptian cotton into United States (equivalent of 500-pound bales).

Period Aug. 1 to July 31.	Bales imported.	Per cent of total Egyptian crop.
1910-11	183,786	12.4
1911-12	175,835	12.0
1912-13	191,075	12.9
1913-14	137,355	9.1
1914-15	261,220	20.5
1915-16	339,854	35.3
1916-17	198,805	19.9
1917-18	114,580	9.2
1918-19	100,006	10.5
1919-20	485,003	43.7

Cotton acreage of Egypt and percentage of total in Sakellaridis variety.  
[Compiled Apr. 21, 1921.]

Calendar year.	Total acres.	Percentage Sakel.
1912	1,788,000	16.2
1913	1,789,000	21.9
1914	1,820,000	32.2
1915	1,231,000	58.0
1916	1,718,000	62.4
1917	1,742,000	67.6
1918	1,364,000	72.4
1919	1,634,000	72.9
1920	1,897,000	69.5

Sea-island cotton production in United States (from Bureau of Census ginning reports).

	Bales.
1915	111,716
1916	117,559
1917	92,619
1918	52,208
1919	6,916
1920	1,725

<sup>1</sup> Ginned prior to Mar. 21, 1921.

#### COTTON PRODUCTION IN EGYPT.

Mr. ASHURST. John A. Todd, "The World's Cotton Crops" (1915), states that the average size of landholdings in Egypt in 1913 was about 3½ acres and the average land value per acre in 1913 was £50 to £200. There has been a considerable increase in land values and rentals since that time.

The average yield of fiber, according to the monthly agricultural statistics of the ministry of finance of Egypt (Oct. 31, 1920), was 343 pounds per acre for the five years 1915-1919.

The following table, compiled from Government reports of Egypt and the United States, has been compiled by the Bureau of Crop Estimates:

	Number of persons engaged in agriculture.	Acres in cultivated land.	Average area cultivated for each farm worker.
Egypt (1907-1912)	2,315,000	5,457,000	2.4
United States (1910)	12,390,000	293,794,000	23.7

#### COST OF PICKING COTTON IN EGYPT.

According to John A. Todd in The World's Cotton Crops (1915), the prewar wages for picking in Egypt ranged from 5 pence to 1 shilling per day, the lower wage being paid to children, who could pick from 30 to 50 pounds per day each. Taking Todd's statement as a basis and assuming (1) that adults average 75 pounds daily and received a wage of 1 shilling, (2) that the wage has doubled since the war and is now 2 shillings, this at current exchange is equivalent to about 39 cents for 75 pounds, or about one-half cent per pound of seed cotton. Since the lint percentage in Egypt averages at least 30 per cent, as compared with an average of 25 per cent in Arizona, 1,666 pounds of seed cotton in Egypt will yield a 500-pound bale. The cost of picking 1,666 pounds of seed cotton at one-half cent per pound is \$8.33. The picking cost per pound of lint in Egypt, therefore, works out to 1½ cents, while in Arizona the cost is 16 cents when the pickers receive 4 cents per pound of seed cotton (the 1920 wage) and 8 cents when the pickers receive 2 cents per pound of seed cotton (the prewar wage).

#### EMERGENCY TARIFF BILL.

Mr. MOSES. Mr. President, when this measure was under consideration in the Sixty-sixth Congress I was one of four Senators upon this side of the Chamber who voted against it. I accompanied my vote with some restrained comment, in the course of which I attempted to characterize the proposals which the bill then contained and which it now contains. I thought and I think that the measure was and is unscientific, unjust, and sure to defeat the hopes of those who have advocated it.

But, Mr. President, the scanty drippings of the sanctuary which oozed from beneath the closed doors of the Committee on Finance led me to expect, and I had earnestly hoped, that the inequities of the measure, although not in themselves diminished, would at least be palliated to an extent which would permit me to vote for it, even though holding my nose while doing so. I had hoped that the antidumping provisions and the provisions for the employment of American valuations

would be such as to dilute the dose in its bitterness; but, upon examination of those provisions which I had thought might sugar coat the pill to my taste, I discovered that they are so nebulous as to provide no substantial reason for my accepting that which I can not square with my convictions and which I regard as subversive of every principle of a protective tariff as the Republican Party has taught me to look upon protection. They provide in the main, Mr. President, for an enlargement of ministerial authority in the Treasury Department at a moment when the country is seeking relief from all such provisions, being wearied to exhaustion with the discretionary and arbitrary power which the last administration seized and extended under the specious claim of war necessity.

Mr. HARRISON. Mr. President, will the Senator yield?

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

Mr. MOSES. Yes, sir.

Mr. HARRISON. The Senator is delivering such an interesting address and there are so few Senators present that I suggest the absence of a quorum.

Mr. MOSES. Oh, Mr. President, I hope the Senator will not press that suggestion.

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

Mr. MOSES. I hope the Senator will withdraw the suggestion.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor, and can not be interrupted without his consent even for the suggestion of the absence of a quorum.

Mr. MOSES. I did not yield for that purpose, Mr. President. I wish to finish my remarks with continuity.

Mr. HARRISON. Very well; I withdraw the suggestion.

Mr. MOSES. I know the Senator from Mississippi is vastly interested in what I am saying. I hope he will stay even though others may be absent.

Mr. HARRISON. I am going to stay, and I had hoped that more Republicans would be here so that they could listen to the advice the Senator is giving.

Mr. MOSES. They can read my remarks.

I have heretofore regarded the bill and have characterized it on the floor of the Senate, and elsewhere, as being a helter-skelter hodgepodge of items forced into it through the power of a voting combination, sectional in its character and wholly selfish in its purpose. In fact, Mr. President, the advocates of the measure in the two Houses of Congress and in the two Congresses in which the bill has been under consideration are themselves in radical disagreement as to its effects. I have ventured to scan none too closely the report submitted on this bill by the senior Senator from Pennsylvania. I have also refreshed my memory regarding the parallel statements made in the House of Representatives in the last session of Congress by the chairman of the Committee on Ways and Means.

As a result of this examination, I find discrepancies applicable to substantially every item in the measure. The rates of duty remain unchanged from the last Congress, but the sums of estimated revenue are revealed to us in wide disparity. For instance, in item 1 of the bill now before us, and with identical rates of duty upon wheat, I find the chairman of the House committee estimating the revenue to be \$2,429,529, while the distinguished chairman of the committee in the Senate estimates it to be only \$35,000. Passing from the first to the eighteenth item of the bill—wool—I find the chairman of the Ways and Means Committee estimating the revenue under this measure to be \$9,900,000, while the chairman of the Finance Committee of the Senate, under the identical rate, estimates it to be \$15,000,000. I find the revenue from washed wool to be estimated by the chairman of the House committee at \$28,500,000, while the more moderate chairman of the Committee on Finance has estimated it at only \$300,000. And so it goes throughout every item in the list of 28 which make up the measure. Sometimes the House chairman sets the more rosy estimate, sometimes it is the Senate chairman who is possessed of the vision. In no case, Mr. President, do they agree. In order, however, not to weary the Senate or to detain it from the passage of this measure, which the Senator from Pennsylvania says is prayed for night and morning, and with a clamor of petition which reaches to the skies and penetrates to the Senate Chamber, even to the enlarged precincts of the floor which we now enjoy, I will not read the table which I hold in my hand, but I will ask permission that it may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. BURSUM in the chair). Without objection, permission is granted.

The table referred to is as follows:

*Comparison of revenues under the emergency tariff bills.*

[Note: This table shows the wide discrepancies in the estimated revenues under the two emergency tariff bills, notwithstanding the rates of duty are identical in both bills.]

Para-graph of H. R. 2435.	Commodity.	Revenue collected, calendar year 1920.	Estimated revenue (12 months) under—	
			Fordney bill as vetoed, H. R. 15275, Sixty-sixth Congress.	Young bill, H. R. 2435, Sixty- seventh Congress.
1	Wheat.....	\$9,700	\$2,429,529	\$35,000
2	Wheat flour and semolina.....	700	657,900	16,000
3	Flaxseed.....	4,923,400	2,200,000	6,000,000
4	Corn.....		137,625	450,000
5	Beans.....	510,400	3,091,760	1,200,000
6	Peanuts.....	803,700	5,047,950	750,000
7	Potatoes.....	5,900	1,560,000	250,000
8	Onions.....	363,700	787,040	400,000
9	Rice:			
	Cleanned.....	215,400	2,900,660	400,000
	Uncleanned.....	178,500	235,575	437,500
	Flour, meal, and broken.....	2,800	5,038	15,000
	Paddy.....	1,400	70,672	3,000
10	Lemons.....	542,000	1,391,250	1,000,000
11	Oils:			
	Peanut.....	760,600	4,333,420	520,000
	Cottonseed.....		2,479,400	20,000
	Coconut.....		(1)	1,000,000
	Soya bean.....		3,837,000	10,000,000
	Olive.....	975,903	860,000	1,550,000
12	Cattle.....		5,851,500	900,000
13	Sheep.....		102,484	130,000
14	Meats, fresh and prepared.....		3,466,792	1,490,000
16	Cotton, long staple.....		(1)	12,600,000
17	Manufactures of long staple cotton.....	(1)	(1)	210,000
18	Wool (clothing and mohair):			
	Unwashed.....	351,400	9,900,000	15,000,000
	Washed.....		28,500,000	300,000
	Scoured.....		45,000,000	45,000
19	Manufactures of wool of par. 18.....	(1)	11,250,000	2,100,000
20	Sugar and molasses.....	78,678,000	42,000,000	118,755,070
21	Butter.....	940,700	1,250,000	120,000
22	Cheese.....	1,047,600	160,000	1,150,000
23	Milk and cream, fresh.....		85,000	90,000
24	Milk, condensed, and sugar of milk.....		410,000	101,250
25	Tobacco:			
	Wrapper tobacco.....	12,857,600	4,800,000	14,100,000
	Filler tobacco <sup>2</sup> .....	16,895,100	(1)	19,000,000
26	Apples.....	46,400	(1)	90,000
27	Cherries, raw, and in brine.....	(1)	(1)	(1)
28	Olives.....	629,300	465,000	1,000,000
	Total for 12-month period	120,732,000	182,626,586	211,227,820

<sup>1</sup> Not estimated.

<sup>2</sup> No figures.

<sup>3</sup> Although "filler tobacco" is provided for in both emergency tariff bills, there is, however, no change in rates of duty on same from existing law. Therefore this item should not figure in this table.

Mr. MOSES. I will content myself, Mr. President, with offering the only possible explanation for the discrepancies in this table which suggests itself. These figures in both instances—for both House and Senate chairmen—were undoubtedly furnished by the Democratic experts who assisted the Senator from Alabama when he drew the now existing tariff law, who assisted the Representative from North Carolina as he drew the revenue measures under the Democratic administration, and who have now been brought over bodily to serve Republican chairmen in the House and Senate and to assist them by providing statistics as misleading as those which they provided for Democratic predecessors in years gone by. I shudder to think, Mr. President, of the mass of unreliable statistics with which both Houses of Congress will presently be inundated from the same Democratic source if these men are continued in their positions as expert statistical advisers in chief to Republican framers of a supposedly Republican tariff measure.

I have dwelt upon these defects of the measure, Mr. President, not for the purpose of emphasizing the inherent weakness of the bill, but to emphasize my own party regularity which would have led me to vote for the measure despite these errors if they had been the only ones which it contains. From the beginning of the movement to enact this legislation for the supposed benefit of suffering agricultural interests it has been vigorously asserted that no amendments were to be considered, that its items were sacrosanct, and that no impious hand should be laid upon them. In pursuance of this policy, sir, in the last Congress we saw an amendment for mildly compensatory duties in the wool item offered by the distinguished Senator from Massachusetts only to be incontinently rejected. We heard the plaintive voice of the Senator from Missouri crying out in vain

for a duty on sunflower seeds. We heard the friends of magnesite, of tungsten, and of latch needles vainly imploring the obdurate Senator from North Dakota to permit a few loaves of his tariff manna to fall into their empty hands; but all in vain.

There was a duty on hides, but none permitted on shoes. There was a duty on wool, but none on woolens. There was a duty on cotton, but none on cottons. There was a duty on wrapers, but none on cigars.

The committee in the Senate was deaf eared and stony hearted until the junior Senator from Pennsylvania appeared before the tribunal presided over by his colleague and procured from its members the insertion in the bill of Title V, which would continue for the life of the measure the existing embargo and licens'g system as applied to dyestuffs. By this action, Mr. President, the Finance Committee has vitiated the principle upon which the bill is supposedly drawn, for by no stretch of imagination can it be adequately contended that suffering agriculture can be benefited by an embargo on dyestuffs.

Such a proposal has been intermittently before Congress for more than a year and a half, and during all of that time I have persistently and consistently opposed it. My opposition to it has not abated now, and because of its inclusion in this measure I am compelled once more to vote against the bill. This proposal, Mr. President, is not protectionism; it is monopoly. Still less is it Republicanism. I do not believe that it is Democracy either. It is class legislation of the most vicious and dangerous kind; and it comes over to us as a device of the last administration, designed as a war measure and seized upon by the rapacious who are only too eager to continue the system under which they have already made enormous profits, and as the result of which they have entered into agreements of world-wide scope to assure them gigantic and undisturbed profits in the future.

Mr. President, I am a protectionist—a protectionist in the nth degree, believing in protection almost for protection's sake. Through the operation of that doctrine, devised by Hamilton and handed down to his successors in political faith, the Republican Party from its birth has stood for the development of American industry behind the sheltering wall of a protective tariff. Our richest epochs of industrial development and national prosperity have been those during which wise protectionism has held sway. This country prospered and grew great, Mr. President, not under the embargo and licensing system but under a protective tariff; and I can not understand, s r, why the dyestuffs industry should now be considered or dealt with differently from the tin-plate industry or from any other of the great industries of America which have grown up under a protective tariff. If the manufacturers of dyestuffs would be content with the same treatment which has been given to other American enterprise and initiative, I would join with them in placing protection at whatever point, no matter how high, the necessities of their business would demand. But, Mr. President, when they come here with a renewed and impudent demand that measures arising from the exigencies of war time should be continued for their benefit at a moment when we are ardently seeking peace and a return to normalcy, my convictions and my political judgment alike forbid acquiescence. Mr. President, this proposal can not be considered as an administration measure. No word in advocacy of it can be found in any of the President's official utterances; and one looks in vain throughout his message for any suggestion that this proposal should be written into the tariff legislation which he recommends.

Mr. KING. Mr. President, may I interrupt the Senator?

Mr. MOSES. I yield.

Mr. KING. The Senator has just said that this is not, as he understands, an administration measure. May I inquire of the Senator whether, if President Harding had recommended it, he would have thought that the measure was entitled to any greater consideration or any fairer treatment, or would it come with any additional sanctity? Would there be any obligation upon the Senator from New Hampshire and other Senators to abdicate their prerogatives, forget their oaths of office, and follow that recommendation simply because it was an administration measure?

The Senator will remember that for a number of years Senators upon the other side of the Chamber have denounced the former President of the United States, Mr. Wilson, and denounced the Democrats because, as they said, the Senate and House of Representatives had degenerated into rubber stamps; that all that the administration needed to do was to make a recommendation and it became a law. I had supposed that when the Republican Party came into control there would be a manifestation of independence that would command the admiration of some of those who had been so dictated to in the past.

Mr. MOSES. I hope I am giving an exhibition of that kind now, Mr. President.

Mr. KING. I commend the Senator, and I sincerely hope that his example will be followed by other Republican Senators.

Mr. MOSES. This bill contravenes the President's emphatic dictum that we shall have more than a score of the active industries of the country, and it puts hundreds of business men to the disadvantage of exposing the secrets of their business to some petty agent of the War Trade Board which continues to function, though war has long since ceased. I do not believe, sir, that any \$900 a year civil-service clerk in Washington is competent to run any business at arm's length, and I can see no adequate reason for thus singling out for conspicuous favoritism an industry already so profitable that it is easily able to maintain in Washington the largest, the most highly organized, the best paid, and the most arrogant of lobbies which this Capitol has ever seen.

It appears, Mr. President, that the impoverished dyestuffs companies of the country who, in December, 1919, were hammering at the gates of Congress with the plaintive cry that they could not live out the winter unless still further privileges were given to them, have, nevertheless, been able in the meantime to expend in the calendar year of 1920 the not inconsiderable sum of \$104,932.61 in pressing forward the measure now before us.

Mr. KING. Mr. President, would it bother the Senator if I should interrupt him further? I apologize for doing so.

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

Mr. MOSES. I yield.

Mr. KING. The Senator has stated that under this measure manufacturers would be compelled to make known and reveal their trade secrets, their processes, and so forth, to some supernumerary, petty official. The Senator, perhaps, is advised of the fact that quite recently the War Trade Board—and its functions of course are to be continued and it is to be perpetuated, although assigned to the Treasury Department—has required that the applicant shall go—

Mr. MOSES. I will touch on that later, Mr. President—

Mr. KING. To an organization which is controlled by the dye producers of the United States.

Mr. MOSES. The Senator only anticipates what I intended to say upon that subject.

Mr. KING. I apologize to the Senator.

Mr. MOSES. Of this amount, substantially three-quarters, or \$70,464.33, was paid for that which is euphemistically described in the Knit Goods Bulletin for April, 1921, a copy of which I have before me, as "legislative expenditures." The income of this body—and I am speaking, Mr. President, of the American Dyes Institute—during the same period was derived from dues, assessments, and special assessments in the total sum of \$121,976, and the items of expenditure are of such interest that I venture to ask that the article to which I refer may be included in my remarks at this time without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Knit Goods Bulletin, April, 1921.]

HIGH COST OF GETTING DYE LICENSE—OVER \$70,000 CHARGED TO LEGISLATIVE EXPENSES IN AMERICAN DYES INSTITUTE'S STATEMENT OF INCOME AND DISBURSEMENTS FOR ONE YEAR.

The high cost of lobbying for the establishing of a dye-licensing system is shown in the financial statement of the American Dyes Institute of March 9 to the members of the institute. The statement comprises Bulletin A-205, and shows income and expenditure from January 1, 1920, to December 30. The total disbursements were \$104,932.61, of which \$70,464.33 is charged to legislative expenditures. Salaries and counsel fees are put down at \$20,125.78. The cost of monthly meetings and luncheons was \$2,443.43. Under legislative expenditures of \$70,464.33 in one year, to secure the passage of the Longworth bill, there appears, among others, the following items:

Hotel bills	\$7,670.28
Tips, meals, hotel, taxi, etc.	876.66
Evarts, Choate, Sherman & Leon, fee to Joseph H. Choate, Jr., up to Oct. 10, 1920	25,000.00
Judge J. Harry Covington	25,000.00
Evarts, Choate, Sherman & Leon, Joseph H. Choate, Jr., traveling expenses to Paris	1,505.01
Payment on account Paris trip, Joseph H. Choate, Jr.	3,494.99
Evarts, Choate, Sherman & Leon	1,020.96
Various expenses incident to distribution of A. D. I. pamphlet	872.93
Expense incident to distribution done by legislative committee	497.12
Article prepared and published	301.29
CONGRESSIONAL RECORD and printing	328.91
Supplying, addressing, and mailing postals and envelopes in congressional dyestuff hearings	559.82

The income from dues, assessments, and special assessments was \$121,976. Among the accounts payable is shown an item of \$21,505.01—Evarts, Choate, Sherman & Leon—this, apparently, an expense in addition to the several large payments to this firm.

At the January meeting of the American Dyes Institute the treasurer submitted his report covering the year 1920. At the February meeting the treasurer submitted the auditor's indorsement of the report, which was sent to the members in detail. Above figures are from this report.

Mr. MOSES. In this compilation, Mr. President, it is worth noting that the largest items of expenditures were those for counsel fees, which amounted to about \$50,000, divided in equal parts, one paid to Joseph H. Choate, jr., as his compensation to October 10, 1920, and the other to Judge J. Harry Covington, of this city, who descended from the Federal bench in order to take the more lucrative employment which this client affords. Another interesting item is one of \$1,505.01 paid to Mr. Choate for his traveling expenses to Paris, with a further payment "on account Paris tr'p" of \$3,494.99, while hotel bills for the well-housed lobby of the dye makers amounted to \$7,670.28; and the further impoverishment of the dye makers is shown by the item "Tips, meals, hotels, taxis, etc." amounting to \$876.66. It is further worthy of note that the financial report of the dye makers to their members contains the item of an amount payable to Mr. Choate of \$21,505.01. For these sums—in hand and payable—Mr. Choate has spent no inconsiderable portion of his time in roaming about the country addressing parlor meetings of ladies in advocacy of national defense to be obtained by giving his clients an absolute monopoly in the dyestuffs market of America. What crimes, Mr. President, are committed in the name of preparedness when a liberal fee is attached thereto!

I have sometimes wondered, Mr. President, whether the collateral motive for pressing this un-Republican, un-Democratic, un-American scheme was not a desire to maintain or to create jobs in the Federal service, whose personnel Congress and the country so earnestly desires to reduce. For instance, Mr. President, in a letter from the American Dyes Institute, under date of May 3 of the present year, addressed to me, and I suppose to every other Member of the Senate, occurs a paragraph calling attention to the fact that the passage of the so-called Knox peace resolution will automatically end the authority of the War Trade Board, the tenure of which this bill would continue. In connection with this, sir, it is interesting to note the manner in which the War Trade Board is now functioning with regard to dyestuff licenses. An American consumer of dyes recently received from the War Trade Board a copy of the new conditions which that board has set up for the obtaining of licenses and in which it is required that the applicant must apply first to the American Dyes Institute before applying to the War Trade Board. It is the American Dyes Institute, I venture to remind the Senate, which has so lavishly recompensed Mr. Choate and Judge Covington for their services and so liberally enable them to journey to Paris and to dispense largess to the bell boys of Washington.

The moving spirit in the American Dyes Institute is one Morris R. Poucher, formerly connected with the Badische Co.—a firm well known in the chemical industry—and who is now associated with the Du Ponts, who in equal measure have become notorious and noted in the same line of business. Mr. Poucher is chairman of the executive committee of the Dye Institute; he is on the advisory committee of the War Trade Board appointed by the Dye Institute; he is on the advisory committee of the Textile Alliance, who imported the German reparations dyestuffs; he is also, I understand, director of the Textile Alliance, where he represents the Dye Institute. In other words, he is the Dye Institute, he is the Du Pont Co., he is the Textile Alliance, and it is now proposed to make him the doorway to the War Trade Board. In these various capacities the way will be open to him to know not only the details of the business of every dye manufacturer in the United States, but to secure an accurate line on the consumer as well—to whom he may dictate what he may or may not use. If this, Mr. President, is to be the policy of the War Trade Board, whose continuance is provided in this measure, the dye consumers of the country might as well understand in the beginning that the entire dyestuffs business of the United States is to be turned over to Mr. Poucher and those whom he represents, and that they will determine who shall or shall not continue in business, whether manufacturing, importing, or consuming.

The provisions of Title V in the bill, Mr. President, are open to other avenues of criticism. It would appear from the language employed that an absolute embargo is intended upon all dyes, whether natural or artificial. The word "dyestuffs" which the bill contains is new in our statutes. It has never been found in any tariff bill before. It has received no legal interpretation. It has been used indiscriminately in trade papers and in discussion, so that it is impossible to tell from the language of the bill as it stands whether this word shall include only the coal-tar colors or whether it also embraces natural dyes, such as logwood, fustic, natural indigo, natural alizarin, ultramarine, Prussian blue, and the like, to the end that its operation shall bring into its all-embracing tribute not only the textile manufacturer, the color maker, the paint fac-

tory, the lithographer, the ink maker, and the tanner, but even the humble washerwoman at her tub, who must blue the clothes before drying them.

It should also be noted, Mr. President, that the bill in this title provides no means for a further issuance of licenses, and it is by implication only that the consumer may enjoy even the limited privilege which he has thus far possessed. The personnel and the records of the War Trade Board—with such remnants of appropriation as the board still enjoys—are, it is true, transferred from the State Department to the Treasury; and there, Mr. President, will be found nebulous authority granted to the Secretary to "make rules and regulations necessary for the enforcement of this act." The Secretary thus becomes the magisterial officer who must define quality, quantity, price, and delivery. And it is pertinent to ask through whom he will exercise these functions. Is the remaining appropriation for the War Trade Board sufficient for the purpose, or shall we soon be confronted with a deficiency appropriation to provide for a new army of clerks, statisticians, and experts to be added to the army of tax eaters which the war created and which we seem unable to demobilize? In a statement issued the other day by the senior Senator from Pennsylvania he declared that the American people are more concerned in getting taxes reduced and "retiring the sheriff to the background" than in any "academic discussion of international disarmament." May I add to this sage remark the further comment that the American people are still more concerned in freeing the business of the country from the palsying hand of governmental regulation than they are in setting up any monopolies?

Mr. President, I am well aware that this bill will pass. Its advocates are already celebrating their victory. In the edition of the American Dyestuff Reporter for May 2, 1921, on its first page, will be found an article announcing in large type that "The fight has been won!" In the course of this article a deserved tribute is paid to the junior Senator from Pennsylvania for the response, "both prompt and gratifying," which he made to the appeal of the dye makers; and the editor adds that he "does not imagine that Messrs. KING, MOSES, and others of the opposition will find much to encourage them." He concludes his panegyric with the injunction that "Philadelphia, New Hampshire, and Colorado papers please copy." On another page of the same journal is to be found an order issued in rhyme, as follows:

Lordly solons, Nation's stay,  
Legislative mill,  
Congress, Senate, Warren—Hey!  
Pass that dyestuff bill!

I assume, Mr. President, that the Congress, the Senate, and the President, who is thus affectionately and commanding addressed by his Christian name, will be interested in the gloating already going on at Wilmington and so soon to be amply justified by the action of the Senate on Wednesday.

Mr. President, I am a Republican—orthodox and regular. I prefer infinitely to vote with my party, or with the majority of my party associates here, rather than to vote against it or them. Insurgency for insurgency's sake has no charm for me; and it is only because this measure runs counter to all the doctrines of sound Republicanism that I am voting against it. If it stood alone, if it bore no relation to more important tariff proposals which soon will come before us, it is probable that I would have contented myself with no word of protest save in my negative vote. Put, Mr. President, we shall soon have before us a general tariff bill. Within six weeks it may be, certainly long before this measure shall have run its limited span of life, the tariff bill of 1921 will have reached the Senate. I am convinced, sir, that the same arguments now advanced, the same forces now arrayed to secure the passage of these proposals as an emergency measure, will then be equally vigorous in demanding that they be continued as permanent legislation. They can, and no doubt will, argue cogently that nothing has happened in the intervening time to change the situation from to-day. They will ask why if they are to-day entitled to that which this bill gives them they will not be equally entitled to it six weeks hence. To that demand no adequate answer can be made. In the passage of this bill, Mr. President, we are opening the door for the continuance of a policy which no man here in his heart believes will furnish an effective remedy for any of the distress which any interest now suffers and for which no man here can find an adequate excuse. But we shall have it fastened upon us.

The cry from the country during the whole period while this iniquitous license and embargo proposal has been before the Congress has been for a reduction in the high cost of living; and yet, sir, it is worthy of note that substantially every measure which Congress has been called upon to consider in that time has looked toward the maintenance, or the increase, of the high

prices which war fever brought upon us. The country has gone on with its cry for high and still higher wages, and prices and profits. Deluded interests still think to lift themselves by their boot straps through congressional action. What the country needs, sir, is not legislation, but liquidation. Until every interest of investment, or manufacture, or production, and of labor is willing to confront the inevitable reactions of the war, is willing to write off its losses, is willing to begin anew under the conditions which the reactions of war involve, this country can have no economic peace or progress.

A homely rhymster, whose verse is a daily delight to thousands of readers, has pictured the situation; and I ask the Senate and the country to take counsel from these words of Walt Mason:

EVIL TIMES.

There is a crisis everywhere, and all the world is in despair. I read the news from day to day, from countries near and far away, and I'm discouraged as I mark our prospects, desolate and dark. Oh, anarchy and doom and wreck and countless evils are on deck; some crisis every day appears and humps its back and wags its ears, and statesmen cry, as they've long cried, "The tail must travel with the hide." For six long years it's been the same; the crisis played its low-down game, and filled us with the dumps and blues and kept us shaking in our shoes. We had a crisis months ago, because no prices then were low, and profiteers were on our trail, demanding all our hard-earned kale. That crisis slumped, another rose, and now low prices are our foes, because the cost no longer soars a thousand mills have closed their doors, and workless workmen walk the streets and clamor vainly for the eats and soak the silken shirt they wore when 't other crisis had the floor. I'm tired of all this crisis stuff; they've fed me up—I've had enough.

Mr. President, history has a trick of repeating itself. Twelve years ago a Republican President had just entered the White House, and he, too, came from the State of Ohio. Behind him stood the largest vote that any President had up to that time ever received. The Republican majority in both Houses of Congress was ample; and that majority wrote a tariff bill. That tariff bill was a Pandora's box of political evil for Republicanism. The year following its enactment saw the Republican majority in the House of Representatives swept away, saw State after State, previously deemed safely Republican, taken into the Democratic column, and saw the Republican majority in this Chamber sadly diminished. Two years later came the frightful debacle in the Republican Party and in its train came eight years of Wilsonism and war, bringing with it the embargo and licensing system which this bill would continue. I hope, Mr. President, that the Republican Party of 1921 is not again setting its feet in the path of 1909.

Mr. KNOX. Mr. President, I have listened with great attention, some amusement, and some astonishment to the combination of logic, eloquence, doggerel, and prejudice which have been emitted by my distinguished friend the Senator from New Hampshire [Mr. MOSES]. It is not my purpose to approach the consideration of the amendment to this bill for which I am responsible from the standpoint of a profit and loss account of a Dolly Varden calico mill in New England, but from the standpoint of the roster of the dead who have died in this Great War, from the standpoint of the list of casualties, and I make my appeal to the men who have followed the history of this war and learned the lessons it has taught. It will require but a few moments, Mr. President, to justify this amendment, explain its purpose, and satisfy thoughtful men of its wisdom.

When the Great War with Germany broke out 99 per cent, perhaps, of all the projectiles that were flung against the allied forces were filled with high explosives, high explosives which France and Great Britain could not and did not produce, but which eventually were produced by the United States. In the last great retreat an examination of the huge ammunition dumps of the German Army showed that over 50 per cent of their projectiles, instead of being charged with high explosives which merely exploded the projectile and scattered its fragments, were filled with poisonous gases which mingled in the air and asphyxiated and destroyed thousands, even though not within their immediate range.

What does that lesson teach? It teaches that from practically a negligible quantity of projectiles charged with poisonous gases during the war there developed fully 50 per cent so charged, and if the war had continued two years longer and America had not made the progress which enabled us to meet these people upon common ground the story of the war would have been different.

Let me read to you, Senators, a few observations made by a man whom I have the honor to call my friend, Col. Philippe Bunau-Varilla, who left one of his legs upon a field in Flanders, in speaking of the blindness of the French people in not meeting the Germans upon the common ground of the development of organic chemistry and therefore the production of chemical armament. He said:

This seems incredible, but it is a fact!

The blindness of the French administration, the deceiving songs of the pacifists as to the impossibility of a European war, had gradually led France to get engulfed in the methodic and devilish entanglement of the German dyestuff industry.

The terrible situation in which France, as well as Great Britain and Russia, was placed by the lack of ammunitions after the earlier battles of the war is explained thus:

Who makes dyes to-day can to-morrow make high explosives—with the same men, with the same plant, with the same materials—provided he disposes also of oxidized nitrogen.

The dye industry and the high-explosive industry are so intimately connected as to be virtually one. In fact, melinite and trinitrotoluene are nothing but hydrocarbides, extracted from distilled coal tar, in which is incorporated oxidized nitrogen.

Germany had established all over the world the monopoly of her apparently innocent dye industry. It was the scientific noose which was going to strangle all her enemies after the first months of war owing to the famine of explosives.

The vile methods of warfare admirably condensed by the celebrated Count Luxburg, the minister of Germany to Argentina—suggesting neutral ships should be sunk "without leaving traces"—were also followed in peace. The same men who enjoyed the hospitality of the United States, while depositing bombs with time fuses in the ships leaving the American wharves, were active during peace times also.

The dye industry being for everybody, except Germany, a peaceful one, and, for Germany only, a war industry, it was protected against competition by German war methods.

Whenever a non-German dye appeared either in France, Great Britain, or America, immediately it was stifled under an avalanche of German goods. If, however, the competitor resisted the business pressure he was soon put out of commission by the purely Boche trickery.

Suitable additions of noxious substances were made by criminal hands in the mills of the users of non-German dyes. Everybody was soon convinced that non-German dyes did not possess the standard qualities necessary for their industrial use. By this double method in time of peace—dumping and sabotage—the Boche acquired the practical monopoly of the dye industry. Free-trade nations were glad of it. The innocent economists and the candid pacifists were conveniently misled, while in fact the monopoly of the dye industry constituted the control of explosives by Prussia. She alone was capable of making the explosives on a large scale, when she should decide to let loose her dogs of war and to complete the task which she had begun in 1819. This monopoly was to insure her conquest of the world.

Everybody remembers the universal complaints about the absence of dyes when the war was declared by Germany. Nobody, of course, remembers any complaint about the absence of explosives. It was, however, the very same question. The manufacture of dyes was the manufacture of explosives. The various nations abstained, naturally, from exposing their incredible blindness and the almost criminal neglect of their Governments in not having taken, during peace, adequate protective measures. Their stock of material for providing their artillery with high-explosive shells was practically just sufficient for the first weeks of the war.

Germany alone was capable of the industrial effort necessary to furnish the large masses of explosives required for the war. She had of the plant, she had of the personnel, she had of the raw material.

She had also succeeded in freeing herself from the necessity of importing nitrates from Chile. Chile, on the contrary, was the only source open to Germany's blind enemies for obtaining the oxidized nitrogen which is the essential element of high explosives or of gunpowder.

Thanks to supreme technical efforts she had succeeded in devising the proper scientific and industrial methods to extract from the atmosphere the oxidized nitrogen necessary for the manufacture of her explosives. It is safe to say Germany alone among the nations at war could produce an unlimited quantity of explosives on her own soil and with products generated within her own frontiers.

Mr. President, to-day perhaps the noblest call to man is the dissipation of the possibility of future war, and perhaps one of the strongest arguments that can be put up to Governments is that to avoid war we must disarm. But what profits it, Mr. President, if we shall destroy our battleships, if we shall destroy our arsenals, if we shall cease to cast guns and swords and bayonets, if we leave the world's productive capacity of organic chemistry in the hands of Germany, which enables her to turn out instantly, with the flexibility of her plants, the most deadly weapon that human ingenuity has yet devised? You may sink every German battleship to the most remote cave of the sea, you may reduce to dust her proudest fortresses, you may blow the great Krupp plant to hades, and you may cast the big Berthas into plowshares and pruning hooks, but if you leave the dye industry in the possession of Germany she has the world by the throat.

Mr. President, those of us who take an interest in what has happened during this war, those of us who seek intelligently to understand the causes of the great destruction of this late war, those of us who have visited the hospitals and seen the asphyxiated boys, many of them demented—my God, how can we refuse by our votes to take over to ourselves the ability to do that which they would do? Nations do to each other what the others would do to them, but if we are wise we should be sure to get ready to do it first.

I place no importance at all in this discussion upon the economic features of this amendment, and yet perhaps there could be no greater argument made for any American industry than could be made for the protection of the dye industry, when you take into consideration the circumstances under which it came into being.

Woodrow Wilson had the vision to see what it meant. Twice has he specifically, in his messages to Congress, called attention to the necessity of the building up of this great arm of national defense. In 1914, when the war broke out, there were seven manufacturers of dyes in the United States. In 1920 there were 184, and yet we hear gentlemen cry "monopoly"; that this industry is in the hands of a few. We hear gentlemen complain of the efforts these people are making to protect the two or three hundred million dollar investment. Mr. President, every time a superbattleship is built in the United States it is paid for to the extent of forty or fifty million dollars out of the pockets of the American taxpayers. Every time a dye plant is constructed which costs forty or fifty million dollars it is built at the expense of private individuals, who, because of the peace-time uses of their product, can afford to construct these plants, which, as I have said, are almost instantaneously convertible into munition plants. Yet your battleship in five or six years is obsolete and your investment is gone; but your dye plant, if the country is progressive, will become greater and greater and more efficient, not only for the purposes of peace but for the purposes of war.

We hear complaints that these institutions are great, enormously capitalized, and make large profits. Mr. President, in this day of grace, when great things are being done in the world, it requires great instrumentalities to accomplish them. You can not equip an army to fight 5,000,000 Huns in the blacksmith shops at the crossroads, and you can not finance it at the little national banks in the villages throughout the country. You have to take a view of this situation, Mr. President, that is becoming the size of our country, the dignity of our statesmanship, and the wisdom and patriotism of the men who sit here and represent the American people.

I ask leave to print as an appendix to my remarks an article in the New York Herald, written by Mr. Edwin C. Hill, on the uses of gas in warfare.

The VICE PRESIDENT. The Chair hears no objection, and leave is granted.

#### APPENDIX.

WORLD MASTERY LIES IN "DEW OF DEATH"—POISON GAS FROM AIR-PLANES WILL DECIDE NEXT BIG WAR—GEN. FRIES, CHIEF OF THE CHEMICAL WARFARE SERVICE, DEPICTS HORRORS AS A REAL DANGER FACED BY OUR ISLAND POSSESSIONS AND EVEN BY NEW YORK—AMAZING REVELATIONS IN OFFICIAL MEMORANDA.

"Horrors of the Great War reached their climax with the use of poison gas projected far behind the front lines by means of gas-filled shells. Yet terrible though the results were both for the fighting forces and civil population, they pale into insignificance beside the picture of the gas war of the future painted in the accompanying article.

"The facts about armament plans of the several nations gathered by the New York Herald and presented in these columns from time to time have attracted nation-wide attention. The details presented to-day—all from official sources—are sure to gain international attention. No such frank revelation of the possible use of poison gas dropped broadcast by fleets of airplanes ever has been published, and the description of the probable results staggers the imagination. Literally, as the writer says, 'The mastery of the world rests in the dew of death.'

"[By Edwin C. Hill.]

"[Copyright, 1921, by the New York Herald.]

"NEW YORK HERALD BUREAU,  
"Washington, D. C., May 7.

"Hurricanes of steel smashed German power on land and sea. The dew of death will paralyze and destroy the lunging battalions of a future assault against civilization.

"The last war ended with diapason closing full, great guns roaring from the North Sea to the Alps, the ears of the warriors dinned by infernal tumult. The next war will close in the silence of death, broken only by the moaning and the screams of the blinded and the burned.

"Wars of the past have been conflicts of artillermen and engineers, clumsy duels with clumsy tools not very different from the tools used by Napoleon, Grant, and Von Moltke. Wars of the future will be unimaginably dreadful struggles, directed by middle-aged and elderly persons in spectacles sitting in laboratories and loosing upon fields of battle, battle fleets, and great helpless cities miasmas of death that not only destroy the body but wreck the mind through fear, sheer terror of the mysterious, the unknown.

"Compounds of volatile, lethal poisons, poisons that will fall as dew from the clouds, literally a dew of death; poisons that will be drifted across great spaces like fever murk from a swamp; poisons that will be discharged in shells from pneumatic guns, furtively, silently, will contend for the mastery of the world. These will be chemists' wars, if wars must come again, and the simple truth is that the mind of man is not yet able to picture the horrors that will be released.

#### "DREADFUL FORECAST OF EVILS BY NEW WAR DESTROYERS.

"Great cities, an ocean apart from their country's enemy and tranquil in fancied security, far out of reach of the longest range gun, will stir from sleep in the night to the agony of their people, as from unseen poison ships, circling above them in the dark, dews of death fall to blind and burn and paralyze. Fortresses, manned by the most powerful ordnance man has been able to perfect, will lie helpless under this gentle, frightful rain. Armies with banners will be leveled to the dust, no longer armies, but masses of sightless, pain-crazed human beings, incapable of motion, incapable of thought.

"In all the thousands of years that men have schemed to slay other men for greed, ambition, or the love of women nothing even remotely so terrible has come into warfare as the discovery and coldly scientific application of poison gases as a weapon. The possibilities are absolutely illimitable. There are 200,000 chemicals known to man, and as yet only 5 per cent of this vast number have been used for experimentation. Yet with the few discoveries made in the 5 per cent and employed in the Great War the casualties were terrific.

"The Surgeon General of the United States Army reports that almost one man out of every three that entered the hospitals of the American Expeditionary Forces as a battle casualty was suffering from enemy gas. Including the marines and attached naval personnel, poison gas caused 72,056 casualties, of which 1,271 proved fatal. That is what the dew of death did to American fighting men. What it did to the French and the British can be imagined without statistics.

"Yet from 1915, when the Germans first drifted a poison cloud across the field of Ypres, until they surrendered, more than three years later, they developed only 3 per cent efficiency. Had it been 50 per cent so early in the struggle, or even later, history might have had another tale to tell.

"'Had they got up to 50 per cent,' said Brig. Gen. Amos A. Fries, Chief of Chemical Warfare Service, United States Army, 'we would have had to come home—those of us left.'

#### "IN ITS INFANCY DURING LATE WAR—NOW A MENACE.

"At Ypres in 1915, when the Kaiser's hosts added the new terror to warfare, they had the world in their hands had they followed up the shocking surprise their poison waves sent through the British and the Canadians—but they did not follow it up. One is reminded of Victor Hugo's explanation of French defeat at Waterloo—the sunken road of Ohain, Napoleon's strange indecision, Grouchy's blunder. Hugo put it in a word: 'God.'

"Nor did the Germans advance their primary advantage with the energy that had marked them in all other fields of military achievement and purpose. The German chemical-shell program was 25 per cent of their artillery ammunition. During the entire time that the American troops were in action it is doubtful that the chemical-shell firing ever exceeded 15 per cent. They could not manufacture chemicals fast enough. In the battle of the Meuse-Argonne, the longest and hardest-fought battle the American troops participated in, the Germans used a relatively small amount of gas. Their available supply had been dissipated in other sectors and little was left to employ against the Americans. But with poor efficiency and a dwindling supply it must not be forgotten that German poison gas struck out of the battle line one in every three of the American fighting men who went to hospital.

"Does anyone think that the vision of whole cities thrown into helpless agony by invisible airships dripping poison is too fantastic? Or that it would be impossible to subdue such fortresses as Corregidor or the green-terraced ramparts that guard the Narrows of New York Bay? Nevertheless that is the cool and carefully weighed opinion of Gen. Fries and of his aids in the Chemical Warfare Service. They approach these amazing conclusions with knowledge of secrets that are not accessible to the rest of us—grim and dreadful mysteries that have been worked out in the great Chemical Warfare Service laboratories at Edgewood, Md., and in the many private laboratories whose science is given to the United States Government.

"If the Philippines are ever attacked by an enemy, it will be a gas attack, Gen. Fries believes, and the measure of his opinion is indicated in the following interesting memorandum he sent a few days ago to Maj. Gen. Leonard Wood, who is now on his way to our Far Eastern possessions. Here it is:

#### "FORECAST OF LOSS OF PHILIPPINES BY GAS RELEASED BY ENEMY.

"Japs can take Philippine Islands with gas—let us assume Japan has decided to make war upon the United States. Her first objective is the Philippine Islands. They lie to the south of Japan and more or less parallel to the Asiatic coast as is Japan herself farther north. American troops and fortifications are concentrated on the island of Corregidor at the mouth of Manila Bay. This is the usual tropical island, with an extreme length of 7 miles and an extreme width of 1

mile, the total area being less than 3 square miles. It is rather a typical promontory on the west, gradually shading off to almost sea level on the east. It has the usual tropical growth, with cleared places for barracks, officers' quarters, and gun emplacements.

"Japan, having decided on war, will seize a small bay within 100 miles of Corregidor. Her air force will fly there by way of Formosa and land in the little harbor picked out. She will carry in her fleet 100 tons of mustard gas. This gas and the methods of making it were thoroughly worked out by the different Allies in the World War. Hence Japan's knowledge of the gas and of manufacturing it are complete.

"A force of 50 planes, each carrying 1 ton of mustard gas in a simple tank, will leave at night for Corregidor. A half hour later they will be over the island and will be sprinkling it thoroughly with mustard gas from one end to the other. Fifty tons of mustard gas, even if half of it is wasted on the surrounding waters, will form a deadly concentration that can not be gotten rid of under 5 to 10 days. Men can not live anywhere on the island without wearing masks and oil clothing which is gas proof.

"Within 48 hours the place will be practically untenable for anybody. Animals and all human beings will begin to grow sick from injury to the lungs or from very bad burns. Forty-eight hours alone will suffice for a reduction of the island without firing a shot. Thus will pass the Philippine Islands into the hands of the Japanese.

"The next step will be just to hold the Philippine Islands and wait for results. They might possibly attempt to apply the same methods of attack against the Hawaiian Islands. It is perfectly certain that the attack would be just as successful against the Hawaiian Islands as against the Philippines, unless the Americans have a superior air force that can keep the invaders away.

"The Caroline and Marshall Islands, including the island of Yap, over which the Japanese are to have a mandate, would afford numerous small harbors which would be ideal landing places for airplanes.

"In addition to an air force, the Americans must have a sufficient fleet within striking distance of the Hawaiian Islands to prevent the Japanese from seizing one of those islands as an air base. If not, the Japanese can seize a small island with a landing place for their airplanes, and with a fleet of aircraft they could force the evacuation of the American forts in Hawaii by sprinkling gas, just as in the case of Corregidor.

"This is merely an outline of the method of attack. How incomparably more simple is this seizing of Corregidor when compared with its seizure by any other means. And this is no dream. Anyone who knows mustard gas knows that if about 10 tons per square mile be sprinkled over an area inhabitants can not exist there until after three days under the best of conditions. Generally the time will be from 5 to 10 days in the tropics. The question of defense against such an attack is practically impossible without a superior air force.

"From this point of view it is not seen how America can hold the Philippine Islands. This is for the reason that it is not seen how the United States can maintain in those islands an air force greater than Japan could probably bring against it. The situation at Hawaii differs somewhat, but if we are to hold the Hawaiian Islands we must combine a large Navy with an air force which will be sufficient to keep Japan from seizing any of the islands as an air base.

#### GEN. FRIES DESCRIBES POSSIBILITY AS A VERY REAL DANGER.

"In preparing this extraordinarily frank memorandum, Gen. Fries 'got right down to brass tacks,' as he says, believing that no good would be served by minimizing a very real danger. And the same danger would apply, in his opinion, to any part of the United States whatever in war time if the Navy was not big enough and the air force not numerous enough to keep an enemy from establishing a base for poison-gas raids.

"Take New York City itself—

"Said the general—

"New York, the magnificent. For the sake of argument, let us assume that the United States Navy, allowed to deteriorate, had suffered defeat or that the Atlantic Fleet had been outmaneuvered by a cunning foe. Let us assume that the same neglect of military aviation continues. What then? The answer is as certain as that night follows day. Airplanes are being developed so that even now it would be possible for great squadrons to leap the Atlantic and sprinkle our cities with burning poison. If an enemy nation could seize and hold a base in the Caribbean, we would be wide open to the most frightful bombardment mind of man ever conceived—not a deluge of shot and shell but a rain of something infinitely more dreadful.

"We know that 10 tons of mustard gas will desolate a square mile and make life impossible in that square mile. Suppose a fleet of 100 poison sprinklers swooped over New York in the night, having defeated or evaded the American flying fleet. Death, desolation, and defeat would most certainly result. In the millions of the great city hundreds of thousands would be blinded, burned horribly, driven insane from terror. It is not a picture one cares to contemplate even in speculation, but I tell you that the scientific use of gas in warfare is approaching this extreme of horror.

"The American people should know that these possibilities exist, that the peril is not a nightmare of military men, but a cold, scientific fact, well enough proved in the past war and infinitely more potent now. We have adopted a policy of the utmost frankness because we believe in the sound judgment of the American people. We have our secrets, but we do not believe in trying to keep too many matters secret. Too much secrecy often defeats the very purpose of secrecy. We believe in being frank to ourselves, to our comrades in the Army and Navy, to Congress, and to the people as a whole. We believe in publicity, because we don't see how the Army and Navy, or any of the other institutions of our Republic, can be properly supported unless the majority of the people have a correct understanding of what those institutions are and how they should be maintained.

#### BATTLE FIELDS OF THE FUTURE NEVER TO BE FREE FROM GAS.

"Poisonous gases in the past war caused 27.3 per cent of all American casualties, killed and wounded. Considering only the wounded admitted to hospitals, over 31 per cent were gas alone, and yet the use of gas, even at the end of the World War, was a child's game compared to what it will be in the future. With gas drifting from clouds let loose on the battle line, with gas being thrown to enormous distances by all calibers of guns, and with gas raining from airplanes or bursting from airplane bombs, the battle fields of the future will never be free from gas.

"This is no exaggeration. We have the raw materials for these gases. We have the personnel to manufacture them. We have the factories. More than that, we have the men in the Army and the Navy and the Air Service that will distribute them; and the military man who fails in the future to consider gas in every problem he studies is failing to consider the most powerful weapon of war, both for offense and defense.

"There is still talk in places that chemical warfare may be abolished by agreement. It can't be done. If you can abolish chemical warfare by agreement, you can abolish all war by agreement. It may be argued that we have agreements that have been kept, such as not to use poison bullets or not to poison wells. Such agreements have been kept for one reason, and one reason only. The methods are inefficient. Poisoning of wells is a species of guerrilla warfare comparable with stabbing a man in the back, and gets only an occasional casualty. But chemical warfare, getting its casualties by the tens and hundreds of thousands, is too powerful a force for any military commander to overlook, either for offense or defense, and too powerful for any nation to dare trust that no other nation will use it in war. History proves that no powerful method of making war has ever been abandoned until a more powerful method was devised. And why shouldn't we use poison gas? It is just as sportsmanlike to fight with gas as it is to fight with rifles or swords. Gas, being so universally adaptable, requires the highest intelligence and the keenest minds to use it successfully. We Americans believe we have the mind, the skill, and the ingenuity to use it just a little better than anyone else.

"A recent writer in a military magazine stated that gas would probably not be used in our barrage during an attack, because of the difficulty it might cause our own troops. He forgot the enemy—a dangerous lapse of memory for any military man. Battles have been lost and nations have been swept away because commanders of armies forgot to figure on what the enemy might do. Consider our own barrage behind which our troops are marching to battle, with the wind blowing toward us: This is the most dangerous condition for our own use of gas. But what of the enemy? This is exactly the opening he is looking for. Under such conditions he will deluge our advancing soldiers with gas from the very moment they start until they cross his lines. If we do not deluge him in our barrage, we give him the use of the most powerful weapon of war without any danger to himself. If the wind is blowing toward the enemy, we will certainly deluge him, because our own gas can not come back to us, and the enemy for that very reason will deluge our advancing Infantry because he knows we will be deluging him.

"This simply means that gas will be used everywhere, in every battle, and woe be unto the general and his staff who fail to prepare so to use it. No war can be fought without suffering casualties, so to as Napoleon said, 'To make an omelet you must break some eggs.' We recognized that fact when we drove our men so close to our high-explosive and shrapnel barrages that we had many casualties from our own shells. Why did we do it? Simply to enable our men to get into the German trenches before the German machine gunners, hiding in deep dugouts, could man the trenches and mow our men down with machine-gun fire at short range.

#### CHEMICAL WARFARE IS CHEAP, BUT GERMANS PROVED IT TERRIBLE.

"Chemical warfare is a very economical method of waging war or maintaining peace. It is doubtful if 15 per cent of the German shells fired at American troops contained gas, yet that 15 per cent of gas shells alone accounted for almost 30 per cent of all our casualties. The United States spent in the World War for gases, gas masks, gas plants, and all other needs of the Chemical Warfare Service \$120,000,000, less than one-half of 1 per cent of the cost of the war, and yet with that one-half of 1 per cent more than 4,000,000 masks were shipped overseas, sufficient to equip the entire army in France and leave on hand at the signing of the armistice 1,000,000 masks in reserve. More than 3,600 tons of liquid gas were shipped to the British and the French and filled into shells by them. Several thousand tons of other chemical-warfare supplies were shipped to France. A number of plants were built, among which is the great plant at Edgewood Arsenal, one of the most valuable war plants in existence in the United States to-day.

"Give the Chemical Warfare Service 2 per cent of the appropriation for the Army, and, if the Navy desires it, 1 per cent of the Navy appropriation, and we believe that we can do as much to guarantee American success in war as could be had with 25 per cent spent in any other way.

"We have developed two new gases that may play a tremendous part in warfare. One is a new cloud gas, transmitted from toxic smoke candles. The old type of cloud gas required the burying of cylinders in deep trenches, requiring the work of many men for many days in order to prepare an attack. This method is obsolete. The modern method is to heat a solid. The solid gas, contained in a simple holder resembling a squat, old-fashioned lantern, is released when a fuse is lighted. It is safe and fool proof. It may be crushed, mashed, or punctured with bullets without harm being done to the person holding it. These candles may be very light or very heavy. They are so small as to be carried in a knapsack or so large as to require the efforts of many men. They are thus suited to the Navy, the Air Service, the Cavalry, Infantry, or special gas troops. Cloud gas attacks are highly efficient and by the new method can be launched at any time, day or night, that the wind is right.

"The other new thing is a liquid gas, the effect of which is to cause burns that are severe and difficult to heal. If three drops of this gas be absorbed into the skin it will cause death in most cases, while lesser quantities down to a tenth of a drop will put every man touched in the hospital. This gas and the common mustard gas, which burns the skin, can be sprinkled from airplanes in practically unlimited quantities. Entire fields, forests, camps, and railroad centers can be deluged with this dew of death. To work within an area so sprinkled men must be thoroughly protected by masks, by gas-proof clothing, and by gloves, all of which, at the very best, would keep out gas only a few hours. Even if clothing be found that would keep it out indefinitely, consider the enormous burden of transportation, of physical effort, and of mental strain required merely to live in such an area, let alone work and fight. When men must don masks for working or fighting their efficiency is reduced, and here again the value of gas in warfare is a telling thing.

"Mustard gas, which is heavy and always hangs low upon the ground, makes trenches and dugouts dangerous. It burns any soft tissue and moisture heightens its effect. It caused more casualties in the past war than any other gas, putting more than 30,000 American soldiers in the hospital. High explosives will not destroy it. It can be sprinkled from airplanes or fired in shells or bombs. To breathe it is like breathing flames. It can be placed in steel drums and released by electrical connection. It may be useful some day in defending the

Panama Canal and our own seacoast. If the British had had 5,000 tons of it in 1918 they would have stopped the German drive in the first 5 miles.

"Dypheal-chlorarsine, made of carbolic acid, chlorine, and arsenic, is fired in shells or used in cakes in concentrated form. In high concentration it is deadly. In low concentration it causes severe coughing, pains in the chest, and vomiting. The effects of it simulate pneumonia. It penetrates all save the very latest types of protective masks and a drop or two of the stuff upon a man's clothing will put him out of action. In defense it could be launched in cloud form against an enemy when the wind was right, or it could be fired in shells when the wind was adverse.

"Chlor-acetophenone—carbolic acid and acetic acid—is a tear gas. Nearness to the mere edge of its smoke causes blindness from excessive tears. It goes into shells and is spread by heat. This is the gas that will be used in the future to break up mobs, and it should be a tremendous asset to every police department. Mobs are helpless when they can not see. We are at work now upon a substance even more powerful than the tear gas developed by the war. At all times we conduct a warfare among ourselves in the Chemical Warfare Service. We do our best to find a gas that can not be stopped by our most modern masks and clothing. When we find that we invent new masks and new clothing; then look for a more penetrative gas. It is like the old contest of the burglar and the safe manufacturer.

"Phosgene is a liquid gas that volatilizes almost instantly. It irritates the lungs very severely and produces symptoms that are familiar to doctors in pneumonia cases. In treating sufferers the same methods are used, as are used in treating pneumonia patients.

"Lewisite, a new gas discovered by Prof. Lewis of Northwestern University, resembles mustard gas, but is more powerful in burning qualities. It volatilizes even more quickly. We are just beginning to produce it and it will undoubtedly play a large part in the next war.

"Brombenzyl-cyanide, liquid and another form of tear gas, is very persistent and volatilizes as slowly as mustard gas. It forces the wearing of masks without much expenditure of ammunition.

"These are some of the principal gases that we are constantly experimenting with, and about which we know enough already to be certain of the dreadful weapons they will be in future wars. What we are after is a gas that will be colorless, tasteless, odorless, that will kill instantly whole masses of men, and without the slightest warning of its coming. If that gas is found, and I believe we shall find it, it is impossible to see how an army could stand against it. With that gas conveyed in motor-truck cylinders resembling the oil trucks of common use, no fleet could even approach near to our coast, no army near our borders. Imagine its possibilities in offensive warfare! Even with the small soda-water cylinders they used, the Germans were able to send gas 15 or 20 miles.

"Chemical Warfare Service and poison gases have great and valuable uses in peace. We are working with the farmer and the fruit grower, as well as with the Army and the Navy. We are preparing plans and methods to eradicate plagues by destroying rats and other carriers. We are looking for a method to attack the boll weevil. We are working on gases to kill the insect pests of fruit trees and to attack locusts in the Philippines. We have made many discoveries in our chemical laboratories that will aid agriculture and industry.

"It is all a natural development carried on by man's ingenuity under stress. In the beginning wars were won by the side that had the greatest amount of brawn. The slaying of Goliath by David is the first recorded instance of the use of science in a conflict. The stampeding of Hannibal's death-dealing elephants with flaring tar-dipped arrows was another example of an innovation in war. The first use of gunpowder revolutionized warfare and completed the rout of the steel-clad knight that was begun at Crecy by the English long bowmen. And the first use of gas in the World War would probably have ended the conflict in 1915 if the Germans had but taken advantage of the situation their gas attack created.

"Chemical warfare is a terrible thing, but it is here, and here to stay. The day may come when the preservation of American liberty may depend upon it."

Mr. STANLEY. Mr. President, with the unemployed not to be found between the seas, and labor receiving the most munificent reward ever known in the annals of American enterprise, the Republican Party made this solemn platform declaration—

We pledge ourselves to earnest and consistent attack upon the high cost of living—

And that promise was emphasized and dignified as a solemn covenant by its candidate.

We can promise no one remedy which will cure an ill of such wide proportions—

Said candidate Harding in his speech of acceptance—

but we do pledge that earnest and consistent attack which the party platform covenants.

The chairman of the last Republican convention was not less earnest or less emphatic in assuring the people that if intrusted with power his party would keep that covenant, would make "that earnest and consistent attack."

The rise of prices—

Said Senator LODGE—

the high cost of living which reach daily into every home is the most pressing as it is the most difficult and most essential problem which confronts us. Some of the sources of this trouble can be reached by legislation, although not all, and everything that can be effected by law should be done at once.

At last, Mr. President, we have the promised legislation. The Republican Party now proposes to solve "the most essential problem which confronts us" by an embargo upon food-stuffs, by piling upon the towering and abhorred rates of the Payne-Aldrich bill a higher duty still upon food and raiment, by penalizing every producer of life's essentials who dares to offer food or clothing or shelter to your countrymen except at

the same or a higher figure than it is sold at the place of production or in any other market of the world.

This bill makes a mockery of your President's sacred covenant, your party's solemn pledge, "a promise made to the ear and broken to the hope." The obligation to keep that pledge inviolate is a hundredfold more binding now than then. The promise was made at a time of high wages and universal employment; and now, in the midst of depression and distress, wage cuts on every hand, factories, mines, and mills closed everywhere or working upon reduced time, 5,000,000 desperate, jobless men and their wives and children in destitution and despair demand the fulfillment of that pledge, the keeping of that covenant. Their meager and diminishing savings will no longer sustain the intolerable burden of the existing cost of every essential of life. They are demanding, and they have a right to demand, that promised relief. They ask for bread and you give them a stone. They demand the enactment of legislation cheapening food and clothing and shelter, and you enact a bill deliberately designed to enhance the power of the Wool Trust, the Beef Trust, and the Lumber Trust in maintaining the existing scale of prices.

#### GROUNDLESS DREAD OF GERMAN COMPETITION.

Alleged dread of German competition is the "bogey man" used by the advocates of high and higher prices to frighten the American consumer into an acceptance of this legislation and a patient endurance of its burdens.

Prior to the Franco-Prussian War the German States exercised but a negligible influence upon international trade, controlling but a bare 7 per cent of the world's commerce. With the formation of the Empire and the acquisition of Lorraine, Germany's foreign commerce, especially her trade in coal and iron, advanced by leaps and bounds. Having despoiled her neighbor of enormous resources in ore and coal, and as ruthless in industrial methods in peace as in military operations in war, Germany did invade the markets of the world and by the most ingenious forms of destructive competition attempted to secure that control, especially over the steel and iron industry, which she had long enjoyed in the production and sale of dyestuffs.

In underselling competitors German industries employed the kartell, resembling in many respects the American trust, but better adapted to the invasion of foreign markets and the destruction of foreign competition. Under this system the constituent companies, while maintaining their separate organizations, sell to a central agency, and when necessary contribute a bonus in the marketing of a surplus in foreign markets. Behind these formidable combinations stood the Bank of Berlin and the moral support and illimitable resources of a mighty State.

Special reductions and rebates were cheerfully given to export trade, and a great merchant marine was subsidized to carry the German product at the lowest possible cost to the remotest corners of the earth.

Perhaps the most powerful of these kartells, the Central Verband of Dusseldorf, having secured the control of the iron markets of Germany, Austria, Switzerland, and Belgium, boldly attempted to take and to hold the foreign commerce of the world. Starting with a negligible trade, by 1911 Germany had caught and passed her greatest, most formidable rival, controlling 20 per cent of the world's output in iron against 18 of United Kingdom and at the same time becoming her closest competitor in the production of coal. Germany's exportations in the same year reached a total of 6,100,000,000 marks against 4,100,000,000 marks of Great Britain.

This powerful kartell did not hesitate to engage in the most destructive competition or to make any reduction in export prices. Nails selling at 25 marks per hundred kilograms in Germany were offered to the rest of the world at 14 marks. Such practices were openly avowed and boldly maintained by this organization.

Large steel plants—

Said the Verband—

must work to a certain maximum capacity without interruption if they are to remain efficient and produce at a minimum cost. It is impossible for the home market of any plant in any country to absorb a large output without interruption in the flow of orders due to periods of depression from economic causes outside the influence of the steel industry. \* \* \* The Steel Verband therefore maintains that it is better for the entire economic life of the country in slack years at home to dispose of surplus products abroad at prices which may even cause a loss, inasmuch as the loss incurred by dumping abroad is in no comparison to the losses which would be incurred if production were reduced at home.

The bold avowal of such principles and practices was viewed with apprehension by academicians and political economists in

America. David Jayne Hill in the December issue, 1915, of the North American voices an almost hysterical alarm:

In war it is expected that victory will cost a certain loss of life. For the sake of ultimate triumph the state (Germany) is ready to make this sacrifice. Why not then incur temporary losses for the sake of final victory in the bloodless battle of commercial supremacy? More than any other people the Germans were prepared to do this, and did it cheerfully. The same products of iron that in Germany itself sold for 120 marks a ton sold in England, South America, and the Orient for 103 to 110 marks, and in Italy for 75 marks.

What was the effect of this industrial warfare upon the domestic and foreign markets of America? Safely ensconced behind a tariff wall at home and abundantly able to take care of himself abroad, the American producer remained secure and serene. Undismayed by this wholesale "dumping" upon the world's markets, the head of the United States Steel Corporation approved the principles and emulated the practices of his German competitor. On June 2, 1911, Judge Gary said:

There is a practice all over the world of dumping, as it is called, surplus products. It is really for the same reason that the merchant at some seasons of the year clears his shelves and sells what he has on hand at less than cost. \* \* \* This export question is a very important one, and I have no doubt this committee will consider it. Now, some years, and, in fact, many years, we do sell export at prices somewhat less than domestic prices, but the total result is that we can afford to sell for domestic consumption at a lower price. All countries do exactly the same thing. The net result is not prejudicial to the domestic purchaser but is a benefit to him.

The American manufacturer entered into active competition with this powerful Verband in the markets of Japan, China, Australia, Cape Colony, and the United Kingdom. According to a report of the commission on German kartells—

In 1890 the United States of America's output of wire was 457,099 tons; in 1902 it was 1,574,293 tons (rising from 1,365,934 tons in 1901 and 846,291 in 1900).

The United States Steel Products Co. exported 5,000 tons of steel a day or 1,500,000 tons per annum, and by 1910 the Steel Corporation's exports reached the sum of 3,000,000 tons.

Other steel products were not less successful, and everything made of steel, from a wrist watch to a locomotive, American cash registers and typewriters, sewing machines, mowers and twine binders, offered at less than the alleged cost of production at home, found ready sale in the markets of the world in the face of the fierce competition of the German Kartell.

This German invasion of foreign markets was impossible without the aid of concessions and rebates by land carriers and subsidies on the sea.

With the rich ore fields of Lorraine returned to France, the Sahr Valley and the Ruhr region in the clutch of the Allies, railways in ruin, a great merchant marine driven from the sea, and a reparations commission at the throat of the Empire imposing an export tax on what is left of her mills and mines, what have we now to fear from the wrecked industries of this prostrate State? If such an expedient was not necessary to protect the American market from invasion when Germany was at the summit of her industrial and political power, it is worse than useless now.

It is demonstrated by hearings before the Finance Committee and admitted by the Senator from North Dakota [Mr. McCUM-BEE] that there is to-day no threat and no immediate prospect of this dreaded dumping from any country in the world. From whence will it or can it come? What continental country is prepared to supply its own needs, to say nothing of the sale of the necessities of life in markets across the sea? Two-fifths of all the wealth of the world has been obliterated by the ravages of war, has disappeared in fire and smoke. Will the ruined factories of Lille or the dismantled mills of Belgium to-morrow arise like a phoenix from their ashes? Are the gaunt peasantry and artisans of France and Belgium, clad in paper and in rags, now prepared to furnish us with soft woolens and fine linens at less than the market price at home or below the cost of production? Are we to apprehend a horrible inundation of beans and rice, eggs and oil from the Orient, while China, desolate and scourged, sees 20,000,000 of her naked populace perish miserably in the skeleton clutch of famine?

#### LEGISLATION UNNECESSARY.

Hon. William S. Culbertson, member of the Tariff Commission, in a recent and very admirable work entitled "Commercial Policy in War Time and After," inserts a most instructive chapter on antidumping legislation. He defines three kinds of trade practices properly falling under the head of "dumping," as follows:

(1) The sporadic selling of goods in order to relieve a surplus; that is, the offering of bargain sales in international trade;

(2) A permanent policy of foreign industries of selling in this country a portion of their output at a price below their domestic price in order to keep their factories running full time; and

(3) Unfair price cutting, the object of which is to injure, destroy, or prevent the establishment of an American industry.

The sporadic selling of goods in order to relieve a surplus and a custom of selling a portion of the output at less price in foreign than in domestic markets is almost universally practiced and justified by American industries. This act is ostensibly designed to meet the condition described by Mr. Culbertson "as unfair price cutting, the object of which is to injure, destroy, or prevent the establishment of an American industry." Section 201 of the act provides, among other things:

Sec. 201. (a) That whenever the Secretary of the Treasury finds that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of a class or kind of foreign merchandise sold or is likely to be sold in the United States or elsewhere at less than its fair value, then he shall make such finding public to the extent he deems necessary—

And so forth.

This act by the very terms of this preamble is superfluous and unnecessary. Under the proposed bill the injured party is without remedy or relief. The law as now written prohibits such price cutting or unfair practices and provides liberal compensation to the domestic competitor for all injuries to his business or property resulting from such practices.

Section 801 of an act approved September 8, 1916, entitled "An act to increase the revenue, and for other purposes," provides:

That it shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell, or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such charges and expenses necessarily incident to the importation and sale thereof, in the United States: *Provided*, That such act or acts be done with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.

"Any person who violates or combines or conspires with any other person to violate this section is guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding \$5,000 or imprisonment not exceeding one year, or both, in the discretion of the court.

Any person injured in his business or property by reason of any violation of, or combination or conspiracy to violate, this section, may sue therefor in the district court of the United States for the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages sustained, and the cost of the suit, including a reasonable attorney's fee.

Trade between individuals and nations alike is, in its last analysis, a mere matter of barter, each converting the commodity produced by labor or by skill into currency for the purpose of facilitating the exchange of values. Just how is the American producer to be bankrupted by the world's offer to give more of the things he needs, more of the necessities of life for the fruit of his toil than can be obtained under existing conditions? Is the American farmer to be impoverished because Germany insists upon giving more potash for his cattle or his corn than she offers to the domestic producer? Is he to be ruined in his business by receiving too much linen from Belgium or silks from France or fruits from Italy or rice and carpets from the Orient in a like exchange?

It is more than incomprehensible, it is an astounding proposition at this time. You have promised to lower the high cost of living and that means nothing more or less than a promise to lower the price of the things upon which we must live. In most instances the American trusts have refused to do it, and by this act you say no other shall.

#### PERILS OF PROBABLE RETALIATION.

I shall offer an amendment to this bill providing that its antidumping provisions shall apply only to countries which have enacted similar legislation. The Hon. Henry C. Emery, professor of economics of Yale University and appointed chairman of the United States Tariff Board by President Taft, very pertinently calls the attention of the American public to the imminent danger of retaliation incident to the enactment of such legislation.

What about our own position—

Says he—

in regard to selling surplus products abroad? Do we wish to help start a movement as yet confined to a few sparsely settled colonies (Canada, Australia, etc.), which will become the practice of our leading competitors? What would be the position of our own export trade if all countries should adopt the principle that all goods can not be sold in foreign markets for less than the established price of the domestic market? We are in a peculiar position. In general, our domestic prices are relatively so high that dumping in our market is not so necessary as in other markets. The foreign manufacturer can commonly meet the situation by offering his goods at his regular home prices. On the other hand, prices in foreign markets are so low that the American exporter is largely driven by the sheer force of international competi-

tion to sell his surplus at some reduction. For this reason I believe the movement for an antidumping law may prove dangerous to American exporters.

The whole fabric of protectionism is based upon the assumption that the cost of production is greater at home than abroad. The minimum of protection is as a rule this alleged difference between the cost of producing a given commodity in a foreign country and in this. If it is not true that the standard of wages is higher in this country than abroad and the cost of production greater, then the whole system of protection is admittedly a sophism and an economic lie.

In that event the importer can now enter American markets without reduction in the price of his commodities. The domestic producer, with a higher level of costs and prices, further inflated by the necessary operation of a protective tariff, must sell his surplus abroad at a lower price or he can not sell it at all.

As Prof. Emery has well said:

Prices in foreign markets are so low that the American exporter is largely driven by the sheer force of international competition to sell his surplus at some reduction.

They who advocate such legislation are blind to the signs of the times and the sweeping changes of a few short years. Yesterday a debtor, to-day a creditor Nation; yesterday an importer, to-day the greatest exporter in the world. The entering of foreign markets is of more vital importance than a temporary embargo of our own.

I am indebted to the Hon. Cordell Hull, of Tennessee, for ably compiled statistical information showing that while importing less than four billions of foreign merchandise, we are selling eight billions annually abroad. Our imports of manufactured goods are but a little over four hundred and twenty-five millions per annum while our exports of such manufactures, ready for consumption, are over two billion five hundred millions. Our imports of manufactures for the use of manufacturers are about five hundred and seventy millions, our exports of such manufactures are over nine hundred millions.

To carry this colossal traffic we have builded and are maintaining a great merchant marine and for its successful operation we must have something more than ships; we must have cargoes; we must have foreign as well as domestic markets. In the great channels of international trade there are no empty ships. Let the nations of continental Europe emulate our pernicious example and our foreign commerce is dead, our surplus products without a market and our proud ships left to rot in our ports.

#### THE EMERGENCY TARIFF.

All tariff legislation necessarily involves the disturbance and disruption of economic conditions. Industries affected by its schedules must be adjusted to it, and it has been hitherto uniformly admitted that such adjustment when made should be as enduring as possible. If this legislation is wise it should be permanent, and if unwise it should not be enacted at all.

It is designed by those who are enacting it not as a boon but as a bait for the farmer, an elusive and temporary relief offered for a few weeks in the vain hope that he may be committed to the pernicious policy of protection, estopped from complaining when inordinate duties are imposed for the benefit of protected industries and inordinate prices demanded by protected monopolies.

#### FOLLY OF CANADIAN EMBARGO.

The most pernicious thing in this pernicious bill is the attempted embargo upon Canadian commerce.

Prof. Edward Van Dyke Robinson, of the University of Minnesota, has ably demonstrated the consummate folly of erecting an impassable tariff barrier upon the Canadian border:

In spite of tariff barriers—

Says Prof. Robinson—

A vast and constantly increasing commerce is even now carried on across the Canadian boundary, which argues that each country urgently needs many things which the other produces. Reciprocity by removing or lowering these tariff barriers would consequently tend to increase this mutually profitable commerce. Consider for a moment the location and characteristics of the two countries and it must be apparent that they are designated by nature for mutual dependence and benefit. They lie side by side across the continent, a distance of more than 3,000 miles. No natural barrier separates them. Each side of the boundary is found the same race, the same language, the same customs, the same ideals of social and political justice, even the same scale of wages and the same standard of living. However it may be as between Europe and the United States, the investigations of the Tariff Board leave no room for the claim that protection is necessary to equalize differences in wages between the United States and Canada, for between eastern Canada and eastern United States, western Canada and western United States no material difference exists (report 85-86). Each section of Canada, moreover, is by nature merely a portion of a geographic unit, of which the other part lies this side of the boundary. Thus the Maritime Provinces are physiographically a continuation of New England, the St. Lawrence Valley corresponds to the Hudson Valley, the lands bordering the Great Lakes are alike on the north and

the south, the prairies of Canada are indistinguishable from the Dakotas, and the Pacific slope in Canada reproduces the soil and climate of Washington. Except for the tariff walls which mark the boundary, commerce would flow back and forth along the lines of least resistance, each physiographic province as a whole producing those commodities for which its advantages are greatest and buying from the others those commodities which they in turn are best fitted to produce, precisely as occurs between the several sections of the United States.

Massachusetts and Pennsylvania, Minnesota and Iowa, Washington and Oregon, have prospered without any tariff wall between them, or, rather, have prospered chiefly because of its absence; why not Canada and the United States? What magic power resides in a mere political boundary, when conditions of life are the same on both sides of it, to render necessary or beneficial an obstruction to commerce which no man will deny would be injurious between the several States of the Union? The truth is that the same spirit and the same range of vision which demand a tariff wall between adjacent States, adjacent counties, adjacent townships, adjacent farms, for all these compete, yet at the same time and in a larger sense cooperate with one another precisely as Canada and the United States compete and cooperate; and what is beneficial in the one case can not prove injurious in the other.

The whole question thus seems to resolve itself to this from the viewpoint of the farmer no less than of society at large: Shall we have the courage to follow established economic principles and extend to a neighboring and closely related country that commercial policy which has long been approved in our own domestic practice, or shall we suffer protection, like conscience, to make cowards of us all?

Developed Canada consists of a narrow band of territory from 200 to 400 miles in width and extending along our northern border for over 3,000 miles. Commerce between the eastern, central, and western Provinces of Canada, separated as they are by lofty mountain ranges and vast stretches of unpeopled wilderness, was for many generations practically impossible. No such barriers existing between these Provinces and the States south of them, the natural course of trade was north and south, the greater advantage accruing to the United States. Her meager manufacturing enterprises confined in the main to the Province of Ontario, inaccessible to the bulk of that vast domain, Canada for half a century vainly knocked at our doors, seeking as a boon the privilege of providing millions of tons of freight for our lake and land carriers, timber and grain for American mills, ores of iron, copper, nickel, and cobalt for American furnaces; hides for American tanneries; and flax and asbestos for American factories.

Purblind protectionism maintained the stubborn barriers in open violation of all the laws of commerce and of common sense, until the Dominion was forced to overcome the almost insurmountable obstacles imposed by nature to the development of her resources, to piece the wilderness, to span estuaries and broad rivers, and surmount the lofty peaks of the Rockies in bringing to her own mills and factories that rich store of raw materials which had been denied admission to our own. For that purpose Canada has constructed three complete transcontinental railway systems—the Canadian Pacific, the Grand Trunk Pacific, and the Canadian Northern—the total trackage of the Dominion amounting in 1916 to 37,000 miles, a per capita mileage twice as great as in the United States and greater than that of any other country in the world except Australia.

Canada is no longer a suppliant at your gates. She no longer begs for the privilege of enriching you. By an enormous outlay of wealth and labor she has diverted the natural course of traffic over more than 3,000 miles of widespread territory and between distant and isolated Provinces. For once an American tariff wall has developed the transportation facilities and manufacturing enterprises of a great country, but it has developed them on the wrong side of the wall. The roads stretch from British Columbia to Quebec and the mills and factories are erected, not in New England but in Ontario.

Canada's refusal to accept the reciprocity agreement of 1911 tendered by the United States has demonstrated the fact that prejudice and a blind worship of the fetish of protection is not confined to this country. Angered by the memory of ancient wrongs and deluded by the sophistry of the industrial interests of Ontario she, too, is capable of the folly of an embargo upon commerce between great countries, whose real interests are reciprocal, rendered mutually beneficial by all the laws of commerce and of nature.

In transporting the Douglas fir, pine, and spruce of British Columbia and the grain of Manitoba, Alberta, and Saskatchewan thousands of miles to the remote Canadian purchaser, with an American market at his very door, involves an enormous loss to the Canadian producer as well as the American manufacturer, and the long and the useless haul imposes an added cost and unnecessary burden upon the consumer of both countries. Nevertheless, Canada has demonstrated her purpose to retaliate, her willingness to join us in cutting off her nose to spite her face. Embargoes will in all probability be followed by embargoes, prohibitive duties by imposts upon exports of wood pulp and print paper, until, by the folly of both, these great and interdependent industrial Edens are as remote as if separated by wide oceans and mountain ranges. When you have utterly

demolished the traffic between these countries, what will be the effect upon the commercial future of the United States? In this effort to exclude a few bushels of grain is it not well to first count the cost?

Your tariff wall will, in the first place, shut in two dollars of exports to Canada for every dollar's worth of her produce entering your own markets.

According to a recent report of your Tariff Commission, the exports from the United States to Canada are now second only to exports to Great Britain, and before the war already had equaled those to Germany. America's sales to Canada are more than twice as great as the combined sales to all the countries of South America. Canadian commerce forms approximately one-eighth of the total international trade of the United States, and about equals in volume that with Japan, China, Russia, the East Indies, and the Philippine Islands combined. The need for imports of foodstuffs and raw materials from Canada has increased with the growth of population; and though the United States buys from Canada hardly more than half as much as she sells, her imports were more than four hundred millions in 1918 and formed almost 15 per cent of the total from all other countries.

I maintain without the fear of successful contradiction that at this time we are in infinitely greater need of Canadian raw materials than of her markets; that we receive a greater benefit from the things we buy than from those we sell; that of the two, the loss of her imports involves a greater injury to American industries and greater hardships to American consumers than even the destruction of our vast export trade to Canada—approximately, at this time, one billion annually.

For the year ending June 30, 1920, we received from Canada unfinished products as follows:

Copper to the value of	\$11,933,752
Precious metals (except coin and gold bullion)	11,073,244
Nickel	7,533,437
Asbestos	6,506,629
Lumber and timber	70,807,220
Furs and fur skins	16,594,434
Besides receiving 1,070,330 cords of pulp wood valued at	14,301,694
Wood pulp, 1,113,954,000 barrels, at	58,255,000
Newsprint paper, 1,239,183,470 pounds, at	56,963,745

A total value of 253,989,155

Is work so plentiful and are our industries so overburdened with unfilled orders that our furnaces and smelters no longer demand the metals and ores of Canada; are cutlery, tools, and domestic utensils so abundant that we no longer need her nickel, silver, and copper? Are homes and building materials so cheap, or rents so low, as to justify the exclusion of her wealth of lumber and timber?

Consider a prohibitive export duty upon wood pulp and print paper alone. We have spent untold millions in the purchase and protection of vast forest reserves in an earnest effort to preserve our rapidly vanishing timber supply and to conserve the flow of navigable rivers. Forests can be conserved and improved by the scientific cutting of timber for building materials, but the paper mill sweeps the forest as the sickle sweeps the grain. The size of the tree is immaterial. It is all ground into pulp. No other agent has wrought such havoc or denuded such areas as the paper mill. What would be the effect upon American forests should Canada, in retaliation, place an embargo upon the exportation of wood pulp and print paper? Where else in all the world will you secure 2,000,000,000 pounds of wood pulp? Destroy one-half of the available supply of this invaluable commodity, in the face of the present scarcity, and from whence and at what inordinate cost will school children obtain their books, or the publishers of the country the millions of tons essential to supply the magazines and great metropolitan dailies of America? No other commodity, with the possible exception of building materials, iron, and food-stuffs is so absolutely essential to the industrial and intellectual life of America.

It is a source of some surprise that the great manufacturing and industrial enterprises have not more earnestly and more seriously analyzed the commerce between these great countries.

Manufactured exports from Canada, consisting principally of iron and steel products, machinery, and agricultural implements, amounted in 1920 to \$34,112,228.

On the other hand, we exported to Canada in iron, steel manufactures, rolling-mill products, machinery, vehicles, engines, and agricultural implements a total of \$140,272,568.

The total of American imports for 1920, according to figures prepared by the Department of Commerce, totaled \$464,029,014, and our exports for the same time reached a grand total of \$800,632,849. I ask leave to incorporate these tables with my remarks as Exhibit A.

The VICE PRESIDENT. Without objection, the tables will be incorporated in the Record.

The tables are as follows:

CANADA (A).—Trade with the United States during the 27 months ending June 30, 1920. (Compiled by the Research Division of the Bureau of Foreign and Domestic Commerce, Department of Commerce, from official Canadian reports.)

IMPORTS FOR CONSUMPTION.

	Year ending 1919.	Mar. 31, 1920.	Apr.-June, 1920.
Iron and steel, and manufactures of...	\$177,771,146	\$182,178,251	\$62,380,813
Rolling-mill products	50,888,125	41,705,392	15,427,330
Machinery	29,742,889	37,282,659	9,987,962
Vehicles	17,650,234	31,785,952	11,092,988
Boilers, engines, windmills, pumps	23,738,608	22,705,319	9,218,867
Agricultural implements	8,903,930	6,792,245	2,638,088
Coal	70,600,491	60,070,051	15,678,688
Cotton and manufactures of...	59,148,319	68,219,372	21,441,663
Cotton, raw	34,004,891	33,854,459	9,973,553
Manufactures of cotton	23,143,428	34,394,915	11,468,110
Chemicals and allied products	31,873,661	28,999,796	7,718,034
Petroleum and its products	31,511,604	28,255,941	9,219,398
Crude petroleum for refining	13,661,429	12,753,761	4,132,671
Fruits, fresh and dried	20,211,707	28,680,208	6,174,445
Fruits, fresh	14,728,228	19,077,838	5,504,695
Fruits, dried	5,483,479	9,582,370	669,750
Wood and manufactures of...	18,270,072	21,927,536	6,593,591
Lumber and timber	13,289,775	14,433,192	4,477,044
Manufactures of wood	4,980,297	7,494,344	2,116,547
Paper and manufactures of...	15,951,746	19,237,641	5,404,614
Books and printed matter	7,502,261	9,892,516	2,444,809
All other	8,449,485	9,345,125	2,959,805
Corn	15,060,282	14,215,787	2,819,429
Tobacco, unmanufactured	10,325,820	12,787,163	3,697,528
Electric and gas apparatus	8,234,562	10,780,775	4,499,823
Total imports	750,203,024	801,632,849	221,465,675

EXPORTS OF CANADIAN PRODUCE.

Wood and manufactures of...	\$88,544,539	\$102,980,859	\$36,335,829
Lumber and timber	57,366,207	70,807,220	22,381,774
Wood pulp—			
Chemical	26,256,265	25,550,882	11,027,121
Mechanical	4,418,555	5,765,871	2,710,867
Paper (except printed matter)	38,621,265	50,367,339	15,463,388
Cattle	29,857,668	44,021,587	1,043,125
Chemicals and allied products	68,408,028	21,129,706	2,672,498
Cartridges	37,855,417	7,016,804	
Explosives	19,289,483	4,070,595	294,851
Iron and steel	25,888,731	28,699,530	6,690,983
Machinery	5,403,742	4,229,620	468,093
Agricultural implements	272,927	3,283,078	1,847,504
Copper	20,130,583	11,953,752	2,511,760
Fish and shellfish	17,600,764	17,180,250	3,266,591
Hides and skins	7,651,052	19,738,005	1,535,259
Furs and fur skins	9,743,464	16,594,534	2,428,998
Wheat	4,203,920	14,000,932	285,837
Precious metals (except coins and gold bullion)	17,117,730	11,073,244	1,739,983
Meats	8,916,737	8,479,065	2,554,817
Nickel	8,476,111	7,533,437	2,056,681
Asbestos	6,890,724	6,506,629	2,159,368
Oats	7,360,011	3,300,477	3,846,380
Potatoes	1,643,855	6,819,405	6,528,612
Linseed	6,323,484	4,714,919	120,132
Total domestic exports	454,873,170	464,029,014	113,133,027
Total foreign exports	22,822,489	37,099,354	6,888,393

Mr. STANLEY. It is claimed that in the face of a sudden emergency the farmer must have instant relief from an inundation of agricultural products from Canada, and that the American consumer is to be impoverished by an excess of cheap food-stuffs from the Dominion. Those who make this claim are ignorant of the nature of this commerce, or forget that our exports of agricultural products to Canada vastly exceed our imports.

In 1920 we shipped to Canada 1,211,831 boxes of oranges, valued at \$6,066,962; 13,902,863 pounds of prunes, valued at \$1,997,914; and 26,831,775 pounds of raisins, valued at \$4,890,294. Other fruits, fresh and dried, shipped to Canada in 1920, amounted to \$21,065,619.

For the same period we shipped 10,454,931 pounds of cotton and manufactures thereof, valued at \$34,636,310; oil cake and oil-cake meal valued at \$6,606,854; our exports of tobacco were valued at \$9,310,976; our tobacco imports for the same period amounted to \$65,878. We exported onions to the value of \$465,826, our imports for the same period being \$7,389.

Our total exports of the articles enumerated above amounted to \$85,114,545, and our imports to \$73,267, giving the American agriculturist a balance of \$84,967,488.

I ask leave to insert at the conclusion of my remarks tables containing a complete and exhaustive summary of the interchange of agricultural products between the United States and Canada, from 1910 to 1920, inclusive, covering the exportation and importation of seeds, corn, grain, flour, vegetables, fruits, fresh and dried, cotton and wool, cattle and hogs, fresh and cured meats, and so forth. For the year 1920 this summary shows an excess of exports over imports of \$62,967,488, and now this half-baked and so-called emergency bill proposes to relieve the farmers and gardeners of the United States by the instant and utter demolition of this splendid balance in their favor.

The VICE PRESIDENT. Without objection, the tables referred to will be printed at the conclusion of the Senator's remarks.

#### CANADIAN WHEAT.

Mr. STANLEY. The fear of the dumping of Canadian wheat upon the American market is the only reason yet assigned or assignable for this embargo upon Canadian commerce. Canada never has and she never can dump any material portion of her grain upon the American market, and if she did it could not appreciably affect the price in this country. The price of wheat in Canada, as in the United States, is necessarily determined by the price of the surplus from each country; and this surplus being sold in the same market and under practically identical conditions, it is a matter of small importance whether it is shipped from Montreal or Chicago. In each case, broadly speaking, it must necessarily bring the Liverpool price, less the cost of transportation.

A study of the ebb and flow of grain across the Canadian border shows that its movement is determined by freight rates or other local conditions rather than by any marked or permanent difference in the price level of the two countries, and that on the whole there is no material difference between exports and imports.

From 1910 to 1920, inclusive, Canada exported to the United States 58,468,248 bushels of wheat. During the same period she imported from us 50,406,748 bushels of wheat, leaving a net excess for the 10-year period of 8,061,503 bushels. In other words, during this period Canada on the average "dumped" annually into the United States a net excess of about 800,000 bushels. Just how 800,000 bushels, or 8,000,000 bushels, could disturb the general level of prices on six or seven hundred million bushels of American wheat is inconceivable. I ask leave to include in my remarks in the RECORD a table showing the movement of wheat.

The VICE PRESIDENT. Without objection, it will be included in the RECORD.

The matter referred to is as follows:

(B.)—Exports from the United States to Canada and imports into the United States from Canada of wheat.

[(+ Excess of exports over imports; (-) excess of imports over exports.]

Wheat.	Exports.	Imports.	Trade balance.	July 1, 1909, to Nov. 30, 1920.
Fiscal year 1910.....	2,111,370	152,383	+ 1,958,987	(+)
bushels.....	2,317,191	135,441	1,958,987	1,958,987
dollars.....	1,256,783	502,329	+ 753,954	753,954
Fiscal year 1911.....	1,242,707	467,282	753,954	87,530
bushels.....	537,240	2,673,050	- 2,135,810	2,223,050
dollars.....	489,194	2,188,685	19,293,811	571,649
Fiscal year 1912.....	851,139	763,589	+ 87,550	25,517,744
bushels.....	829,447	530,905	1,958,651	1,958,651
dollars.....	4,124,701	1,891,651	+ 2,233,050	50,406,745
Fiscal year 1913.....	3,831,719	1,682,654	19,293,811	50,406,745
bushels.....	19,664,674	370,863	+ 19,293,811	50,406,745
Fiscal year 1914.....	19,941,388	420,372	(-)	(-)
bushels.....	6,244,732	5,673,083	+ 571,649	2,135,810
Fiscal year 1915.....	7,430,824	5,766,227	571,649	19,000,457
bushels.....	4,714,836	23,715,293	- 19,000,457	24,437,565
Fiscal year 1916.....	9,856,528	41,374,943	24,437,565	3,923,662
bushels.....	252,540	24,690,105	- 24,437,565	8,970,754
Fiscal year 1917.....	577,965	51,820,536	8,970,754	58,468,248
Six months, 1918, July.....	26,478,814	961,070	+ 25,517,744	58,468,248
December.....	61,430,715	1,962,245	58,468,248	58,468,248
Calendar year 1919.....	1,421,613	5,345,275	- 3,923,662	18,061,503
bushels.....	3,314,818	11,203,079	18,061,503	18,061,503
Eleven months ending Nov. 30, 1920.....	14,800,945	23,771,699	- 8,970,754	58,468,248
bushels.....	41,262,739	53,795,252	58,468,248	58,468,248

Net excess of imports over exports in bushels.

Mr. STANLEY. This duty of 35 cents per bushel is imposed for the double purpose of stopping the Canadian influx of grain and of increasing by that amount the market price of American wheat. If the impossible should happen and American wheat

should advance as a result of this tariff 35 cents a bushel over the Canadian product, it would not stop the shipment of a single grain, for the simple reason that the shipper having paid the import duty would immediately recover it in the higher price paid in the American market.

We have just exported a surplus of 210,000,000 bushels of wheat. If this tariff raises the price of this commodity by 35 cents a bushel, no producer will ship any part of it abroad to be sold in a lower and an unprotected market, and in order to maintain this artificially created price level, every man, woman, and child in the United States will be compelled to consume at the higher price approximately one-half barrel of flour more next year than this. Unless this does occur, the unsold surplus in the United States will necessarily depress the price to the level of the Canadian and Liverpool markets, tariff or no tariff.

The truth is that wheat imported from Canada has been sent to mill rather than to market. The great mills in Duluth and Minneapolis produce a finer grade of flour by mixing the hard wheats of Canada with the softer grain raised in the States. Minneapolis mills between September 1, 1918, and August 31, 1919, received 75,000,000 bushels of grain, producing 16,554,000 barrels of flour and 1,224,000,000 pounds of feedstuff.

Let us assume that during the ensuing year Canada should ship into the United States 50,000,000 bushels of grain. It would not affect the price of the commodity one cent on the bushel.

It seems that only those industries which walk upon crutches can command the aid or the sympathy of the protectionist. These mills are importing wheat and exporting flour with the result that more than half a million tons of invaluable feedstuffs, made in considerable part from Canadian wheat, are available for the American producer of cattle and hogs and for the American dairyman. If 50,000,000 bushels annually of Canadian wheat should be imported into the United States, ground in American mills by American labor, millions of tons of this rich animal feed could be offered to the stock raiser. Is the stock raiser producing beef and pork or the dairyman milk and butter so cheaply that we must by legislation deprive him of the product of these great mills upon which he now depends for the maintenance of his herds and dairies?

#### CONDENMED BY TARIFF COMMISSION.

For a decade the Republican Party has boasted that it was the creator and preserver of that sacred institution, the Tariff Commission. Again and again, in platform declarations, you have solemnly pledged the American people that you would take this issue out of politics, that you would not attempt to change schedules vitally affecting the revenues and the industries of the Nation without first calling into your councils staid and dispassionate philosophers and learned political economists far removed from the bias and personal ambition of the mere politician. Has the Tariff Commission been consulted about this iniquitous thing? I challenge you to find on or off the Tariff Commission any political economist, still preserving his intellectual integrity and professional self-respect, who will vouch for this naked piece of political demagogery, this transparent sham.

In their platforms of 1912 reactionaries and progressives alike pledged their allegiance to a tariff commission, the regulars declaring:

To accomplish this (tariff revision) correct information is indispensable. This information can best be obtained by an expert commission. \* \* \* To apply tariff rates justly to these changing conditions requires closer study and more scientific methods than ever before. The Republican Party has shown by its creation of the tariff board its recognition of this situation and its determination to be equal to it.

The progressives were even more emphatic:

We pledge ourselves to the establishment of a nonpartisan scientific tariff commission, reporting both to the President and to either branch of Congress. \* \* \* We believe that this commission should have plenary power to elicit information, and for this purpose to prescribe a uniform system of accounting for the great protected industries.

In 1916 a reunited Republicanism repeated the pledges:

We favor the creation of a tariff commission with complete power to gather and compile information for the use of Congress in all matters relating to the tariff.

The United States Tariff Commission has compiled two volumes containing more than 200 pages on the one subject of this proposed embargo upon Canadian grain, graphically presenting to this Congress the manifest advantage to the milling interests of America of an untrammeled opportunity to avail themselves of the hard Canadian wheat that, while fostering the cattle-producing and dairy interests, they may give to the consumer the staff of life of a better quality and at a lower cost.

This free movement of wheat—

Says the commission—

between the United States and Canada, making the North American crop a common source of supply, has certain demonstrable advantages. \* \* \* American elevators, distributing interests, and rail and ocean lines enjoy the benefits accruing from this larger volume of traffic; domestic mills, which had been losing ground to Canada in the export flour trade, are able to meet this competition through importing Canadian wheat for blending and milling; a larger volume of mill feed is available to the dairy industry, which consumes more mill feed than is yielded as a by-product of domestic flour consumption.

Your own commission has pitilessly exposed the transparent folly of attempting to enhance the price of six or seven hundred million bushels of American wheat by excluding a few thousand carloads of Canadian grain from a Minneapolis mill.

Aside—

Says this report—

from the question of price levels, however, it may be said with some certainty that inasmuch as the United States is on an exporting basis any wheat that is imported from Canada (aside from the question of special cases to meet special needs) released an equal amount of American wheat for export. This being true, it is not a matter of great importance whether the Canadian wheat reaches Europe directly or indirectly through the United States either in the form of flour or by releasing similar American wheat. Indeed, if we may assume that the European demand is controlling our market, as it does in normal times when we are on an exporting basis, there is a possibility that if the Canadian wheat has been thrown on the English market before the close of Lake navigation, instead of filtering slowly through the United States, the world price level, and therefore our own market, would have been depressed more than it was in the fall of 1920. From this point of view it seems fortunate for American producers that there was a buffer between the great Canadian surplus and the Liverpool market.

If this country were on a net importing basis, the prices obviously would be depressed by the imports from Canada, but at a time when heavy exports are going out of the country the relatively small imports probably do not alter the general rule that it is of no great importance to the American producer whether Canadian wheat reaches the European markets directly or indirectly through the United States. To the Canadian grower, however, access to the great American markets, to the mills, and to the shipping facilities south of the border is obviously a factor of substantial importance.

I am not surprised that the authors of this measure have submitted it to the consideration of the Senate in silence, if not in shame. The more discerning, I fancy, even now catch a glimmer of the handwriting on the wall. I assure the Senators upon the other side of the Chamber that, as a partisan, I can rejoice that you make this nostrum of protection a panacea for all the ills of the farm and factory and that you dare not put it to this practical and acid test. The farmer will be enlightened, not deluded, by the object lesson. Find he will, as find he must, that the value of these great, great staples whose sale is found and whose price is fixed in the open and competitive markets of the world is not dependent upon a tariff schedule. The tobacco grower in Kentucky and Tennessee, in Virginia and the Carolinas, herdsmen from Texas to Montana, the planter in the corn belt of Illinois, and the wheat grower on the Dakota prairies will learn, and shortly, too, that they are as little affected by the bogus schedules of this bill as by the precession of the equinox or the movement of the stars.

This act will demonstrate that protectionism—in the hands of trusts and monopolies the most facile instrument of extortion yet devised by the wit of man—is utterly impotent when applied to the cotton and cattle, the corn and grain of the American producer. It will demonstrate that while it can despoil, it can not defend; while it can plunder, it can not protect him.

The dupes of this doctrine in agricultural States will awaken to-morrow sadder and wiser men, and peradventure they will survey with a broader and keener vision the operations of these same gentlemen when they meet a few months hence to apportion, not for 6 months but for 60 years, if need be, to special interests and pampered monopolies those rewards which their political activities may have deserved or your political obligations may demand.

APPENDIXES C AND D.

*Imports into United States from Canada and exports from United States to Canada (if specified commodities in United States trade with Canada).*

[(+ ) Excess of exports over imports; (-) excess of imports over exports.]

	Fiscal year 1910.			Fiscal year 1911.			Fiscal year 1912.		
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Wheat:									
Bushels	2,111,370	152,383	+ 1,958,987	1,256,783	502,829	+ 753,954	537,240	2,673,050	- 2,135,810
Value	\$2,317,191	\$135,441	.....	\$1,242,707	\$467,282	.....	\$489,194	\$2,186,685	.....
Wheat flour:									
Barrels	49,981	143,830	- 93,849	42,947	141,405	- 98,458	99,760	158,286	- 58,526
Value	\$235,866	\$676,366	.....	\$189,490	\$624,373	.....	\$419,033	\$661,758	.....
Rye:									
Bushels	1,081			1,192			5,484		
Value	\$1,414			\$1,079			\$4,769		
Rye flour:									
Barrels	2,246			4,289			3,485		
Value	\$8,629			\$15,676			\$13,010		
Corn:									
Bushels	6,178,896			13,409,580			9,568,574	11,077	+ 9,537,497
Value	\$4,048,006			\$7,289,843			\$6,568,671	\$12,824	.....
Cattle:									
Number	10,283	5,574	+ 4,709	7,990	3,043	+ 4,847	6,705	1,350	+ 5,355
Value	\$323,274	\$132,738	.....	\$257,934	\$136,359	.....	\$244,918	\$86,371	.....
Flaxseed:									
Bushels	344	1,410,398	- 1,410,054	656	2,251,083	- 2,250,427	4,009	3,510,833	- 3,506,874
Value	\$740	\$2,641,256	.....	\$1,721	\$5,178,291	.....	\$11,263	\$6,608,312	.....
Eggs:									
Dozens	868,454	39,810	+ 828,644	2,457,188	35,272	+ 2,421,916	8,667,568	25,817	+ 8,671,751
Value	\$202,344	\$12,596	.....	\$474,350	\$15,052	.....	\$1,932,975	\$15,078	.....
Wool:									
Pounds	14,897	1,911,925	- 1,897,028	1,214,661	— 1,214,661		637,128	— 637,128	
Value	\$1,421	\$484,389	.....	\$288,308			\$151,588		
Potatoes:									
Bushels	207,764	97,138	+ 110,626	335,724	23,832	+ 311,892	256,373	143,059	+ 113,314
Value	\$146,727	\$36,770	.....	\$244,997	\$10,238	.....	\$339,818	\$128,076	.....
Meats and fresh beef:									
Pounds	135,389			247,598			585,222		
Value	\$13,148			\$25,777			\$77,769		
Fresh mutton:									
Pounds	780,761			981,180			2,077,535		
Value	\$80,300			\$96,772			\$188,734		
Fresh pork:									
Pounds	77,713			206,530			890,926		
Value	\$8,931			\$24,745			\$95,687		
Bacon and hams:									
Pounds	4,395,632			4,609,598			9,623,877		
Value	\$717,535			\$778,182			\$1,387,884		
Total meats, pounds	5,390,495			6,055,226			13,177,560		
Fruits, fresh and dried:									
Apples, dried—									
Pounds	104,885			266,792			281,206		
Value	\$8,722			\$22,985			\$27,680		
Apples, green or ripe—									
Barrels	68,920			155,081			206,857		
Value	\$270,290			\$502,959			\$736,015		
Apricots, dried—									
Pounds	1,134,547			1,155,007			902,645		
Value	\$102,063			\$111,381			\$113,371		

*Imports into United States from Canada and exports from United States to Canada, etc.—Continued.*

Imports into United States from Canada and exports from United States to Canada, etc.—Continued.

	Fiscal year 1910.			Fiscal year 1911.			Fiscal year 1912.		
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Tobacco—Continued.									
Cigarettes—									
Thousands	467			856			1,107		
Pounds								50	
Value	\$1,751			\$4,319			\$4,425		\$270
Plug—									
Pounds	151,907			208,641			216,017		
Value	\$60,848			\$83,186			\$92,766		
Smoking—									
Pounds	87,358			88,348			115,500		
Value	\$33,179			\$46,076			\$58,927		
All other, value.	\$24,555	\$4,962		\$15,261		\$4,258		\$13,892	\$2,971
Total, value.	\$2,004,868	\$256,828	+\$1,748,040	\$2,010,027	\$117,201	+\$1,892,826	\$2,627,827	\$117,780	+\$2,510,047
Onions:									
Bushels	102,390	2,439	+	99,951	94,560		633	+	93,927
Value	\$58,761	\$3,404	+	\$65,357	\$87,475		\$792	+	\$86,683
Paper (newsprint):									
Pounds	9,613,685	\$8,766,027	—	77,152,342	5,986,272		106,215,212	—	100,228,940
Value	\$433,709	\$1,615,100	—	\$1,181,391	\$130,975		\$1,968,385	—	\$1,828,410
Pulp wood:									
Cords	1,000,342						890,955		
Value	\$6,392,023						\$5,565,273		
Wood pulp:									
Tons	1,355	184,088	—	182,733	1,357		257,580	—	256,223
Value	\$49,290	\$4,224,500	—	\$4,175,210	\$47,422		\$5,352,316	—	\$5,304,894
	Fiscal year 1913.			Fiscal year 1914.			Fiscal year 1915.		
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Wheat:									
Bushels	851,139	763,589	+	87,550	4,124,701		1,891,651	+	2,233,650
Value	\$829,447	\$530,905	—		\$3,831,719		\$1,682,654		\$19,941,388
Wheat flour:									
Barrels	98,665	106,527	—	7,862	122,752		88,911	+	33,841
Value	\$450,104	\$445,993	—		\$530,942		\$356,316		\$592,011
Rye:									
Bushels	85,596				66,997				47,261
Value	\$60,190				\$45,566				\$44,953
Rye flour:									
Barrels	4,298				6,935				6,189
Value	\$16,763				\$24,792				\$30,037
Corn:									
Bushels	8,097,882	2,828	+	8,095,054	4,641,737		15,890	+	4,625,847
Value	\$4,766,805	\$3,222	—		\$3,328,785		\$13,552		\$8,238,156
Cattle:									
Number	11,691	29,186	—	17,495	8,957		241,331	—	232,374
Value	\$39,644	\$1,026,301	—		\$330,005		\$8,697,137		\$48,854
Flaxseed:									
Bushels	69	4,732,316	—	4,732,247			8,647,168	—	8,647,168
Value	\$119	\$7,187,547	—				\$10,561,662		\$2,444
Eggs:									
Dozens	12,856,600	16,894	+	12,839,796	9,064,948		356,962	+	8,707,986
Value	\$2,746,091	\$17,037	—		\$2,215,958		\$84,876		\$1,116,988
Wool:									
Pounds	311,735		—	311,735	38		4,857,660	—	4,857,622
Value	\$63,186		—		\$7		\$1,110,324		\$7,587,973
Potatoes:									
Bushels	372,656	119,493	+	253,163	396,870		1,025,536	—	628,666
Value	\$333,455	\$42,696	—		\$297,002		\$159,752		\$381,777
Meats and fresh beef:									
Pounds	640,078				253,781		15,919,799	—	15,666,018
Value	\$98,061				\$39,336		\$1,368,113		\$45,356
Fresh mutton:									
Pounds	4,198,979				3,911,675		112,804	+	3,708,871
Value	\$472,039				\$432,012		\$14,433		2,545,320
Fresh pork:									
Pounds	580,329				232,068		4,602,415	—	4,370,347
Value	\$69,542				\$27,313		\$537,928		46,144
Bacon and hams:									
Pounds	13,653,957				15,089,579		1,314,093	+	13,775,486
Value	\$2,053,363				\$2,317,243		\$211,115		11,539,844
Total meats, pounds	19,073,343				19,487,163		21,949,111	—	2,462,008
Fruits, fresh and dried:									
Apples, dried—									
Pounds	360,318				211,452				250,834
Value	\$21,389				\$15,193				\$18,070
Apples, green or ripe—									
Barrels	376,951				299,347				318,840
Value	\$913,505				\$1,040,413				\$738,825
Apricots, dried—									
Pounds	1,440,065				955,861				1,428,725
Value	\$126,199				\$108,313				\$119,589
Bananas—									
Bunches		4,398					1,993		2,611
Value		\$4,111					\$2,038		\$2,459
Berries, value—									
Pounds		989					119		97
Value		\$99					\$10		\$9
Dates—									
Pounds		40,969					1,296		15,030
Value		\$2,017					\$36		\$889
Figs—									
Pounds		103					11,722		12,711
Value		\$5					\$439		\$1,689

Imports into United States from Canada and exports from United States to Canada, etc.—Continued.

	Fiscal year 1913.			Fiscal year 1914.			Fiscal year 1915.		
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Fruits, fresh and dried—Continued.									
Grapes—									
Cubic feet.		4,256				513			340
Value.		\$4,214				\$721			\$904
Lemons, value.	\$359,968	\$22,431		\$279,953	\$23,610		\$292,062	\$2,937	
Olives—									
Gallons.		3,121				3,331			1,402
Value.		\$1,846				\$2,164			\$1,012
Oranges—									
Boxes.	1,017,545			1,491,539			1,682,824		
Value.	\$2,837,507	\$1,538		\$3,611,563	\$139		\$3,613,152	\$221	
Peaches, dried—									
Pounds.	2,365,345			2,505,201			2,243,758		
Value.	\$132,830			\$128,790			\$101,526		
Pears, green or ripe, value.		\$283,288				\$352,515			\$258,902
Prunes, dried—									
Pounds.	10,956,827			12,757,585			9,321,355		
Value.	\$488,566			\$897,718			\$562,102		
Raisins—									
Pounds.	18,082,522	147		10,871,150	665		15,439,231	77,357	
Value.	\$869,596	\$13		\$633,326	\$87		\$1,017,375	\$5,078	
All other, except preserved, value.	\$1,742,959	\$146,495		\$1,981,080	\$171,716		\$1,615,987	\$173,563	
Total fruits, value.	\$8,330,143	\$182,769	+ \$8,147,374	\$9,588,108	\$200,960	+ \$9,387,148	\$8,881,154	\$189,761	+ \$8,601,393
Cotton, unmanufactured:									
Sea island—									
Pounds.	54,797			441,956			804,465		
Value.	\$14,160			\$97,620			\$169,139		
Upland and other—									
Pounds.	75,952,419			75,054,383			86,609,761		
Value.	\$8,975,431			\$9,497,485			\$7,416,912		
Linters—									
Pounds.							3,930,856		
Value.							\$120,497		
Total:									
Pounds.	76,007,216	1,261	+ 76,005,955	75,496,339		+ 75,406,339	91,395,082	2,409	+ 91,392,682
Value.	\$8,989,591	\$203	+ \$8,989,388	\$9,595,105		+ \$9,595,105	\$7,706,548	\$77	+ \$7,705,471
Oil cake and oil-cake meal:									
Corn—									
Pounds.	935,000								
Value.	\$14,561								
Cotton seed—									
Cake—									
Pounds.	7,590,495			6,772,300			574,000		
Value.	\$112,309			\$98,921			\$7,158		
Meal—							22,268,838		
Pounds.							\$305,775		
Value.									
Linseed or flaxseed—									
Cake—									
Pounds.	812,996			584,455			545,460		
Value.	\$11,888			\$8,180			\$8,308		
Meal—									
Pounds.									
Value.									
All other—									
Pounds.	587,370			760,030			849,280		
Value.	\$9,058			\$11,299			\$11,616		
Total (import figures do not include meal):									
Pounds.	9,925,861	956,037	+ \$12,987	8,969,824	\$116,785	2,390,180	+ 5,726,605	24,237,578	\$840,687
Value.	\$147,816	\$12,987	+ \$12,987	\$124,829	\$119,400	\$22,940	+ \$96,460	\$332,857	\$13,165
Sugar:									
Bet—									
Pounds.		472,498				1,040			9,811
Value.		\$10,395				\$71			\$551
Cane—									
Pounds.		2,167				4,970			73,649
Value.		\$50				\$242			\$3,876
Total:									
Pounds.	480,983	474,665	+ \$10,445	15,318	419,353	6,010	+ 413,343	989,365	\$3,460
Value.	\$21,797	\$10,445	+ \$10,445	\$111,352	\$23,527	\$313	+ \$23,214	\$53,698	\$4,427
Tobacco:									
Leaf, suitable for cigar wrappers—									
Pounds.		18,886				24,372			\$1,206
Value.		\$20,745				\$20,999			\$75,192
Other leaf—									
Pounds.		129,646				81,888			\$3,276
Value.		\$83,565				\$59,958			\$26,626
Total leaf—									
Pounds.	16,307,480	139,532	+ \$2,709,030	16,167,948	17,688,562	106,260	+ 17,582,302	16,136,268	164,482
Value.	\$164,310	\$2,709,030	+ \$2,709,030	\$2,604,720	\$2,953,817	\$89,957	+ \$2,872,860	\$2,658,563	\$101,818
Stems and trimmings—									
Pounds.	2,000	363,786				32,926			
Value.	\$60	\$4,540				\$315			
Cigars and cheroots—									
Thousands.	138	11			90			41	
Pounds.		\$4,301	\$41			16		\$1,007	\$30
Value.						\$54			
Cigarettes—									
Thousands.	1,462	67			1,211			129	
Pounds.						68			
Value.		\$5,029	\$374			\$124		\$710	\$72

Imports into United States from Canada and exports from United States to Canada, etc.—Continued.

	Fiscal year 1913.			Fiscal year 1914.			Fiscal year 1915.			
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	
Tobacco—Continued.										
Plug—										
Pounds.....	171,994			162,002			129,006			
Value.....	\$74,892			\$70,491			\$54,810			
Smoking—										
Pounds.....	231,213			236,492			192,832			
Value.....	\$117,756			\$131,010			\$108,567			
All other, value.....	\$22,291	\$2,159		\$16,330	\$2,308		\$11,472	\$2,698		
Total, value.....	\$2,933,359	\$111,424	+\$2,821,935	\$3,179,421	\$83,758	+\$3,095,663	\$2,835,219	\$104,638	+\$2,730,581	
Onions:										
Bushels.....	297,881	\$10	+	297,071	218,323	1,025	217,298	352,823	4,013	
Value.....	\$163,039	\$901	+	\$162,138	\$245,994	\$1,982	+\$244,012	\$231,182	\$3,883	
Paper (newsprint):										
Pounds.....	8,165,877	293,466,860	—	285,300,983	7,544,600	549,684,170	—	542,139,570	493,919	
Value.....	\$167,350	\$5,646,289	—	\$5,478,930	\$151,783	\$10,634,926	—	\$10,483,143	\$11,673	
Pulp wood:										
Cords.....		1,036,890				1,073,023			985,686	
Value.....		\$6,954,939				\$7,245,466			\$6,572,839	
Wood pulp:										
Tons.....	9,083	207,088	—	198,005	3,195	234,041	—	230,846	2,727	
Value.....	\$309,846	\$4,973,061	—	\$4,663,215	\$103,466	\$5,908,517	—	\$5,805,051	\$107,368	
	Fiscal year 1916.			Fiscal year 1917.			Fiscal year 1918.			
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	
Wheat:										
Bushels.....	6,244,732	5,673,083	+	571,649	4,714,836	23,715,293	—	19,000,457	252,540	
Value.....	\$7,430,824	\$5,766,227			\$9,856,529	\$41,374,943			\$577,965	
Wheat flour:										
Barrels.....	50,424	329,577	—	279,153	77,115	174,426	—	97,311	83,334	
Value.....	\$254,717	\$1,686,417			\$580,326	\$1,455,029			\$884,042	
Rye:										
Bushels.....	139,711				1,129,469			5,275		
Value.....	\$137,541				\$1,605,223			\$12,644		
Rye flour:										
Barrels.....	4,167				3,207			2,892		
Value.....	\$20,135				\$19,546			\$30,145		
Corn:										
Bushels.....	6,568,407	16,950	+	6,551,457	15,724,838	9,126	+	15,715,712	7,895,892	
Value.....	\$4,969,459	\$12,814			\$16,158,665	\$12,381			\$13,127,564	
Cattle:										
Number.....	4,511	238,025	—	233,514	6,382	189,285	—	182,903	7,286	
Value.....	\$162,515	\$10,850,214			\$462,728	\$8,498,113			\$638,304	
Flaxseed:										
Bushels.....	100	3,094,735	—	3,094,635	344	7,014,573	—	7,014,229	5,836	
Value.....	\$288	\$5,135,164			\$1,318	\$17,334,605			\$31,300	
Eggs:										
Dozens.....	7,916,534	225,708	+	7,690,826	10,850,678	441,151	+	10,409,527	5,216,179	
Value.....	\$1,728,760	\$47,047			\$3,305,017	\$145,023			\$1,937,493	
Wool:										
Pounds.....	4,344,749	6,486,580	—	2,141,831	2,138,077	8,897,690	—	6,759,613	967,666	
Value.....	\$2,233,971	\$1,991,903			\$1,225,071	\$4,075,397			\$890,691	
Potatoes:										
Bushels.....	230,115	27,576	+	202,539	574,190	2,844,364	—	2,270,174	825,482	
Value.....	\$160,247	\$16,370			\$610,648	\$4,153,539			\$903,308	
Meats:										
Fresh beef—										
Pounds.....	3,192,196	9,918,326			17,771,159	9,435,742			37,349,521	
Value.....	\$320,030	\$1,000,230			\$2,171,951	\$1,054,852			\$3,104,357	
Fresh mutton—										
Pounds.....	2,925,052	40,979			2,449,497	118,330			1,783,382	
Value.....	\$366,739	\$7,443			\$351,293	\$25,942			\$381,668	
Fresh pork—										
Pounds.....	32,962,200	2,017,060			24,832,531	1,651,227			11,395,691	
Value.....	\$3,824,831	\$218,328			\$1,944,891	\$280,795			\$2,792,704	
Bacon and hams—										
Pounds.....	42,264,249	577,396			124,326,937	168,056			57,123,764	
Value.....	\$5,713,273	\$87,334			\$22,388,007	\$39,265			\$15,531,452	
Total meats, pounds.....	81,343,697	12,553,761	+	68,789,935	169,380,124	11,373,355	+	158,006,769	107,652,338	
									23,33,758	
									+	84,328,600
Fruits, fresh and dried:										
Apples, dried—										
Bushels.....	1,807,499				1,340,607				854,587	
Value.....	\$101,673				\$84,633				\$109,327	
Apples, green or ripe—										
Pounds.....	301,986				314,955				457,948	
Value.....	\$858,912				\$948,967				\$1,721,424	
Apricots, dried—										
Pounds.....	1,558,407				751,012				1,388,275	
Value.....	\$114,300				\$86,224				\$203,578	
Bananas—										
Bunches.....		1,508				1,373			745	
Value.....		\$1,984				\$1,760			\$1,047	
Berries, value.....	\$807,900				\$769,937				\$835,000	
Currants—										
Pounds.....		22,489				238,400			298,123	
Value.....		\$1,676				\$36,643			\$30,803	
Dates—										
Pounds.....		9,995				1,843			23,852	
Value.....		\$803				\$69			\$4,502	
Figs—										
Pounds.....		3,000				32			25	
Value.....		\$90				\$3			\$2	
Grapes—										
Cubic feet.....		50				3,356			191	
Value.....		\$52				\$925			\$385	
Lemons, value.....	\$359,786	\$157			\$497,898	\$567			\$99	

*Imports into United States from Canada and exports from United States to Canada, etc.*—Continued.

Imports into United States from Canada and exports from United States to Canada, etc.—Continued.

	Fiscal year 1916.			Fiscal year 1917.			Fiscal year 1918.		
	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Onions:									
Bushels.	257,632	4,367	+ 253,265	207,852	56,421	+ 151,431	184,844	10,800	+ 174,044
Value.	\$235,739	\$5,959	+ \$229,780	\$296,258	\$126,773	+ \$169,485	\$190,198	\$14,364	+ \$175,829
Newspaper paper:									
Pounds.	1,253,244	876,423,616	- 875,170,372	1,245,719	981,039,992	- 979,794,273	453,611	1,142,977,997	- 1,142,524,386
Value.	\$34,983	\$16,646,891	- \$16,611,908	\$53,537	\$23,502,671	- \$23,449,084	\$27,244	\$32,416,444	- \$32,389,200
Pulp wood:									
Cords.		979,010			1,016,814			1,172,024	
Value.		\$6,373,749			\$6,889,123			\$11,088,358	
Wood pulp:									
Tons.	11,503	353,124	- 341,621	11,985	443,133	- 431,168	6,482	440,859	- 431,377
Value.	\$430,563	\$10,432,488	- \$10,001,925	\$713,956	\$22,172,343	- \$21,458,387	\$392,225	\$25,989,607	- \$25,597,382
	6 months, July to December, 1918.			Calendar year 1919.			11 months ending Nov. 30, 1920.		
	Exports.	Imports.	Trade balance	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.
Wheat:									
Bushels.	26,478,814	961,070	+ 25,517,744	1,421,613	5,315,275	- 3,623,662	14,800,945	23,771,099	- 8,970,754
Value.	\$61,430,715	\$1,962,245	.....	\$3,314,818	\$11,293,079	.....	\$41,262,739	\$53,795,252	.....
Wheat flour:									
Barrels.	30,666	21,651	+ 6,015	7,316	13,380	- 6,064	24,189	561,076	- 530,887
Value.	\$308,266	\$252,156	.....	\$80,154	\$137,647	.....	\$265,749	\$6,305,631	.....
Rye:									
Bushels.	123,583	.....	+ 120,583	1,385,498	.....	.....	6,384,692	.....	+ 6,381,692
Value.	\$202,121	.....	.....	\$2,063,613	.....	.....	\$13,226,689	.....	.....
Rye flour:									
Barrels.	45,010	.....	+ 45,010	8,025	.....	.....	3,228	.....	+ 3,228
Value.	\$456,170	.....	.....	\$61,111	.....	.....	\$37,674	.....	.....
Corn:									
Bushels.	6,847,733	112	+ 6,847,621	6,512,025	25,116	+ 6,515,909	9,033,293	15,334	+ 9,023,959
Value.	\$9,320,736	\$492	.....	\$10,690,552	\$40,766	.....	\$13,653,365	\$30,338	.....
Cattle:									
Number.	1,805	218,797	- 216,992	11,193	550,001	- 538,812	4,080	272,670	- * 268,610
Value.	\$172,910	\$20,531,705	.....	\$858,621	\$50,276,051	.....	\$541,182	\$21,049,764	.....
Flaxseed:									
Bushels.	7,991	510,410	- 502,419	8,562	1,279,132	- 1,270,570	10,255	1,180,479	- 1,170,221
Value.	\$56,181	\$1,894,757	.....	\$65,975	\$5,322,051	.....	\$77,098	\$1,229,305	.....
Eggs:									
Dozens.	1,173,664	27,610	+ 1,146,051	9,243,677	325,848	+ 8,917,831	7,025,255	179,490	+ 6,845,765
Value.	\$498,503	\$13,747	.....	\$4,317,323	\$122,618	.....	\$3,302,927	\$112,162	.....
Wool:									
Pounds.	194,107	2,452,781	- 2,258,674	2,498,176	12,815,891	- 10,317,715	5,077,056	4,734,429	+ 342,627
Value.	\$211,970	\$1,558,785	.....	\$1,889,608	\$8,339,598	.....	\$2,843,266	\$2,139,218	.....
Potatoes:									
Bushels.	383,330	809,963	- 426,633	610,622	5,307,724	- 4,697,102	733,626	4,881,541	- 4,147,915
Value.	\$464,652	\$805,457	.....	\$895,550	\$5,428,979	.....	\$1,597,391	\$10,420,104	.....
Meats:									
Fresh beef—									
Pounds.	1,508,330	11,530,817	- 10,022,487	2,621,011	31,121,474	.....	2,304,571	35,514,797	- 33,210,223
Value.	\$372,682	\$1,966,685	.....	\$451,298	\$5,416,764	.....	\$389,104	\$6,000,792	.....
Fresh mutton—									
Pounds.	647,887	588,536	+ 61,351	2,594,402	6,791,939	.....	1,585,783	8,253,212	- 6,667,423
Value.	\$153,134	\$128,523	.....	\$529,050	\$1,392,389	.....	\$351,319	\$2,034,339	.....
Fresh pork—									
Pounds.	81,491	1,422,661	- 1,341,170	21,905,577	2,407,601	.....	10,641,961	949,528	+ 9,062,433
Value.	\$12,764	\$335,128	.....	\$6,897,596	\$525,060	.....	\$2,452,500	\$288,762	.....
Bacon and hams—									
Pounds.	7,385,747	1,736,562	+ 5,649,185	41,710,504	2,527,969	.....	17,904,839	638,738	+ 17,233,101
Value.	\$2,287,122	\$506,494	.....	\$12,959,005	\$755,827	.....	\$4,302,866	\$202,005	.....
Total meats, pounds.	9,623,055	15,276,576	- 5,653,521	68,831,494	42,851,983	+ 25,979,511	32,437,154	45,356,275	- 12,919,121
Fruits, fresh and dried:									
Apples, dried—									
Bushels.	50,809	.....	.....	69,740	.....	.....	225,576	.....	.....
Value.	\$7,291	.....	.....	\$14,133	.....	.....	\$30,849	.....	.....
Apples, green or ripe—									
Pounds.	223,605	.....	.....	158,559	.....	.....	262,431	.....	.....
Value.	\$1,013,293	.....	.....	\$1,121,728	.....	.....	\$1,488,240	.....	.....
Apricots, dried—									
Pounds.	1,158,928	.....	.....	724,844	.....	.....	769,193	.....	.....
Value.	\$153,905	.....	.....	\$137,444	.....	.....	\$174,385	.....	.....
Bananas—									
Bunches.		341	.....	.....	523	.....	.....	255	.....
Value.		\$433	.....	.....	\$880	.....	.....	\$666	.....
Berries, value.		\$230,266	.....	\$1,151,897	.....	.....	\$750,053	.....	.....
Currants—									
Pounds.		78,400	.....	.....	300,951	.....	.....	120,198	.....
Value.		\$18,158	.....	.....	\$55,690	.....	.....	\$19,723	.....
Dates—									
Pounds.		.....	.....	.....	678	.....	.....	133,548	.....
Value.		.....	.....	.....	\$195	.....	.....	\$16,347	.....
Figs—									
Pounds.		.....	.....	.....	443	.....	.....	54,752	.....
Value.		.....	.....	.....	\$94	.....	.....	\$10,912	.....
Grapes—									
Cubic feet.		.....	.....	.....	22,388	.....	.....	206,633	.....
Value.		\$259	.....	.....	\$35,605	.....	.....	\$456,407	.....
Lemons, value.		\$565,123	.....	\$1,173,965	.....	.....	\$966,318	\$2,172	.....
Olives—									
Gallons.		.....	.....	.....	513	.....	.....	2	.....
Value.		.....	.....	.....	\$495	.....	.....	\$8	.....
Oranges—									
Boxes.		307,458	.....	1,633,421	.....	.....	1,211,813	.....	.....
Value.		\$1,707,707	.....	\$6,885,301	.....	.....	\$6,086,962	.....	.....
Peaches, dried—									
Pounds.		305,590	.....	3,326,675	.....	.....	1,564,870	.....	.....
Value.		\$35,808	.....	\$581,528	.....	.....	\$302,414	.....	.....
Pears, green or ripe, value.		\$739,531	.....	\$1,141,222	.....	.....	\$879,098	.....	.....

Imports into United States from Canada and exports from United States to Canada, etc.—Continued.

	6 months, July to December, 1918.			Calendar year 1919.			11 months ending Nov. 30, 1920.			
	Exports.	Imports.	Tradebalance.	Exports.	Imports.	Balance.	Exports.	Imports.	Balance.	
Fruits, fresh and dried—Continued.										
Prunes, dried—										
Pounds.....	3,200,914			14,519,219			13,902,863			
Value.....	\$271,766			\$1,877,292			\$1,997,914			
Raisins—										
Pounds.....	12,987,069			39,195,368	3,982		26,531,775	34,491		
Value.....	\$1,171,346			\$4,751,287	\$656		\$4,890,294	\$6,367		
All other except preserves, value.....	\$2,193,602	\$148,464		\$4,456,141	\$1,135,255		\$3,539,092	\$808,400		
Total, value.....	\$8,089,628	\$167,314	+ \$7,922,314	\$23,291,938	\$1,229,491	+ \$22,062,447	\$21,065,619	\$1,321,229	+ \$19,744,390	
Cotton, unmanufactured:										
Sea Island—										
Pounds.....	322,389			1,860,079			556,377			
Value.....	\$223,144			\$1,107,706			\$409,935			
Upland and other—										
Pounds.....	50,353,229			78,428,852			92,536,169			
Value.....	\$15,630,615			\$25,065,365			\$33,818,010			
Linters—										
Pounds.....	10,595,154			3,116,794			7,362,385			
Value.....	\$1,297,050			\$201,899			\$408,365			
Total—										
Pounds.....	61,270,772		+ 61,270,772	83,405,725	83	+ 83,405,642	100,454,931	26,000	+ 100,423,931	
Value.....	\$17,150,809		+ \$17,150,809	\$26,374,970	\$22	+ \$26,374,948	\$34,636,310	\$8,296	+ \$34,623,014	
Oil cake and oil cake meal:										
Corn—										
Pounds.....	60,000			62,250			90,820			
Value.....	\$2,606			\$2,238			\$2,216			
Cottonseed cake—										
Pounds.....				651,119			120,000			
Value.....				\$20,383			\$4,230			
Cottonseed meal—										
Pounds.....	5,325,100			8,758,085			6,602,531			
Value.....	\$139,309			\$272,398			\$187,432			
Linseed cake—										
Pounds.....	1,215,560			405,518			120,000			
Value.....	\$31,664			\$14,088			\$3,831			
Linseed meal—										
Pounds.....	17,801,600			4,491,826			3,132,125			
Value.....	\$482,265			\$131,904			\$94,062			
All other—										
Pounds.....	815,904			904,109			1,309,936			
Value.....	\$10,960			\$17,489			\$28,401			
Total—										
Pounds.....	25,218,164	338,280	+ 24,879,884	15,272,907	1,151,980	+ 14,120,927	11,375,412	2,079,018	+ 9,293,394	
Value.....	\$666,804	\$7,355	+ \$659,449	\$458,500	\$27,538	+ \$430,962	\$320,172	\$96,983	+ \$251,183	
Sugar:										
Beet—										
Pounds.....								812,100		
Value.....								\$92,049		
Cane—										
Pounds.....		14,169			4,961,368			58,497,675		
Value.....	\$1,334			\$508,808			\$10,336,422			
Total—										
Pounds.....	59,255,324	14,169	+ 59,241,155	552,156	4,961,368	— 4,409,212	5,376,131	59,309,775	— 53,913,644	
Value.....	\$3,331,010	\$1,334	+ \$3,329,676	\$108,811	\$508,808	— \$399,997	\$715,821	\$10,428,471	— \$9,712,650	
Tobacco:										
Leaf, wrapper—										
Pounds.....		2,334			375,454			17,230		
Value.....		\$6,005			\$435,434			\$33,591		
Leaf, filler—										
Pounds.....		11,366			147,023			61,865		
Value.....		\$6,855			\$64,754			\$23,935		
Total leaf—										
Pounds.....	15,349,985	13,700	+ 15,336,285	19,850,798	522,477	+ 19,328,321	15,131,076	79,095	+ 15,051,981	
Value.....	\$6,011,507	\$12,860	+ \$5,998,647	\$9,335,843	\$500,188	+ \$8,835,655	\$9,014,576	\$57,526	+ \$8,957,050	
Stems and trimmings—										
Pounds.....				4,905			4,263			
Value.....				\$152			\$135			
Cigars and cheroots—										
Thousands.....				116			37			
Pounds.....				\$1,973			\$1,041			
Value.....		\$1,824			\$362			\$388		
Cigarettes—										
Thousands.....		11,815		9,148			23,504			
Pounds.....		\$21,604			159			142		
Value.....				\$21,499			\$55,417			
Plug—										
Pounds.....		55,309		73,671			78,145			
Value.....		\$36,091		\$66,505			\$61,439			
Smoking—										
Pounds.....		158,829		332,452			244,235			
Value.....		\$121,751		\$295,108			\$231,234			
All other, value.....		\$4,646	\$610	\$8,136	\$1,859		\$12,012	\$7,066		
Total, value.....		\$6,197,513	\$13,470	+ \$6,184,043	\$9,723,216	\$503,235	+ \$9,219,981	\$9,376,854	\$35,878	+ \$9,310,976
Onions:										
Bushels.....		99,316	6,801	+ 92,515	218,129	26,328	+ 191,801	258,506	8,600	+ 249,905
Value.....		\$126,419	\$6,896	\$119,523	\$467,220	\$29,725	+ \$437,495	\$465,826	\$7,389	+ \$458,437
Newsprint paper:										
Pounds.....		85,303	566,203,055	-566,117,752	703,243	1,248,957,881	-1,248,254,638	1,732,251	1,240,915,658	-1,239,183,407
Value.....		\$6,151	\$17,089,909	-\$17,083,758	\$34,940	\$43,480,329	-\$43,445,380	\$133,461	\$56,963,745	-\$56,830,284
Pulp wood:										
Cords.....					1,047,091					
Value.....					\$10,456,696					
Wood pulp:										
Tons.....		4,156	287,430	- 283,274	15,863	461,392	- 445,529	16,693	556,977	- 540,284
Value.....		\$299,802	\$17,280,733	-\$16,980,931	\$889,764	\$27,297,886	-\$26,408,122	\$1,490,695	\$58,255,000	-\$56,764,305

Mr. McCUMBER. Mr. President, I am a strong believer in political parties—in political organizations—for the reason that I believe no measure of any importance can be presented before the American people and no policy can be adopted by the American people unless there is some party behind the policy—some party that is capable of presenting the issues to the American people.

But while I believe in party ties, I am not blind to some of the evils which flow from those ties. I have seen the manifestation of that evil not only when the Republican Party was in the minority but to a greater degree now that the Democratic Party is in the minority. A great many Senators seem to think that the moment their party becomes a minority party their highest duty to their consciences and their States is to find some kind of a pitfall into which they can dump the other party, and therefore they struggle and strive day after day, holding up legislation in some wild attempt to see if they can not find some flaw in the position taken by Senators on the other side of the Chamber.

I may claim that I am, perhaps, as little inclined to be a blind party follower as any man in the Senate; and the fact that I am not inclined to always follow does not detract, in my opinion, at least, from my good, sound, Republican principles. I claim to be a protectionist, and I follow that rule in voting upon tariff legislation. I do not think that everything which emanates from the Democratic side of the Chamber is necessarily wicked and vicious and hellish, as some of my friends on the other side think of everything which emanates from this side of the Chamber. I find that political parties are made up from the people of the United States, and that the people either inherit their political beliefs, as they often inherit their religious beliefs, or are affected by their early environment. I believe that, as a rule, people try to be reasonably honest with themselves, and that there are few questions presented for argument in this Chamber which have not their two sides and can not be defended upon either side to a certain extent.

Therefore I regret—and I may say that I exceedingly regret—when I see Senators with such transcendent ability as many of those on the other side of the Chamber possess spending most of their time in finding fault with the Republican Party and condemning it rather than discussing fairly and, I think, honestly, the real merits of any proposition before the Senate.

I am not claiming that if we pass the pending bill we are going to raise wheat immediately 25 cents a bushel or 35 cents a bushel. I do not claim for a single moment that grain, like any other article, is not affected by the world's supply and demand. There are many conditions which affect it. But I must claim that I know a little more about the trade between this country and Canada than the informant who furnished the material which was the subject matter just discussed by the Senator from Kentucky [Mr. STANLEY].

The Senator from Kentucky says the prices of grain in this country must be governed by the surplus of both this country and Canada. To a certain extent that is true. Then he backs up his proposition by a statement that we exported to Canada some 50,000,000 bushels of grain and Canada exported to the United States 48,000,000 bushels of grain, or some such amount, in a given length of time. I may not give his figures correctly, as I did not understand him exactly, but they are sufficiently accurate for this discussion.

The Senator perhaps did not quite understand all the conditions involved in the export of grain from the two countries. We do not export one bushel of wheat to be consumed in Canada, so that eliminates 50,000,000 bushels. We may send through the Welland Canal, for export, 50,000,000 bushels, which comes through Chicago, and from the Southern and Central States. We export practically none of the spring wheat which is raised in the Northwest, except in the form of macaroni. But the millions of bushels which come from Canada into this country, about which we are complaining, is the wheat we grind into flour and sell to the people of the United States. In other words, it comes into competition with the product grown in the United States.

Mr. KING. Mr. President—

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

Mr. McCUMBER. I yield.

Mr. KING. I think the Senator ought to state that we export to Canada millions of dollars worth of cereals in various forms during the year.

Mr. McCUMBER. Oh, yes; we do export some millions, I think, most of it perhaps canned, like canned corn, and such articles, and a great many things which, by reason of our superior milling facilities, we are able to export.

Mr. KING. Breakfast foods of various kinds.

Mr. McCUMBER. And other different articles of food. I am not questioning that. I will hold close to the discussion of wheat for a while, however, until I get through with that.

The Senator from Kentucky states that it must follow if there is a surplus in the United States and a surplus in Canada, the price of our grain will be governed by the surplus in Canada. If we had to send all our surplus of a certain kind of grain to a foreign country, that would be true. But it so happens that it is not true.

The Senator from Kentucky has theoretical ideas about this situation, but the wheat buyer up in Minneapolis has practical ideas, and he puts his ideas into effect. When he looks across the border and sees from thirty-five to forty-five million bushels of wheat on the other side of the lake which will come over here the moment he bids up a little higher for the American wheat, he is not going to bid up any higher for it. He is going to get his wheat just as cheaply as he can.

The Senator seems to be surprised that the Canadian wheat brings just as good a price as the American wheat. Why, of course, that is what we are complaining about. If we have protection, however, to keep it out of the country, it would not. Naturally, water will seek its level, and if the prices should be a little lower on the Canadian side for a single week it would begin to flow over to this side, and the fact that it can flow over to this side means that it will keep our prices down as low as the Canadian prices, and that will always be the case just as long as we have no tariff wall between the two countries. I hope the Senator will understand that practical proposition.

I wish to invite the attention of the Senator now to another matter that I do not think he has fully considered. Under normal conditions, when we know just what the world's supply is for several months ahead, if I sell May wheat as against December wheat, I will always sell May wheat at an advantage. What will measure the advantage? It will be the difference between the carrying cost from December until May. That is the usual condition under a normal situation. May wheat is higher. That is, when we are protected.

But now let us see. If you will look at the grain statistics for the last month you will find that May wheat has been selling from 18 to 28 cents below cash wheat. There is a reason for that, a real practical reason, and the farmer up in my State understands that practical reason and of course the wheat buyer understands what it is. What is it? There are 45,000,000 bushels of wheat over at Fort William and Port Arthur all ready to be shipped when navigation opens. Navigation generally opens in May. In ordinary years there may be half a million to a million bushels there, but now there are from 35,000,000 to 40,000,000 bushels there ready for shipment to the United States the moment navigation opens. That will add so much to our surplus, and if we have a given amount of surplus of course it depresses the price, but if we multiply the surplus three times over our price is depressed to a still greater extent. The wheat buyer understands that, the miller understands it, and when he is buying for his mill for several months ahead he is looking over the country to see whether the visible supply is where he can get hold of it at a moment's notice. If he finds in his own country in the section from which he draws, say Minneapolis, from the spring-wheat section, that there is not a visible supply and that means a supply in the elevators from which he can draw, he will begin to bid up on his price to bring in the grain.

Mr. STANLEY. Mr. President—

Mr. McCUMBER. Just a moment and I will yield. If that supply can come over from Canada and he sees that there is a supply that he can reach into, he does not have to bid up at all. He can get that wheat for the same price and just bring it across the lake, and it will not cost him any more than to bring it from any other section as near by.

I now yield to the Senator from Kentucky.

Mr. STANLEY. As I understand the Senator, his argument is as to the price of wheat adjacent to the market, which means adjacent to the Minneapolis mills, to which this wheat is consigned, and not the level of prices over the country generally?

Mr. McCUMBER. Yes.

Mr. STANLEY. The contention is that it affects wheat in that immediate locality but not over the country generally?

Mr. McCUMBER. Yes; only as the price in one section of the country immediately reflects itself all over the country. It may not to any great extent, but it actually does. At one time we had 25 cents a bushel tariff on Canadian grain. We were exporting during all the years that we had that tariff. I am dealing with facts and not theories. Our prices averaged during that time at Minneapolis, which were the same at Duluth and on the Lakes, nearly 10 cents a bushel more than on the

Canadian side. Sometimes they would be almost the same. There were times when even the Canadian wheat might be a cent or two higher, but taking the average throughout all those years, the prices as quoted day in and day out were always higher upon the American side, and when we were short in our spring wheat in 1909 and 1910, Minneapolis and Liverpool prices were practically the same during most of the summer. It showed that in that year we had some 18 or 20 cents above the prices on the Canadian side. They had plenty of wheat on the Canadian side to ship in and of the same kind that the Minneapolis miller uses. We did not have 25 cents a bushel advantage, but it did help us out; it gave us an average of about 10 cents when wheat was selling from 90 cents to a dollar a bushel.

Mr. STANLEY. The Senator speaks of the difference. He differs widely from the conclusion reached by the Tariff Commission touching the difference in prices and costs. Does the Senator mean to contend that the difference in price was due to any other cause than the difference in the value of American money and Canadian money?

Mr. McCUMBER. Oh, no; this was before the war, and Canadian money was at par then. I am speaking now entirely of the period before the war, because that is the time when we had our tariff of 25 cents a bushel.

Mr. STANLEY. Taking it before the war, were the differences between the prices in Minneapolis and Winnipeg any greater than the difference between St. Louis or Kansas City and Minneapolis, or Charleston, S. C., and Minneapolis?

Mr. McCUMBER. Oh, yes; there was a greater difference, and I will tell the Senator why.

Mr. STANLEY. I think in that respect the Senator differs again from the findings of the Tariff Commission.

Mr. McCUMBER. I say it was reflected, but the difference would be greater, I think, during that period.

Mr. STANLEY. I will place in the RECORD at a later date the statement of the Tariff Commission, in which they differ radically from the findings of the Senator from North Dakota.

Mr. McCUMBER. The Tariff Commission can not differ from the actual figures as shown from the daily reports which I gave some time ago. I have not them with me now. I went over a period of 10 years and took the Winnipeg prices, made a very little allowance for the difference between the higher standard of grain which they really required for their No. 1 northern and our No. 1 northern, and compared the two for, I think, the 10 years that I took at that time, and they averaged a little less than 10 cents difference.

Mr. STANLEY. I should like to ask the Senator from North Dakota if it is not true that No. 1 Winnipeg Canadian wheat brings a higher price in Liverpool than American wheat of the same alleged quality?

Mr. McCUMBER. Yes; a very little higher, because they require a little stricter grade of any kind of mixed wheat. I think when wheat was \$1 a bushel the difference as I computed it at that time would make from 2 to 3 cents better for the Canadian than for the American on that basis.

Mr. WILLIAMS. Mr. President—

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

Mr. McCUMBER. Certainly.

Mr. WILLIAMS. As I understood the Senator a moment ago, he said that whereas there was a surplus of about one and one-half million bushels of Canadian wheat, there is now a surplus of about 50,000,000 bushels?

Mr. McCUMBER. Between 35,000,000 and 40,000,000. In elevators at Fort William and Port Arthur there were on the 1st of April between 35,000,000 and 40,000,000 bushels of wheat.

Mr. WILLIAMS. Let us say about 40,000,000, whatever it may be. I wish to ask the Senator—and I am asking for information—why it was that this immense increase in the amount of surplus of Canadian wheat had taken place? Was it owing to an immensely increased Canadian crop or to an immensely decreased world consumption?

Mr. McCUMBER. I suppose undoubtedly that we can credit it to some extent to both. There was not a greatly increased Canadian crop, but there was a very good crop throughout Canada and a rather short crop in the spring wheat States in the United States. Canada produced the same kind of grain, and therefore there was a big demand by millers in this country for what they called the spring No. 1 northern wheat.

Mr. WILLIAMS. As I understand it, the increase of the Canadian crop over the normal Canadian crop in no way accounted for the difference between 1,500,000 and 40,000,000 bushels.

Mr. McCUMBER. Oh, no; certainly not.

Mr. WILLIAMS. Then do I understand that the immense accretion of Canadian surplus must be due largely to the decrease in world consumption?

Mr. McCUMBER. I think it may be due to a decreased world consumption and a decrease of foreign demand because of the inability of many countries to buy as much wheat as they could use—

Mr. WILLIAMS. I understand that.

Mr. McCUMBER. And therefore affording a better market in the United States.

Mr. WILLIAMS. When I said world consumption, of course, I was speaking in terms of economics. The world consumption of a product is the amount of the product that the world can afford to take and pay for, so that the world consumption is effectually the world demand. Now, has not that same thing happened with regard to cotton and with regard to nearly everything else which we raise in the shape of raw material, and can we hope to cure a world condition like that by mere American legislation?

Mr. McCUMBER. It often happens when you can not make a sick man well that you can at least keep him from dying. You may prescribe something that will prevent his demise entirely. I do not think anything that we can do in the shape of legislation to-day will make farming profitable in the United States at present wages and considering what the farmer has to pay for other things which he purchases, but it will make his losses less, and, therefore, I desire to do what I can for that reason.

Mr. WILLIAMS. I submit this thought to my friend from North Dakota: You can not keep a sick man from dying if he is dying for lack of food unless you give him food, and unless you are an altruist or philanthropist the world can not give him food unless he can pay for food either in money or in credit. So that you can not increase the foreign demand for American and Canadian wheat by American legislation which merely affects a little competition between America and Canada, nor by Canadian legislation which would merely affect the same thing. I add that because, of course, Canada will retaliate. Canada would be an immense ass if she did not retaliate if we start upon this economic warfare; but in either event the little settlement of our quantum of supplies for the competitive market could not enable the foreigner to buy the wheat or the flour unless we could reduce the price to him. Then, of course, pro tanto he could buy more; but when we increase our tariff between one another it is for the express purpose of increasing the price in the home market. If that has any effect in the foreign markets at all, the increase will be reflected there.

Mr. McCUMBER. Mr. President, no legislation, perhaps, that we can pass is going to affect the price that Canada can receive for her grain in a foreign market; I will admit that; but legislation which we can pass which will give to the American farmer exclusively, as against the Canadian farmer or any other farmer, his home market will pro tanto assist the American farmer. That is all we are claiming for the proposed legislation.

Mr. WILLIAMS. One more question, and then I will promise—

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

Mr. McCUMBER. I will yield in a moment. We stand upon the broad proposition that the American market belongs of right to the American farmer just so long as he can supply that market for a reasonable compensation for his labors. We are not asking anything further. We can not go any further than that, but we can go that far.

Mr. WILLIAMS. Mr. President, one more question, and then I will resist the temptation further to bore my friend with questions.

Mr. McCUMBER. The Senator from Mississippi never bores anybody.

Mr. WILLIAMS. The United States is now raising a surplus of wheat over and above the domestic demand for it, is she not?

Mr. McCUMBER. On the whole, I answer the Senator's question yes.

Mr. WILLIAMS. Of course we have got to take ourselves as a whole; we are a Nation now. We are raising more wheat than we are consuming; and if the Senator admits that our local legislation can not increase the foreign price for wheat, then we have already overloaded the home supply of wheat, which can not be affected by merely cutting off foreign competition for the home market, where we already have an over-supply.

Mr. McCUMBER. I have answered that, Mr. President.

Mr. WILLIAMS. I beg the Senator's pardon. I shall not ask him to answer it again.

Mr. McCUMBER. I have answered by saying that our spring wheat States—and they constitute the section of the country principally affected—have not a surplus; in fact, there is somewhat of a deficit. If Canada did not supply what amounts to a surplus, then we would have a very much better price for the grain that is raised in the spring wheat States, and that condition, while it would not entirely remedy the situation in Kansas and Nebraska, would be reflected to a certain extent in higher prices throughout the United States.

Mr. WILLIAMS. At the risk of seeming to violate my promise of a moment ago, I desire to say that the different grades of wheat which are converted into various grades of flour are substitutable for one another as breadstuffs, as I understand.

Mr. McCUMBER. They are not wholly so.

Mr. WILLIAMS. If that be the case, then we must consider the entire American demand for flour and the entire American supply of flour—edible flour, substitutable flour, one for the other. If we have more material out of which to make bread than the American people can eat or buy, then there is still a surplus in the market of all grades of wheat.

Mr. McCUMBER. If the Senator were in my State he would soon find that the good housewife would never dream of using winter wheat flour. She knows nothing about it; she does not think it makes good bread; at least in her way of making it, it does not. It is not the bread that she is used to making; and she will buy nothing but "Pillsbury's best," or some one of those flours that are made from the wheat grown in the spring wheat States, which are very rich in gluten. Perhaps if I were to go into Kansas I should find that there they would not use that flour to any extent whatever, even although it is used to quite an extent in Washington. I notice by the advertisements, and the fact that every grocery store carries it. However, so long as there is less of the spring wheat raised in the United States than our mills can grind and find a market for, our prices will naturally go up unless we can reach right over across the line and open another spout and run in the Canadian grain of like quality.

I want to be perfectly fair in the discussion of this matter; I am not claiming everything for this legislation; but I know that it will do that much good, and I know that Canada has this granary right across the Lake, and sends us May wheat, which ought to be higher than cash wheat—for from 18 to 28 cents a bushel less than cash wheat. That is due entirely, as shown by the daily reports, in anticipation of the opening up of the Lakes for the transfer of Canadian grain to this country for consumption.

Mr. STANLEY rose.

Mr. McCUMBER. Now I yield to the Senator from Kentucky, and then I should like to pursue this matter to a conclusion.

Mr. STANLEY. As I understand, the Senator contends that generally prices for wheat are higher in the United States than in Canada?

Mr. McCUMBER. Under what conditions?

Mr. STANLEY. Under normal conditions.

Mr. McCUMBER. No; I do not claim that at all. Under the abnormal condition of having a tariff wall the Senator's statement is correct; under the normal condition of having no tariff wall naturally the prices of grains reach a common level, and they are no higher on one side of the line than on the other, because if they get higher on the one side than on the other, with no barrier at all, they immediately flow from one side to the other. I am not claiming that under normal conditions the prices are any higher here than in Canada.

Mr. STANLEY. I understood the Senator to say—

Mr. McCUMBER. What I am complaining is that if we put up a barrier, a wall high enough to keep out Canadian grain, we are going to have our prices at least considerably higher whenever there is a little shortage.

Mr. STANLEY. Mr. President, I understood the Senator to state just a moment ago that the prices for wheat just before the war were higher in Minneapolis than in Winnipeg.

Mr. McCUMBER. During the war the prices might have been higher for some little local reason in connection with the supply and demand, but there is no general range of prices higher on one side than on the other whenever grain can flow from one side of the line to the other. That naturally follows. The prices were higher when we had a tariff than when the tariff was taken off, when the two flowed together and the price was practically the same on both sides, making the ordinary allowance for a little speculation in Winnipeg at one time and a different speculation in Chicago or Minneapolis, which might

send the price up or depress it, depending upon whether the bears or the bulls were at work.

Now, Mr. President, I desire to complete my remarks. The rates fixed by the agricultural schedule of the pending bill, it will be remembered, will continue for six months only. Of course I want to continue them indefinitely, and hope to be able to do so in the next tariff bill. We expect to have a general tariff bill before the end of six months, and the rates provided in the pending bill will continue until that time. It is intended merely that they shall remain in effect until we can perfect a general tariff bill.

The pending measure provides for rates of duty on the articles enumerated according to the table duties which I ask permission to insert in the Record at this point.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

Wheat, 35 cents per bushel.

Wheat flour and semolina, 20 per cent ad valorem.

Flaxseed, 30 cents per bushel.

Corn or maize, 15 cents per bushel.

Beans, 2 cents per pound.

Peanuts or ground beans, 3 cents per pound.

Potatoes, 25 cents per bushel.

Onions, 40 cents per bushel.

Rice, cleaned, 2 cents per pound; rice, cleaned for use in manufacture of canned foods, 1 cent per pound; uncleaned rice, 1½ cents per pound; rice flour, meal, etc., 1 cent per pound; rice paddy, three-fourths of 1 cent per pound.

Lemons, 2 cents per pound.

Oils: Peanut, 26 cents per gallon; cottonseed, coconut, and soya bean, 20 cents per gallon; olive, 40 cents per gallon in bulk, 50 cents per gallon in containers of less than 5 gallons.

Cattle, 30 per cent ad valorem.

Sheep: One year old or over, \$2 per head; less than 1 year old, \$1 per head.

Fresh or frozen beef, veal, mutton, lamb, and pork, 2 cents per pound.

Meats of all kinds, not provided for herein, 25 per cent ad valorem.

Cattle and sheep and other stock imported for breeding purposes, free.

Cotton, with staple of 1½ inches or more, 7 cents per pound.

Wool, unwashed, 15 cents per pound; washed, 30 cents per pound; scoured, 45 cents per pound.

Wool, advanced beyond washed or scoured condition, 45 cents per pound in addition to rates of duty imposed by existing law.

Sugars, tank bottoms, syrups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by polariscope not above 75°, 1.16 cents per pound; each additional degree by polariscope, four one-hundredths of a cent per pound additional; molasses not above 40°, 24 per cent ad valorem; molasses above 40° and not above 56°, 3½ cents per gallon; above 56°, 7 cents per gallon.

Butter, and substitutes therefor, 6 cents per pound.

Cheese, and substitutes, 23 per cent ad valorem.

Milk, fresh, 2 cents per gallon; cream, 5 cents per gallon.

Milk, preserved, condensed, sterilized, 2 cents per pound; sugar of milk, 5 cents per pound.

Tobacco, wrapper and filler, \$2.35 per pound; if stemmed, \$3 per pound; filler, unstemmed, not specially provided for, 35 cents per pound; if stemmed, 50 cents per pound.

Apples, 30 cents per bushel.

Cherries, 3 cents per pound.

Olives, in solutions, 25 cents per gallon; not in solutions, 3 cents per pound.

Mr. McCUMBER. Mr. President, while many articles of consumption in the United States have materially decreased in selling price, agricultural products, including those of cattle, sheep, and wool industries—I might mention cotton also—have decreased entirely out of proportion to the general decrease of commodities throughout the country. Bear that in mind. The decrease in the selling price of farm commodities rests upon an entirely different basis from the decrease in the case of other commodities. I wish Senators to consider that proposition for a moment. Most commodities in the United States had been held up for excessive prices so long that the people had become unable longer to purchase at those excessive prices. They ceased buying, and in order to induce sales it became necessary to reduce the prices of such commodities. That is not true of agricultural products. There is just as much bread and butter and meat and poultry and eggs and vegetables consumed in the United States per capita to-day as there were when those products brought from two to three times the present prices. The prices have not fallen because of a decrease in demand. A man can wear his shoes or suit a month or six months longer if he can not afford to pay the prevailing prices for these articles, but he can not let his stomach go empty for one day, no matter what the price of food may be. We must, therefore, look elsewhere to ascertain the cause of the tremendous slump in the price of agricultural products.

We will find, Mr. President, that the decrease is due entirely to an accumulating surplus of agricultural commodities in the United States, practically all brought about by enormously increased or inflated importations. There has never been a year for the last century in which we have not to some extent been exporting agricultural commodities. We have always had some surplus. The greater proportion of our products have always

been consumed in this country. Our prices, therefore, have been fixed by the home demand, affected, of course, by the general world supply. The greater our surplus the smaller, naturally, our price. The visible supply—that is, the supply that is in the immediate reach of the miller—is the principal factor that governs the price which he offers for grain. If the supply is somewhat limited in this country, or in a certain vicinity, and we have something of a tariff wall between us and the great Canadian granary, the Minneapolis miller may be compelled to advance his price in order to keep his mill going. If he can tap this Canadian granary without any duty whatever, it will not be necessary for him to increase his bids.

The price of our wheat has been driven down to the lowest possible point because of enormous importations and imminent danger of still greater importations. The prices of our sheep and cattle have been driven down by reason of the enormous amount of shipments of mutton and beef and other meats. Our wool has been driven down because of the stupendous increase in the importations of wool from foreign countries.

I will elucidate by a few figures on the wheat situation, without repeating anything I said in my previous argument on this question.

As shown by the report of the Bureau of Markets, prior to 1914 the heaviest importations of wheat in any crop year were 2,673,000 bushels, and 150,000 barrels of flour, which, converted into wheat, makes about 60,000 bushels of wheat, and that would make somewhere about 3,000,000 bushels of importations for that year. That was the year ending June 30, 1914. The general average for the several years just prior to 1914 was less than 1,000,000 bushels.

Now, turn to the year 1920. According to this same report, for the four months of September, October, November, and December there were imported for consumption in the United States from Canada 37,800,000 bushels of wheat—that is, for home consumption, not for export from the United States. In January and February the imports by rail to Minneapolis and Duluth amounted to 6,800,000 bushels in addition.

On March 1, 1921, Canada had a net surplus of 45,000,000 bushels of wheat, about 35,000,000 of which were in store at Fort William and Port Ontario, in country elevators and cars in western Canada. With the opening of navigation these 35,000,000 bushels will be immediately loaded onto the United States. How much is coming in now I can not say, but I want to read from this same report a few items that may interest Senators who want to get at the real truth of the effect of Canadian importations.

I quote:

Wheat reserves in Canada will move slowly until about May 1, when, with the opening of navigation, it is predicted by the Chicago Board of Trade houses, there will be a heavy movement to the United States.

That accounts for the difference in May wheat. This is from official sources:

Speculators on the Chicago Board of Trade have begun to anticipate the heavy movement of Canadian wheat by selling the May future. The discount of the future under cash wheat indicates such selling pressure on the future and an absence of pressure on cash wheat.

Cash wheat, No. 2 red winter, in Chicago on March 19 sold at 22 to 23 cents over the May future, or at \$1.62 to \$1.65, and No. 2 hard winter at 11 to 15 cents over May, or \$1.53 to \$1.57. A year ago No. 2 hard winter sold at \$2.48 and two years ago at \$2.37.

This is from the Bureau of Markets:

In Minneapolis, on the 19th, No. 2 dark northern spring sold at 10 to 28 cents over Minneapolis May, or at \$1.47 to \$1.65. A year ago No. 2 dark northern sold at \$2.70 to \$2.95 and two years ago at \$2.44.

Now, I turn to a later report which I selected from the Jamestown Alert, a daily of my State, quoting the Minneapolis prices. This is April 27, just a few days ago:

MINNEAPOLIS GRAIN.

MINNEAPOLIS, April 27.

Flour unchanged. Shipments, 45,416 barrels. Bran, \$16. Wheat receipts, 314 cars, 101 cars a year ago. Cash No. 1 northern, \$1.30 to \$1.33; May, \$1.18—

Making 20 cents difference—

July, \$1.11.

And so on. The further you get ahead, the lower the price is, depending upon the anticipated shipments from Canada.

I remember when we were discussing the Taft reciprocity proposition in the Senate, and I would pick up the daily papers. One day it was thought that the reciprocity program would go through and wheat would go down from 6 to 10 cents a bushel. The next day it was reported that it would fail to go through, and wheat would go up from 6 to 10 cents a bushel in the Minneapolis and the Duluth markets, all owing to the probability or improbability of free trade between the United States and Canada.

Mr. President, it is a waste of breath for any Senator to philosophize about the price in the United States being affected solely by the Liverpool price. The price is always affected by the principal place of consumption, and the United States consumes seven times as many bushels as are ever exported from the United States, and its home consumption is the main factor that fixes the price.

Of course, we are governed by the world supply and demand, and a great world supply reflects upon our price and depresses it, and a world deficit naturally affects it; but what affects it in addition to that, and what we are most concerned in, is the question of holding the American market for the American farmer.

Now, Mr. President, I want to put into the Record a statement of the shipments of flaxseed into the United States.

I notice that Canada exported to the United States, between 1910 and 1914, 4,110,370 bushels of flaxseed. That was five years ago—less than a million bushels a year, about 800,000 bushels a year. In 1920 it was increased to 1,687,813 bushels. Now, I come to Argentina. Argentina exported to the United States for those four years a little less than 2,000,000 bushels. That would be less than half a million bushels for each year; but in 1921 she exported almost 23,000,000 bushels. Does anyone think that that does not have any effect upon the price of flax in the United States—more than twenty times as much as she had ever exported in any single year before? To protect the American market we are giving a higher protective duty.

I am not going over the wool schedule, nor the sugar schedule, nor the other schedules. They were fully discussed at the last session, and I do not think any further discussion is needed. All I want is that the Senate should clearly understand the real situation as it affects the American people at or near the Canadian border.

As to meats, I quote the following from the Bureau of Markets:

There is a great surplus supply of meats and meat products in the United States, and prices of live stock have been driven to a decline much more rapid than the decline in cost of production while imports of meats have further depressed the market. This constitutes a menace to the live-stock industry. Live-stock operations (before the war frequently precarious and unprofitable) did not during the war build up a reserve of profits sufficient to offset the present losses due to the current marketing of war stimulated production at less than its cost.

Chicago market live-stock prices in February, 1921, reached index figures ranging from 104 to 111 (based on 1913), while general commodities were 167, and manufactured articles 230. Allowing for increased freight to the market, farm prices of live stock are practically at or below prewar levels. The price drop has been so rapid that the value of animals in many cases is now less than the amount of loans secured by them, wiping out the grower's equity entirely.

With reference to butter, the Bureau of Markets has this to say:

Previous to 1919 our annual importation of butter varied from 1,000,000 pounds to 7,000,000 pounds, and in only one year, 1914, was it greater than 3,000,000 pounds. The exchange and credit situation stimulated imports, and we received from foreign countries over 9,000,000 pounds of butter in 1919, and in 1920 our imports reached the unprecedented figure of 37,000,000 pounds. In January, 1921, we imported 3,800,000 pounds and in February 1,896,000 pounds.

I do not care to discuss the assertion so often made that this is giving the farmer a gold brick. If it is giving it to him, we are not charging him a cent for it and it will not do him any harm; but the same Senators who are arguing that the farmer will not get any benefit from this legislation are with equally zealous and earnest argument declaring that it will raise the price of wheat 35 cents a bushel and that the consumer will pay it. I can not imagine anything more inconsistent. If the consumer will pay it, he can afford to pay it. If we should add 35 cents to the price of every bushel of wheat in the United States and it raised the price that much to the consumer, the consumer would pay 4 mills more for every loaf of bread that he ate, and as he eats half a loaf of bread a day upon the average for each person, it would cost him 2 mills more a day; and if he can make the farmer prosperous by paying 2 mills a day more for what he consumes, it is the best investment he can ever make, because it will enable the farmer to buy the products that the consumer is producing with labor that costs from \$5 to \$15 a day, while the farmers over the country to-day are not earning a dollar a day.

Mr. KING. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield, Mr. President. I am ready to yield the floor.

Mr. KING. I do not know that I am controverting the solicitude which the Senator has exhibited for the farmers. Indeed, I think the farmers probably have not been sufficiently compensated for the labors which they have performed in the development of our country. But if the argument which the Senator is making is sound, does not the Senator concede that it

would be wise to increase the cost of everything which is produced, upon the theory that it would enable the vendor and the producer to buy more of other articles which are manufactured, so that as a result the more you pay for goods the greater your prosperity will be? Is not that the *reductio ad absurdum* to which the Senator's argument leads?

Mr. McCUMBER. No, Mr. President. You may, by excessive labor costs, brought about from any cause that you see fit to assign, make two-thirds of the country live upon a plane whereby they can expend five times as much as the other third can possibly earn. That is the trouble we have to-day. Your city prices are so much in advance of the prices and the earnings in the rural districts that for everything which you purchase in the city, from your land, which costs \$100 a square foot, to the buildings which are constructed on it with bricks that cost a dollar apiece, they have to charge enormous prices, while they hope to recoup as against the farmer and compel him to produce for almost nothing. I want the farmer to earn as much as the carpenter. I ask the Senator if he does not?

Mr. KING. I would like to have him earn a little more.

Mr. McCUMBER. I want the farmer to earn as much as the carpenter. I want him to have as good a wage as the bricklayer. I want his children to dress as well. I want them to have just as much money to spend at the movies and to take their families to the theater. I want them to be able to ride in a good auto and not in a flivver always, and to live the way the rest of the people live. What we want is to equalize the earning capacity of the American people, and the farmer's earnings are not a quarter of the earnings in any other possible line of business. By helping agriculture along in any way we can we are blessing the country at large.

#### RECESS.

Mr. PENROSE. Mr. President, if no other Senator desires to address the Senate to-day upon the pending bill, and I am informed that there is no one, I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, May 10, 1921, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

MONDAY, May 9, 1921.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, offered the following prayer:

Blessed Lord God, we do not come unto Thee in fear and distress, but with a psalm of human thanksgiving, for Thy mercies are with us as the bread of life, and Thou dost give us hope and aspirations not born of time. Continue the bestowal of Thy blessings upon us, and may everyone have a place in Thy great heart, which is coextensive with the needs of man. God bless our homeland and preside over its life and destiny. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday was read and approved.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment joint resolution (H. J. Res. 52) to authorize the Secretary of the Interior, in his discretion, to furnish water to applicants and entrymen in arrears for more than one calendar year of payment for maintenance or construction charges, notwithstanding the provisions of section 6 of the act of August 13, 1914.

The message also announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 1084) to provide a national budget system and an independent audit of Government accounts, and for other purposes, had agreed to conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. McCORMICK, Mr. MOSES, and Mr. UNDERWOOD as the conferees on the part of the Senate.

#### ADDITIONAL PAGE.

Mr. IRELAND. Mr. Speaker, I ask consideration for the privileged resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

#### House resolution 77.

*Resolved*, That the Doorkeeper be, and he is hereby, authorized and directed to appoint an additional page for the remainder of the present Congress, to be paid compensation out of the contingent fund of the House, at the rate of \$82.50 per month, said appointment to date from the opening of the present session.

Mr. IRELAND. Mr. Speaker, this is the usual resolution to provide a page to attend the gentleman from Minnesota [Mr. SCHALL]. I move the adoption of the resolution.

The question was taken, and the resolution was agreed to.

#### CLERK, COMMITTEE ON DISPOSITION OF USELESS EXECUTIVE PAPERS.

Mr. IRELAND. Mr. Speaker, I ask for the consideration of another privileged resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

#### House resolution 75.

*Resolved*, That there shall be paid out of the contingent fund of the House of Representatives, until otherwise provided by law, compensation at the rate of \$2,000 per annum for the services of one clerk for the Committee on Disposition of Useless Executive Papers, said compensation to date from April 1, 1920.

The committee amendment was read, as follows:

Strike out "April 1, 1920," and insert "April 11, 1921."

Mr. IRELAND. Mr. Speaker and gentlemen of the House, the Committee on Disposition of Useless Executive Papers and Documents has not half completed its work. It worked during the vacation, and wishes to continue and complete the work it now has in hand and dispose of these papers which are cluttering up the files of the departments. The clerk to the committee was paid during the vacation on an interregnum certificate from the committee. This is to continue the work that was authorized last session. I ask for the adoption of the committee amendment.

The question was taken, and the committee amendment was agreed to.

The resolution as amended was agreed to.

#### ARMY APPROPRIATION BILL.

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5010, the Army appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5010, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5010, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 5010) making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes.

The CHAIRMAN. When the committee rose an amendment offered by the gentleman from South Carolina [Mr. BYRNES] was pending.

Mr. WALSH. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

The Clerk read as follows:

Page 24, line 9, after the word "all," strike out the figures "\$29,350,000," and insert in lieu thereof "\$27,500,000."

Mr. ANTHONY. Mr. Chairman, the committee feels that the amount named in the bill is as low as it is safe to go in the matter of subsistence for the coming year. As stated on Friday, the Committee on Appropriations cut the cost of the ration several cents below its present cost to-day. We cut it from its present cost of 42 cents to an estimate of 37 cents for the next fiscal year. We are taking quite an element of risk in cutting it that low, but believe it would be unsafe to go to a lower figure, because the War Department would have the right to bring in a deficiency, of course, for any amount it may cost them to feed the Army over that.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. ANTHONY. I will yield.

Mr. BYRNES of South Carolina. In ascertaining the amount is there anything in addition to what you call the constant items of the subsistence itself included in arriving at this figure?

Mr. ANTHONY. I do not know how much the constants are in the matter of subsistence. I imagine the constant cost is lower in the matter of subsistence than in any other item in the bill.

Mr. BYRNES of South Carolina. What I am anxious to know is whether or not there is anything included in this amount other than—

Mr. ANTHONY. No; I think the cost of labor and cost of storing and all that is carried in other items in the bill.

Mr. BYRNES of South Carolina. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman from South Carolina.