Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS SECOND SESSION.

SENATE.

MONDAY, *July 31, 1922.*

(Legislative day of Thursday, April 20, 1922.)

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

The VICE PRESIDENT being absent, the President pro tempore [Mr. CUMMINS] took the chair.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will call the roll, to ascertain the presence of a quorum.

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

Ashurst	Frelinghuysen	McKinley	Sheppard
Ball	Gooding	McLean	Simmons
Borah	Harreld	McNary	Smoot
Brandegee	Harris	Moses	Spencer
Broussard	Harrison	Myers	Stanfield
Bursum	Heflin	Nelson	Stanley
Calder	Jones, N. Mex.	New	Sterling
Cameron	Jones, Wash.	Newberry	Swanson
Capper	Kellogg	Nicholson	Trammell
Caraway	Kendrick	Norbeck	Walsh, Mass.
Cummins	Keyes	Oddie	Warren
Curtis	Ladd	Overman	Watson, Ind.
Dial	Lenroot	Phipps	Willis
Ernst	Lodge	Ransdell	
Fletcher	McCumber	Robinson	

Mr. DIAL. My colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. A quorum is present. The question is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee, upon which the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. MCCORMICK]. As I am unable to obtain a transfer, I find it necessary to withhold my vote. If permitted to vote, I should vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. MCCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. ROBINSON (when his name was called). Transferring my pair with the senior Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "yea."

Mr. STERLING (when his name was called). On this question I am informed that my pair, the Senator from South Carolina [Mr. SMITH], would, if present, vote as I intend to vote. I am therefore at liberty to vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CURTIS (when Mr. WADSWORTH's name was called). The Senator from New York [Mr. WADSWORTH] is paired on this vote with the junior Senator from Maryland [Mr. WELLER]. If present, the Senator from New York would vote "yea" and the Senator from Maryland would vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. WILLIS (when his name was called). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

The roll call having been concluded,

Mr. HARRISON (after having voted in the affirmative). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from South Carolina [Mr. SMITH] and allow my vote to stand.

Mr. FRELINGHUYSEN (after having voted in the negative). I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 27, nays 30, as follows:

YEAS—27.

Ashurst	Harris	Lenroot	Simmons
Borah	Harrison	Myers	Stanley
Capper	Heflin	Nelson	Sterling
Caraway	Hitchcock	Norbeck	Swanson
Cummins	Jones, N. Mex.	Overman	Trammell
Dial	Jones, Wash.	Robinson	Walsh, Mass.
Fletcher	Kellogg	Sheppard	

NAYS—30.

Ball	Gooding	McNary	Smoot
Brandegee	Harreld	Moses	Spencer
Broussard	Keyes	New	Stanfield
Bursum	Ladd	Newberry	Warren
Cameron	Lodge	Nicholson	Watson, Ind.
Curtis	McCumber	Oddie	Willis
Ernst	McKinley	Phipps	
Frelinghuysen	McLean	Ransdell	

NOT VOTING—39.

Calder	Gerry	Owen	Smith
Colt	Glass	Page	Sutherland
Crow	Hale	Pepper	Townsend
Culberson	Johnson	Pittman	Underwood
Dillingham	Kendrick	Poindexter	Wadsworth
du Pont	King	Pomerene	Walsh, Mont.
Edge	La Follette	Rawson	Watson, Ga.
Elkins	McCormick	Reed	Weller
Fernald	McKellar	Shields	Williams
France	Norris	Shortridge	

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

Mr. MCCUMBER. Mr. President, at this time I wish to ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment proposed by the Committee on Finance.

Mr. WALSH of Massachusetts. The pending question being upon the committee amendment, I ask for the yeas and nays.

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

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I ask that the same announcement which I made on the previous vote in reference to the transfer of my pair stand for the day. I vote "nay."

Mr. LODGE (when his name was called). Making the same transfer of my pair as on the preceding ballot, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). On this question I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from California [Mr. SHORTRIDGE] and vote "yea."

Mr. TRAMMELL (when his name was called). Announcing the same transfer of my pair as on the previous ballot, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. WILLIS (when his name was called). I transfer my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the Senator from Maryland [Mr. FRANCE] and vote "yea."

The roll call was concluded.

Mr. DIAL. Making the same announcement as to my pair and its transfer as on the former ballot, I vote "nay."

Mr. KENDRICK (after having voted in the affirmative). I understand that the Senator from Illinois [Mr. McCORMICK], with whom I am paired, if present, would vote "nay" on this question. I am unable to obtain a transfer of my pair with the Senator from Illinois and am, therefore, compelled to withdraw my vote.

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. If permitted to vote, I should vote "nay." I vote "present."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from Maryland [Mr. WELLER]. I am informed that if the Senator from Maryland were present he would vote "yea," and if the Senator from New York were present he would vote "nay."

The result was announced—yeas 33, nays 24, as follows:

YEAS—33.

Ball	Gooding	Moses	Spencer
Brandegee	Harreld	New	Stanfield
Broussard	Keyes	Newberry	Sterling
Bursum	Ladd	Nicholson	Warren
Calder	Lodge	Norbeck	Watson, Ind.
Cameron	McCumber	Oddie	Willis
Curtis	McKinley	Phipps	
Ernst	McLean	Ransdell	
Frelinghuysen	McNary	Smoot	

NAYS—24.

Ashurst	Fletcher	Kellogg	Sheppard
Borah	Harris	Lenroot	Simmons
Capper	Heflin	Myers	Stanley
Caraway	Hitchcock	Nelson	Swanson
Cummins	Jones, N. Mex.	Overman	Trammell
Dial	Jones, Wash.	Robinson	Walsh, Mass.

NOT VOTING—39.

Colt	Glass	Owen	Smith
Crow	Hale	Page	Sutherland
Culberson	Harrison	Pepper	Townsend
Dillingham	Johnson	Pittman	Underwood
du Pont	Kendrick	Poindexter	Wadsworth
Edge	King	Pomerene	Walsh, Mont.
Elkins	La Follette	Rawson	Watson, Ga.
Fernald	McCormick	Reed	Weller
France	McKellar	Shields	Williams
Gerry	Norris	Shortridge	

So the committee amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment reported by the committee.

The next amendment of the Committee on Finance was, on page 148, after line 14, to strike out:

PAR. 1113. Felts, not woven, wholly or in part of wool, valued at not more than 75 cents per pound, 20 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than 75 cents but not more than $1.50 per pound, 25 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $1.50 per pound, 30 cents per pound and, in addition thereto, 25 per cent ad valorem.

And to insert:

PAR. 1113. Felts, not woven, wholly or in chief value of wool, valued at not more than 50 cents per pound, 20 cents per pound and 30 per cent ad valorem; valued at more than 50 cents but not more than $1.50 per pound, 30 cents per pound and 35 per cent ad valorem; valued at more than $1.50 per pound, 40 cents per pound and 40 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

GOVERNMENTAL EXPENDITURES.

Mr. STANLEY. Mr. President, the Senate was deeply interested a few days ago in a rather sharp colloquy between the junior Senator from North Carolina [Mr. OVERMAN], the senior Senator from Wyoming [Mr. WARREN], and others touching the increase of national expenditures not related directly or indirectly to the conduct of the war. I will cheerfully say that the very able and capable Senator from Wyoming has made an earnest, honest, and indefatigable effort, in my opinion, to curtail expenditures—and my difference with him on this occasion does not imply that he is particeps criminis to the abuse of which I am about to speak—but it is nevertheless true, Mr. President, that an analysis of the expenditures of this Government will show that the cost of administering the Government, over and above those expenditures which arose or arise out of wars, present, past, or future, has inordinately increased. I am not here to take a partisan advantage or to make a partisan appeal. This is not due entirely to the dereliction of the party in power. It is due to a persistent growth of bureaucratic control, the increase of the personnel of departments and of commissions and of boards and of bureaus, and of every other agency ever utilized or ever abused by a paternalistic régime.

The great Senator from Idaho [Mr. BORAH] not long ago, in a hearing before the Committee on the Judiciary on a bill then pending to increase this bureaucratic control by abridging the liberty of the press, declared that that particular bill was but a symptom of a worse disease—the wholesale taking from courts, from local self-government, from the States, from constituted authority in every shape and form, the conduct of the people's affairs and the control of those things that local communities have controlled during the whole history of this Government, taking it away from every other form of governmental supervision, and sticking it somewhere in a hidden bureau here in Washington.

There is more power to-day exercised in these marble sarcophagi by unknown experts, the politically controlled appointees of whispering propaganda, than by the courts themselves. The cost has become unbearable. Not only has the Senator from Idaho spoken against it but Henry Ford's paper, the Dearborn Independent, in a recent editorial claims that there are now 15,000,000 officials pensioners upon public bounty, drawing public pay, and that there are 30,000,000 actual producers in the United States. If that is the case, there is an officeholder, a tax eater, on the back of every two tax producers in the United States. That situation crushed France and produced the French Revolution. That same bureaucracy was the bane and damnation of Germany, and that same condition will bankrupt and enslave this country.

In support of what I have said, I send to the desk a very able editorial from the Chicago Tribune—I presume it will not be suspected of Democratic leanings or of sympathy with the plans and policies of the senior Senator from Kentucky—and I ask to have it read.

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

The reading clerk read as follows:

THE SPREAD OF BUREAUCRACY.

[From the Chicago Tribune of Tuesday, July 25, 1922.]

"Too little attention is given to the tendency to multiply public jobs. Mr. Oscar Hewitt contributed an interesting fact-essay on that topic to Monday's Tribune which we hope will set a good many citizens and citizenesses thinking.

"Mr. Hewitt calls attention to the fact that although the Budget estimates of revenue indicate there will be 20 per cent less collected by the Bureau of Internal Revenue, Congress has granted authority to the bureau to spend 13 per cent more. In other words, the cost of tax collecting has risen 41 per cent.

"That is a phenomenon that does not exactly square with Mr. Harding's sincere, and in many directions effectual, effort to economize. Mr. Hewitt is not at a loss for the explanation nor will anyone else be who understands our political mechanics. 'More jobs,' says Mr. Hewitt, 'are not exceedingly distasteful

to the average Congressman, because he always hopes that he may get some for his constituents.' The obverse of this is that as the average Congressman has no such hope in the case of the Army or Navy personnel he is a stern economizer there, slashing regardless of considered policies and the judgment of those more fitted than he to judge.

"We have here one powerful influence always operative for the multiplication of civilian jobs in the interest of politicians. There is another influence which is less known but very powerful. Mr. Hewitt says that the 'dominating influence' back of the act increasing the allowance of the revenue bureau was probably that of the bureaucrats.

"The public knows too little of the pressure constantly brought upon Congress in favor of increased public expenditure by those who will do the spending; that is, by the officials in charge of Government activities. It is natural for men in charge of any work to find it easy to discover things which should be done, or done better, or done on a larger scale. Each bureau is convinced of its own importance and obeys that law of growth which is a part of life. No bureau is ready to restrict itself, but on the contrary is always pressing forward.

"This tendency to growth in bureaucracy requires constant resistance. Every nation which has permitted it to go on has suffered heavily from it. The French Revolution came from the breakdown of a centralized bureaucratic system which brought France to the brink of ruin by paralyzing the functions of its economic life. It brought general stagnation, the crushing of private enterprise, and finally famine. In republican France to-day there is an enormous machinery of public officialdom which rests as a heavy weight on the French people, wasting the public taxes through red tape and inefficient service and demoralizing French politics through the influence of a great army of petty job holders. In every country where bureaucracy has grown up the results have been seriously injurious.

"In the concrete case before us, that of revenue collection, there may be expected not only an unnecessary expenditure of public money but an increased interference with private affairs, one of the curses of bureaucratic government. As Mr. Hewitt points out, 'there will be less money to collect, but there will be more collectors. There will be fewer accounts to audit, but there will be more auditors. There will be fewer schedules filed, but there will be more clerks to handle them.' In other words, not only must the taxpayer bear his burden of the tax, 'but he will be forced to submit to more questions, more audits, more investigations, and more checking up than last year, if all the bureaucrats are to find employment.'

"Here, in fact, is the worst evil of bureaucracy. It complicates machinery in order to keep itself employed. Study conditions in bureaucratic Europe and you will find red tape insisted upon so that there may be officeholders to unwind it. Ancient, involved methods are stubbornly preserved in order to give clerks something to do, and, of course, this means an enormous waste of energy and loss of motion not only in Government business but in everything unfortunate enough to be touched by Government. It means not only mulcting the taxpayer of inordinate taxes in order to maintain a system of doing public business in the most cumbersome and expensive way conceivable, but it means keeping thousands of men and women employed at doing unnecessary things when they should be working in private enterprise at some productive service; and, finally, it means entangling private enterprise itself in a network of vexatious restrictions and regulations which lower its efficiency.

"America has prospered through freedom from slavery to officialdom and Government interference. We began our national life with a wholesome distrust and dislike of them, and for a long time resisted aggrandizement of the State and extensions of regulations in our private affairs. But this resistance has weakened. We have had a large influx of people not brought up in the tradition of individual responsibility and freedom who, though many of them had suffered the oppression of governments, were willing to turn to a government presumably more beneficent to assist them in our country. Furthermore, for more than half a century there has been a persistent propaganda on behalf of socialism, which is simply bureaucracy triumphant, and, unfortunately, there have been evils of predatory individualism and dubious combinations of private power to give this propaganda a superficial plausibility.

"But the American people, if they have any regard for their liberties and any appreciation of their good fortune in keeping free from the exhausting and burdensome imposition of Government interference and control, or bureaucracy, or organized officialdom, will wake up and check the bureaucratic tendency, which has been growing ominously, before it is too late. This is a new war for freedom."

Mr. STANLEY. I ask that this editorial may be printed in the RECORD in the same type as my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WARREN. Mr. President, referring to the remarks just made by the Senator from Kentucky [Mr. STANLEY], I can have no differences with him. The Senator's efforts are evidently along the lines of economy, the same thing for which many of us are striving; and as he makes no partisan complaint, knowing full well how and where and through whom these bureaus and this bureaucracy have been inspired and started, I feel disposed rather to thank him than otherwise for the remarks that he has made.

I have nothing further to say in regard to the matter at this time.

Mr. STANLEY. Mr. President, in this fight that I am making against the duplication of departments, against the assumption by the Federal Government of authority previously vested in the States which belongs there, against not only the betrayal of the people's liberties but the squandering of their patrimony, I welcome assistance from either side of this Chamber; and I hope patriots of both sides will forget every other consideration except the personal and material rights of a free people.

PETITIONS.

The PRESIDENT pro tempore (Mr. CUMMINS) laid before the Senate a telegram in the nature of a petition from W. G. Block Co., of Davenport, Iowa, favoring the prompt shipment of coal to Iowa for threshing, canning factories, and cold-storage plants, so as to prevent loss of grain and food, which was referred to the Committee on Education and Labor.

Mr. ROBINSON presented resolutions adopted by the convention of the Arkansas Federation of Rural Letter Carriers at Little Rock, Ark., favoring certain improvements in handling the mails, standardized compensation for postal employees, granting to rural carriers the same equipment allowance as now granted to mounted city carriers, and a single grand organization for all postal workers, etc., which were referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented a petition of sundry shoe manufacturers in the State of Ohio, praying that hides and skins be placed on the free list in the pending tariff bill, which was referred to the Committee on Finance.

SOUTHERN PACIFIC AND CENTRAL PACIFIC RAILWAYS.

Mr. WARREN. I ask unanimous consent to present resolutions from the Board of Trade of Evanston, Wyo., the Rotary Club of Rawlins, Wyo., and the Board of Trade of Rawlins, Wyo., commending the Supreme Court findings in the case of the separation of the Central Pacific Railway from the Southern Pacific Co., and asking that Congress may not undertake to overturn that decision. I ask that the resolutions may be referred to the Committee on Interstate Commerce, and that the one from the Evanston Board of Trade be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce, and the resolution of the Evanston Board of Trade was ordered to be printed in the RECORD, as follows:

"Whereas the highest court of our Nation has decided that the Southern Pacific-Central Pacific monopoly is unlawful and that the Southern Pacific Co. must relinquish its control of the Central Pacific for the public good; and

"Whereas plans are being made to set aside the court's decision by legislative action; and

"Whereas the Southern Pacific Co. can not route transcontinental traffic over the Central Pacific without ignoring its own business interests, and consequently is not in a position to cooperate in the development of competitive business through the Ogden gateway; and

"Whereas the investments and disbursements of the Wyoming transcontinental railroads depend in a large degree upon the volume of transcontinental traffic and the building and maintaining of communities along the lines of such railroads depends in no small degree upon such traffic; and

"Whereas the Southern Pacific southern route and the Central Pacific Ogden gateway route are normally competitive and should function and operate as competitors in order that the public interest shall be fully served and in order that each line may be free to develop and maintain and may be given an opportunity to reach its maximum efficiency: Therefore be it

"*Resolved*, That the Evanston Board of Trade recognizes the great interest of all communities along the coast to coast Ogden gateway route in having the decision of the Supreme Court upheld and in having the Southern Pacific's unlawful control of the Central Pacific speedily terminated; and be it further

"*Resolved*, That we call the attention of our representatives in Congress to the attempts which are being made to legalize this harmful monopoly, and that we urge that they take such action as seems to them advisable to defeat these attempts."

I, Matthew Nisbet, of Evanston, Uinta County, Wyo., do hereby certify that I am the duly elected and acting secretary of the Evanston Board of Trade, of Evanston, Uinta County, Wyo., and that the above

and foregoing is a full, true, and correct copy of the resolutions duly and regularly adopted by the said the Evanston Board of Trade at a meeting duly held on the 25th day of July, 1922, as the same appears of record in my office as such secretary.

Witness my hand this July 25, 1922.

M. M. NISBET, *Secretary*,
By ROY E. BRYAN, *Acting Secretary*.

AMENDMENT OF COTTON FUTURES ACT.

Mr. RANSDELL, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each adversely and submitted a report (No. 841) on both bills:

S. 385. A bill to amend section 5 of the United States cotton futures act, approved August 11, 1916, as amended; and

S. 3146. A bill to amend section 5 of the United States cotton futures act.

The PRESIDENT pro tempore. The bills will be placed on the calendar with the adverse report of the committee.

BRIDGES ACROSS GRAND CALUMET RIVER, IND.

Mr. JONES of Washington. Out of order, I ask unanimous consent to report, on behalf of the Senator from New York [Mr. CALDER], two bridge bills, and ask for their immediate consideration.

From the Committee on Commerce, I report back favorably, with an amendment, Senate bill 3793, to authorize the Gary Tube Co. to construct a bridge across the Grand Calumet River, in the State of Indiana, and I submit a report (No. 842) thereon. I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment was, in section 2, on line 15, before the word "expressly," to insert the word "hereby," so as to make the bill read:

Be it enacted, etc., That the Gary Tube Co., a corporation organized under the laws of the State of Indiana, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Grand Calumet River, at a point suitable to the interests of navigation, in the northeast quarter of section 3, township 36 north, range 8 west of the second principal meridian, in Lake County, in the State of Indiana, said bridge to be built across the Grand Calumet River in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

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.

Mr. JONES of Washington. From the same committee I report back favorably Senate bill 3834, to authorize the Chicago, Lake Shore & Eastern Railway Co. to construct a bridge across the Grand Calumet River, in the State of Indiana, and I submit a report (No. 843) thereon. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Chicago, Lake Shore & Eastern Railway Co., a corporation organized under the laws of the States of Indiana and Illinois, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Grand Calumet River at a point suitable to the interests of navigation in the southwest quarter of section 36, township 37 north, range 8 west of the second principal meridian, in Lake County, in the State of Indiana, said bridge to be built across the Grand Calumet River in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is expressly reserved.

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

WATERWORKS PLANTS, KANSAS CITY, KANS., AND KANSAS CITY, MO.

Mr. NELSON. From the Committee on the Judiciary I report back favorably, with an amendment, a joint resolution, to which I call the attention of the Senator from Kansas [Mr. CURTIS].

Mr. CURTIS. Mr. President, as this joint resolution simply gives the consent of Congress to acts of the Kansas Legislature and the Missouri Legislature, I ask unanimous consent for its immediate conideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 216) providing for the consent of the Congress of the United States of America to a compact and agreement between the State of Kansas and the State of Missouri respecting the erection, maintenance, and operation of the waterworks plants of the cities of Kansas City, Kans., and Kansas City, Mo.; the taxation thereof, and exercise of eminent domain in connection therewith by each State.

Mr. NELSON. The amendment simply strikes out the word "*Resolved*" and inserts the usual clause found in joint resolutions.

The PRESIDENT pro tempore. The amendment will be stated.

The amendment was, on page 3, line 1, to strike out "*Resolved*" and insert "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*," so as to make the joint resolution read:

Whereas by a concurrent resolution adopted by the General Assembly of the State of Missouri and approved by the governor of said State on April 15, 1921, and a similar resolution adopted by the Legislature of the State of Kansas and approved by the governor of said State on March 18, 1921, it was resolved and provided that, whereas the city of Kansas City, in Wyandotte County, Kans., and the city of Kansas City, in Jackson County, Mo., are contiguous and adjoining and each owns and operates waterworks plants, the intake portions of which are on the banks of the Missouri River in Kansas City, Kans., and contiguous to each; and for the protection of each city, in the event of a breakdown of its plant, a conflagration, epidemic, or other exigency, it is vitally important that its water plant have connection with and access to the facilities of the other; and it is and has been in the past of material benefit to each city that both contribute to a common fund in protecting the banks of the Missouri River in the vicinity of said plants and farther upstream from breaking over and destroying the plants or changing its course so as to leave the intake so far from the stream as to render it impossible to obtain an adequate flow of water therefrom; and the water plants of both cities are connected at various points so that they can in the future, as they have in the past, supply each other with water, thereby preserving the health and protecting the property of each; and the plant of Kansas City, Mo., is now and will of necessity continue to be for a long period in the future the only source of water supply to the city of Rosedale, in Wyandotte County, Kans., and the maintenance of this supply is of vital importance to the health and property protection of the citizens of said municipality; and the contour of the territory of each city is such that to reach and serve certain districts it is necessary that portions of the service mains and plants occupy and run through the territory of the other State; and Kansas City, Mo., is about to invest many millions of dollars in the betterment of its plant in the immediate future and the city of Kansas City, Kans., will invest in the future large sums in extending its plant, said extensions of each municipality necessitating large investments in the territory of the adjacent State, and to raise the funds for the purpose of making these investments it is vital to each city that each plant be free from assessment and taxation in the other State; and that therefore, by reason of the advantages accruing to the municipalities of each State and to the inhabitants thereof, as hereinbefore recited, and other advantages not therein enumerated, the States of Kansas and Missouri thereby entered into the following compact and agreement:

(1) Neither the State of Kansas, nor any county, township, or municipality located within said State, or any official thereof, shall ever assess, levy, or collect any taxes, assessments, or imposts of any kind or character whatsoever on the portion of the waterworks plant of the municipality of Kansas City, Mo., now or hereafter located within the territory of the State of Kansas.

(2) Neither the State of Missouri, nor any county, township, or municipality located within said State, or any official thereof, shall ever assess, levy, or collect any taxes, assessments, or imposts of any kind or character whatsoever on the portion of the waterworks plant of the municipality of Kansas City, Kans., now or hereafter located within the territory of the State of Missouri.

It is further provided by said resolutions, compact, and agreement that the right of eminent domain, for the purpose of acquiring property rights and easements for a waterworks plant, including mains, water pipe lines, or extensions, or any part thereof, in either State, was thereby given and granted to each State and to Kansas City, Kans., and Kansas City, Mo., to be exercised by Kansas City, Kans., in the State of Missouri, and by Kansas City, Mo., in the State of Kansas, for said purposes; and that to the faithful observance of the said compact and agreement each State, by the adoption of said resolutions, pledged its good faith: Therefore be it

Resolved, etc., That the consent of Congress is hereby accorded to said compact and agreement between the State of Kansas and the State of Missouri.

The amendment was agreed to.

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

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

The preamble was agreed to.

BILLS INTRODUCED.

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

By Mr. CAMERON:

A bill (S. 3875) granting a pension to Martin T. Knapp; to the Committee on Pensions.

By Mr. KELLOGG:

A bill (S. 3876) to extend the benefits of the Employers' Liability act of September 7, 1916, to Carol E. Reeves; to the Committee on Claims.

THE MUSCLE SHOALS PLANT.

Mr. McKINLEY. Mr. President, I ask unanimous consent to present and have printed in the RECORD in 8-point type a letter I have written to Mr. Gray Silver, of the American Farm Bureau Federation.

There being no objection, the letter was ordered to be printed in the RECORD in 8-point type, as follows:

JULY 29, 1922.

DEAR MR. SILVER: Thank you for your courteous letter of July 18 suggesting that I make a statement which you will present to your organization in the State of Illinois, giving my position in reference to the power development at Muscle Shoals.

The testimony of the United States engineers who are in charge at Muscle Shoals shows that with the auxiliary steam power which the Government has bought and paid for and which it is proposed to give Mr. Ford 200,000 horsepower can be depended upon for practically every day in the year and an additional 150,000 to 200,000 horsepower for 10 months in the year. Under the present standard of electrical art this power can be distributed to towns and cities, mines, and manufacturing plants covering a circle of 600 miles in diameter, thus providing untold advantages for a very large section of the United States. Power of this kind delivered from Keokuk over parts of western and southern Illinois sells at the dam for about $40 per horsepower per year, which would mean a revenue to the Government for the Muscle Shoals power of not less than eight or ten million dollars per year if the Government should sell same to a distributing company at same price. This is figured on a basis of about one-half of 1 cent per kilowatt hour. A farmer or a resident in a small town or city is glad to secure this power on a basis of twenty times that much, or 10 cents per kilowatt hour. One objection I have to Mr. Ford taking over this power under his present plan is because he proposes to deprive thousands and thousands of people over an area of 600 miles in diameter of power and its use in order that he may build up at Muscle Shoals a new Detroit. That is a fine thing for the inhabitants of Muscle Shoals, and naturally they are extremely desirous of seeing their real estate advance in value from $50 per acre to $10,000 an acre, but it is a bad thing for the thousands and thousands of people within this 600-mile area. This power which will wholesale at $10,000,000 per year will retail for over $50,000,000 per year. Mr. Ford proposes to buy from the Government for $5,000,000 what has cost the Government $150,000,000 and pay 4 per cent interest on the additional forty or fifty million dollars which the Government must invest to complete the dams, and in addition to that he proposes to pay the Government $46,000 a year, which he calls amortizement, and $55,000 a year which he calls repairs.

The testimony of the Army engineers is that the repairs at the dams will be about $227,000 a year, and not $55,000 a year. As Mr. Ford is to have the benefits if he gets this property on his terms and is to have these benefits for 100 years, he certainly, instead of offering to pay $55,000 a year, ought to agree to keep the dam in repair, which the Army engineers say will cost $227,000 a year.

Mr. Ford does not propose to take this property but to have a $10,000,000 corporation take title to it, and this title stands for 100 years. The experience with all large capital investments as corporations is that sooner or later, within 10 or 20 years, they pass into control of large money holders commonly known as "Wall Street." Mr. Ford, if he secures this property on the proposition indorsed by you so strongly, gets the property tax free for 100 years, with no control of any kind as to what price he should charge for power. He requires the Government to install, at Government cost, machinery for 850,000 horsepower and agrees to use 100,000 of this power to make 40,000 tons of ammonia, which would make an amount of fertilizer which would not be sufficient to fertilize one-third of the acreage of Illinois alone, not including any other State, and he only agrees to furnish this provided he can sell at a profit of 8 per cent on the 4 per cent interest money he has secured from the Government. The testimony of the Army engineers who have had this property in charge since its inception is that with Chilean nitrates, or ammonia made from the by-products of coke ovens, power must be secured at three-quarters of a mill per kilowatt. They further testify that, not getting any interest on the money the Government has already invested, and 4 per cent on the additional money which the Government must invest under Mr. Ford's offer, it would cost 2½ mills per kilowatt to generate the power, or three times as much as they testify that power must necessarily be provided in order to compete with present fertilizer.

One hundred years is a long time to give one man a tremendous natural resource, which now belongs to the people, and disinterested, thinking persons certainly should hesitate before voting for such a law. After a great deal of consideration, Congress within the past two years has created a Federal Power Commission, which can lease water power for a limit of 50 years, or half the time you have recommended that this property be given to Mr. Ford. Under Federal power control the Government has something to say. Nothing should be done with the Muscle Shoals property that takes away from the United States Government and from the State of Alabama the right to control rates. The time has gone by when large corporations should be given a free hand to exploit the people. I note within the last few days that the Governor of Alabama, recognizing the wrong which can be done to the people of his own State living away from Muscle Shoals, protested against turning over the whole property to Mr. Ford in the manner which you have recommended.

Now, in closing let me ask, what is the hurry about turning over this great power proposition to Mr. Ford at this time? This Muscle Shoals project, if properly handled, will benefit hundreds of thousands of people and bring in more than $10,000,000 annual revenue a year to the Government.

Congress has authorized the United States engineers to complete the dam, and all the testimony shows that it will take three years or more before the Government can deliver power from this project. Many important conditions may arise within three years. Mr. Ford, as you must admit, has within the past year made three offers for this power, each succeeding one more advantageous to the United States Government than his preceding offer, and at the last meeting of the committee, as you know, one of the Senators from the South, a strong advocate of Mr. Ford's offer, presented an amendment to Mr. Ford's latest proposition, in which he cuts the time down from 100 years to 50 years.

Mr. Ford has been of great benefit to the American people in producing, at a cost to himself of perhaps $200 a machine, a wonderful automobile, for which the people have gladly paid him $400. I, for one, anticipate with pleasure a proposition from him for this tremendous Muscle Shoals water power that will be beneficial to the citizens of the United States. If an offer is accepted from Mr. Ford, I want to see the rights of the whole people protected and ask him to come in under existing laws, which control rates for power which he will sell and which the people must buy.

Remember that you are proposing to lease to Mr. Ford for 100 years, at a rental of less than $2,000,000 per year, power that would sell for $100,000,000 per year, if sold at the price we are to-day paying for electric power in the city of Washington.

Sincerely, W. B. MCKINLEY.

MR. GRAY SILVER,
Representative American Farm Bureau Federation,
Washington, D. C.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Massachusetts. Mr. President, I have very little to say about the pending amendment. In fact, I hope that the remaining paragraphs in the wool schedule may be disposed of in very short order. I do not know of any paragraphs which are likely to provoke much discussion, except the paragraph fixing the rate upon clothing and articles of wearing apparel, and I am informed that there is to be very little debate upon that amendment.

Paragraph 1113, the pending paragraph, deals with felts not woven, wholly or in chief value of wool. I want to call attention to the fact that there are very few imports of those felts. Practically the only imports which come into this country are felts used on pianos. There is no such fine and exceptional felt manufactured in this country. It is very necessary to import those felts. But even the imports of those are insignificant in quantity and insignificant in value.

Strange to say, our exports of felt have been rather substantial. In the five months from January 1 to May 31, 1922, the present year, wool felts were exported valued at $157,792. In other words, the exports of wool felts in the first five months of this year were over three times as much as the total imports of wool felts during the year 1921. Therefore it does not seem to me that an increase in the protective duty over the rate in the present law, such as is contemplated here, is justified.

There is nothing else I care to say upon this paragraph. I would simply be repeating the arguments I made in reference to the other paragraphs, if I attempted to consume any more time. The same principle is involved, and I am simply going to

proceed hastily, and assist in having the votes taken and the wool schedule disposed of as quickly as possible. These increased protective duties can not be justified.

Mr. SMOOT. Mr. President, a number of felt manufacturers have advised me that the rates in this schedule are altogether too low to afford protection, but just by way of explanation I want to say that we have divided these fabrics into three classes, and the three brackets carry different compensatory duties and different protective duties.

Under the Underwood law all three qualities of felts carry a duty of 35 per cent ad valorem. The committee thought it would be better to fix a duty of 30 per cent on the low-priced class; on the medium bracket, a duty of 35 per cent, and on the higher-priced felts, 40 per cent. The average of the three brackets is 35 per cent, exactly the same as in the Underwood law. That is the compensatory duty.

Some of the manufacturers complain that we have not given them a sufficient compensatory duty, but I am quite sure we have, because the felts included in the different brackets can not possibly be all wool, and therefore we give only 20 cents on the first bracket instead of 49 cents, and I base that entirely upon their using the short waste wool. While there have been objections to it, the committee thinks it is ample.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 149, after line 4, to strike out—

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, and cords and tassels; if wholly of wool, 36 cents per pound; if in part of wool, whether or not wool constitutes chief value, 25 cents per pound; and, in addition thereto on all the foregoing, 30 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, braids, laces, galloons, veils and veiling, bands, belts, suspenders, braces, cords, and cords and tassels; all the foregoing if wholly of wool, 49 cents per pound; if in part of wool, whether or not wool constitutes chief value, 33 cents per pound; and, in addition thereto on all the foregoing, 55 per cent ad valorem.

Mr. SMOOT. Mr. President, I desire to offer a substitute for the amendment to paragraph 1114, proposed by the committee, and I send the substitute to the desk.

The PRESIDENT pro tempore. The Secretary will report the proposed amendment.

The READING CLERK. Strike out lines 5 to 11, both inclusive, on page 149, and insert the following:

PAR. 1114. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, and cords and tassels; all the foregoing if wholly or in chief value of wool, 49 cents per pound upon the wool content thereof and 50 per cent ad valorem.

The PRESIDENT pro tempore. The Chair understands the committee withdraws the amendment as printed in the bill and substitutes the one just read. The question is upon agreeing to the substitute just offered.

Mr. SMOOT. The Senate will notice that the committee has stricken out "braids, laces, galloons, veils and veiling, bands, belts." If the proposed amendment is agreed to, the result will be that those articles will fall in paragraph 1430 of the bill, and a detailed explanation will be made at the time that paragraph is reached. The committee also has added the words "upon the wool content thereof." Therefore there was no necessity whatever of the brackets which were originally put into the amendment. The committee have also cut the rate from 55 per cent to 50 per cent. These are fast-edged goods, very narrow, generally carrying an elastic warp, or a rubber warp, or silk, and while there is considerable produced in this country, I think as to this class of goods the amendment as submitted can be justified.

Mr. WALSH of Massachusetts. There are practically no imports of the fabrics named in this paragraph. In the last 10 years the imports have not amounted in value to over $5,000. In the last year the imports were only $2,942 in value. How can we justify such an increase in the protective duties proposed over the rates in the present law, in view of a record of practically no imports, under a rate of 35 per cent?

To show how seriously these high duties are going to affect prices, I want to call attention to some figures I have before me in reference to imports and the duties collected in previous years upon the fabrics named in this paragraph. In 1920 the imports were $3,907 in value. The duties collected were $1,367. In 1921, six months of which period the emergency law was in operation, under which, of course, the duties were increased very substantially—as the Senate knows, the compensatory duty being 45 cents per pound on wool, and the protective duty 35 per cent—the imports were valued at $2,942 and the duties collected were $1,381. In other words, the duties collected in 1921 were about 50 per cent of the value of the imported product, but while the much lower duty levied in the Underwood law was in operation, the duties collected were less than one-third of the total value of the product. When the rates here levied are in force, the duties will be close to 100 per cent of the foreign price.

I have nothing further to say with reference to this paragraph, except what I have heretofore said in opposition to all of the high duties levied under the wool schedule.

Mr. SIMMONS. Mr. President, I think it proper to make some statement with reference to this amendment now proposed by the committee, and I will make it very brief.

The amendment under discussion is in the nature of a substitute for the paragraph as provided in the bill as it passed the House, and Senators will observe that in the original committee amendment there was this provision, "all the foregoing, if wholly of wool, 49 cents per pound." That is the proper form to write an amendment of this sort, where it is intended to be compensatory.

If the original amendment had stopped there it would not have been subject to the objections made on Saturday by the Senator from Wisconsin and myself to the compensatory provisions of the paragraph then under consideration. But the original amendment of the committee did not stop there. It proceeded as follows:

If in part of wool, whether or not wool constitutes chief value, 33 cents per pound.

If that amendment had been adopted as originally proposed by the committee it would have meant that if there was a fraction of wool in the article it would bear a duty of 33 cents a pound, because the amendment very carefully provides that the 33-cent rate shall obtain as a compensatory duty for the wool, whether the wool constitutes the element of chief value or not, which, of course, could mean what I said a while ago, that the 33 cents, ostensibly for the purpose of compensating for the raw wool in the article, should be allowed although it might contain only a bare fraction of wool. In other words, if there were any wool at all in the product, under that amendment the producer of the article would be entitled to have a duty of 33 cents a pound by way of compensating him for the wool in the article, however small that quantity of wool might be. The committee has very properly stricken that out. It is very much to their credit that they have stricken it out, as, I think, it was very much to their discredit that they put it in there in the first instance.

I am calling attention to this simply for the purpose of showing how crudely this bill was originally redrafted by the committee in those particulars in which it was sought to amend it, and what would have been the situation if those amendments had not been challenged and the committee been coerced into further action by reason of the exposure of the provisions as originally drafted by it.

Mr. President, there is another comment I wish to make upon this amendment. As originally drafted it provided "all the foregoing, if not wholly of wool, 49 cents per pound." After the words "49 cents per pound," the committee now adds "upon the wool content thereof," and it changes the preceding part of the amendment to read "all the foregoing, if wholly or in chief value of wool," it having originally read, as I said, "all the foregoing if wholly of wool." So that the amendment as now changed by the committee reads substantially as the corresponding provision in some of the items which preceded it and with reference to which the Senator from Wisconsin so earnestly insisted that it should be changed so as to provide that the rates should apply only upon the wool content where the article was not wholly of wool.

I think in view of the fact that the committee have clearly changed their policy and recognized in this paragraph that where the provision provides a certain rate by way of compensation for the wool, where it is in part or in chief value of wool, in view of the fact that they have now concluded with reference to this particular paragraph dealing with a fabric that only the wool content should be considered in applying the compensatory rates with reference to this particular article, that the committee in common justice, and certainly in the interest of consistency, ought, wherever that language appears in the paragraphs of the schedule, to make the same amendment.

The Senator from Utah [Mr. SMOOT] shakes his head. I want to ask the Senator from Utah how he differentiates the situation in this respect with reference to this paragraph from the situation with reference to the same condition in the paragraphs sought to be amended on Saturday by the Senator from

Wisconsin. I also call it to the attention of the Senator from Wisconsin. It may be that in my hurry I have overlooked some circumstance, but as it appears to me now, if this is a proper amendment to the particular paragraph now pending, that it likewise would be a proper amendment, and in the interest of consistenecy ought to be applied to the other paragraphs of like import which were discussed and acted on during the past week.

Mr. SMOOT. Mr. President, I will say to the Senator that it is very easily answered. In the other case, where the language has not been added, wool waste is used. In the fabrics carried by this paragraph they do not use wool waste. The goods are entirely different, and the compensatory duty where wool waste is used——

Mr. SIMMONS. They may use cotton in the fabrics mentioned in both paragraphs.

Mr. SMOOT. Not in this one.

Mr. SIMMONS. They use nothing but wool waste in the fabrics covered in this paragraph?

Mr. SMOOT. No; they do not use wool waste in those fabrics.

Mr. SIMMONS. They do not use waste wool at all.

Mr. SMOOT. But they do use rubber.

Mr. SIMMONS. But in the paragraphs already passed over, and in the paragraphs in which the same language appears——

Mr. SMOOT. It only appears where the 49 cents per pound duty is given, and that necessarily should be all wool, and therefore we provide that unless it is all wool they shall only receive the all-wool compensatory duty on the wool content.

Mr. SIMMONS. If this particular article is all wool, why was it necessary to put it in?

Mr. SMOOT. It is not all wool. The great bulk of it is not all wool. If the Senator wants to know why the committee used the words "if in part wool, whether or not wool constitutes the chief value," there is a reason for that.

Mr. SIMMONS. I am not talking about that.

Mr. SMOOT. The Senator criticized that language.

Mr. SIMMONS. I did.

Mr. SMOOT. The Senator said it was an inconsistency. The Senator will notice that the committee have stricken out the words "laces, galloons, veils and veiling, bands, belts." The reason why the words "if in part of wool" were used in this paragraph was because if the words had not been there with those items in the paragraph, then the items would have fallen under a higher rate under paragraph 1430.

Mr. SIMMONS. I only referred to the elimination of the 33 cents portion of the paragraph for the purpose of commending the committee for taking a saner view of the matter than they originally did.

Mr. SMOOT. If the Senator understood it he would not make that statement. If we had left in here the items "laces, galloons, veils and veiling, bands, belts," if those words were stricken out, they would have fallen in paragraph 130 at a higher rate, but we have stricken those out.

Mr. SIMMONS. What has been done with the items stricken out?

Mr. SMOOT. They go into paragraph 1430, and whenever we reach that paragraph then we will decide upon the rates, but if the words "if in part of wool, whether or not wool constitutes the chief value," had been left in this paragraph or had not been put in here, then the articles would have fallen naturally into paragraph 1430 at a higher rate. It was protection which the committee had sought in putting those words in there, and not what the Senator thought it was.

Mr. SIMMONS. Was not the 33 cents per pound rate a compensatory duty?

Mr. SMOOT. Yes; certainly it was. We provided 49 cents a pound on the wool content, but in doing that we had to take out laces, galloons, veils, and veiling, bands and belts, and, as I said, there would have been no necessity for that in the first place if it had not been for the reasons I have just given.

Mr. SIMMONS. Both of the rates, the 49 cents per pound rate and the 33 cents per pound rate, are compensatory rates, because there was afterwards added 55 per cent ad valorem as a protective rate.

Mr. SMOOT. Fifty per cent.

Mr. SIMMONS. It was 55 in the original amendment to the bill.

Mr. SMOOT. They are compensatory rates, and we accepted those just as we accepted the amendment of the Senator from Wisconsin and used the exact words following.

Mr. SIMMONS. The Senator stated that they had taken out the last item in the paragraph which imposed a 33 cents per pound rate because they had stricken out of it some of the specific articles contained in the paragraph.

Mr. SMOOT. Yes; and that the only thing now——

Mr. SIMMONS. The 33 cents per pound was intended, according to the Senator, to cover the specific articles which the committee now proposes to eliminate. Now, those articles——

Mr. SMOOT. If they had not been in here it was——

Mr. SIMMONS. Let me finish my statement. That is, 33 cents per pound was put in here for the purpose of affording a compensatory rate on the articles which have been taken out. Now, those articles are in part of wool, I presume.

Mr. SMOOT. Yes.

Mr. SIMMONS. If they are only in part wool why was a 33 cents per pound rate, which is the rate on all wool, imposed in the original amendment unless it was meant that if there was any wool in the articles the manufacturer of the article should be entitled to the compensatory rate of 33 cents a pound upon total weight of the cloth?

Mr. SMOOT. Perhaps I can explain it to the Senator in this way.

Mr. SIMMONS. Taking those items out does not change the fact at all.

Mr. SMOOT. Yes, it does.

Mr. SIMMONS. It does not change the fact that it was the original intent to allow the manufacturer of the articles which have been taken out, without reference to the quantity of wool that might be in them, to have 33 cents a pound on every pound of goods.

Mr. SMOOT. If the Senator will allow me to explain, I will tell him just what would have happened. In this paragraph the wording is "wholly of wool, 49 cents per pound."

Mr. SIMMONS. Not in the section about which I was talking.

Mr. SMOOT. If the Senator will allow me to explain, I shall be glad to do so, and then he will see why the committee did it. It is very clear when it is understood.

This is the only paragraph where the words "wholly of wool" are used. This is the only paragraph where the words "if in part wool, whether wool constitutes the chief value," are used. This is what would have happened: Laces, galloons, veilings, and so forth, would have been manufactured with one thread of wool in them, and would have escaped the higher rate imposed in paragraph 1430. In fact, I had samples shown to me containing one thread of wool. The object of that, I will say to the Seantor, was that the importer could not send in here laces of the highest value, and veilings particularly, with a wool thread in and get them under the lower rate in this paragraph when they should have gone under paragraph 1430. But now that we have taken them out, it applies to the fabrics with fast edges not exceeding 12 inches, and we say that it shall be 49 cents a pound on the wool content thereof.

Mr. SIMMONS. The amendment as now adopted is in proper form. I am not criticizing it. I think it is entirely right, so far as form of laying the duty is concerned, but t ought to apply elsewhere as well as here where the conditions are substantially the same.

Mr. SMOOT. Of course I can explain also why it could not apply to some of the brackets which we have already passed over. It applies in every case where there is a 49-cent compensatory duty given, but it will not apply where there is, for instance, 20 cents a pound given and where we know it will be all wool waste. It could not apply where it is 49 cents. I think the paragraph is so worded now that there can be no deception or misunderstanding with reference to the paragraph under which these goods will fall when imported into the United States.

Mr. SIMMONS. Mr. President, I simply wish to say that when I stated that the amendment as perfected by the committee was "right" I meant as to form, of course, and not as to the amount of duty which the amendment carried.

Mr. LENROOT. Mr. President, just a word with reference to the question which has been raised by the Senator from North Carolina [Mr. SIMMONS]. It is true that where the committee assumed that the article was all wool and gave a 49 cents a pound compensatory duty they did accept the amendment making it upon the wool content. The justification of the committee for opposing the amendment which I proposed, where the compensatory duty was less than 49 cents a pound, was the plea that a part of the article was made of wool waste and wool extract and perhaps a part of it of cotton, and therefore they had taken that into consideration in giving a rate of compensatory duty less than 49 cents a pound.

I see that there is some justification for the position that the committee has taken; but, as I have stated to the Senator from Utah [Mr. SMOOT] privately, and I also want to state it upon the floor of the Senate, in arriving at the rates of compensatory duty less than 49 cents a pound, which the committee have imposed, they have assumed that a part of the article was to be a wool extract and a part of it of cotton or other material.

That being so, I do not see why the committee could not and should not, in conference, at least, give their best judgment as to what part of the article will be composed of cotton or some other material, and make the duty upon the wool content throughout. If only a part of it shall be of waste or wool extract, the committee can and should arrive at a lower rate of compensatory duty, but whatever that shall be make it upon the wool content.

I have no information, I want to say, as to what part would be of wool waste or of wool extract or what part of cotton. So I am not in a position to offer the amendments that I should like to offer if I had the information.

Mr. SMOOT. I have told the Senator from Wisconsin, I think several times, that if it were possible to ascertain the percentage of wool waste that might be in a wool thread I should be glad to figure it out; but that can not be done.

Mr. LENROOT. No; the Senator from Utah misunderstood me. I did not urge that.

Mr. SMOOT. The Senator means, on the assumption that the committee made in arriving at the rate of compensatory duty?

Mr. LENROOT. Yes. Now, if the committee assumes that one-half of an article will be of wool, two-fifths of wool waste, and one-tenth of cotton—if that makes the proper calculation; at any rate, the Senator sees what I am getting at——

Mr. SMOOT. Yes; I see what the Senator is driving at.

Mr. LENROOT. I do not object to giving a full compensatory duty upon the wool and the wool extract and the wool waste if the committee has once lowered the duty to less than 49 cents to where it thinks it ought to be; but whenever there is any cotton in the article we ought to exclude the cotton. That is my point.

Mr. SMOOT. I will say to the Senator from Wisconsin that in every case that has been taken into consideration.

Mr. LENROOT. Yes; but if it has been taken into consideration the committee must have made some kind of assumption as to how much of the article was cotton.

Mr. SMOOT. Certainly.

Mr. LENROOT. If the committee has proceeded upon that kind of an assumption, it ought to remove the cotton entirely from consideration in the imposition of the rate and give the duty upon the wool which is used. The duty ought to be imposed upon the wool and the wool waste and the wool extract.

Mr. SMOOT. That can not be done.

Mr. SIMMONS. Mr. President——

Mr. LENROOT. I wish to make myself clear to the Senate. I do not insist upon differentiating in the compensatory duty between pure wool and wool waste; but I do insist that we ought not to give any compensatory duty upon any other than the wool or the wool waste in the fabric.

Mr. SMOOT. I want to say to the Senator from Wisconsin that we have not done so in so far as we can possibly figure it. For instance, take the blanket paragraph. We start out with a duty of 20 cents a pound, and we know that the duty upon carbonized noils is 30 cents. The manufacturer is not going to use carbonized noils to make blankets falling in that bracket. I have not any doubt that he can make his warp of 90 per cent wool waste. Perhaps he could not in making the filling use quite as much; but we have figured upon those percentages and we have given the duty upon the waste that is in that class of blankets and not upon the wool.

Mr. SIMMONS. Mr. President, if the Senator from Utah will pardon me, if the proposition of the Senator from Wisconsin [Mr. LENROOT] were adopted, and that were applied only to the actual wool content of the article, there could be no trouble about it; the producer could never get more compensation than he was entitled to upon the amount of wool he used; but suppose we adopt the method of which the Senator from Utah has just spoken, and which the Senator from Wisconsin says he is not able to work out because he has not the data. Probably the Senator from Utah has the data, but if the Senator from Utah has the data, those data are not absolutely stable and fixed. The Senator may have some information as to the amount of wool that is used in a certain cloth now, when the wool is on the free list, but when wool is placed under a duty of 33 cents a pound, would we have any assurances that the manufacturer would use as much wool in making various fabrics as he would if he could get his wool free? Should we not be speculating by taking the present proportion of wool in a fabric, when wool is free, instead of considering the fact that there may be vast changes in the proportion of the mixture of cotton and wool, with wool worth 33 cents a pound more than it now is?

Mr. SMOOT. The manufacturer has in mind the making of a certain piece of goods, and he knows that it will take a certain class of wool to make those goods. If they are adulterated in any way, they are not that class of goods. I doubt whether any manufacturer will make the same kind of goods using a lower form of mixture than was used by the manufacturer who originally made the cloth.

Mr. SIMMONS. But suppose they are of a lower grade.

Mr. SMOOT. Then they will not sell for the same.

Mr. SIMMONS. I do not think the fact that they are of less value would change their classification, so far as the tariff is concerned.

Mr. SMOOT. Oh, yes; the goods would fall in different brackets wherever there is more than one provided. As I stated when the Senator first proposed his amendment to the 49-cent rate, I saw no reason why it should not be accepted, and, so far as I was concerned, I believed that the committee would accept it, and, on speaking to members of the committee, they said they would accept it. It was right; there is no question about that; but the other proposition is quite different.

Mr. SIMMONS. The paragraph reads:

Fabrics with fast edges not exceeding 12 inches in width—

That is the description. Now, any fabric answering to that description would be entitled to this duty, and it would answer to that description if there was a less quantity of wool in it than is in the similar class of goods made now.

Mr. SMOOT. No one is stating to the contrary. The only reason why the committee, or, I should say, the Tariff Commission, prepared the amendment in the form in which it is was because of the fact that there have been included in the paragraph laces, galloons, veils, and veiling which were not included in the original House provision. There is, however, no need of my explaining that again. We did not propose to leave a loophole so that the manufacturer in the foreign country could manufacture a veiling, put one thread of wool in it, and, instead of paying 75 per cent duty, pay 60 per cent.

Mr. HITCHCOCK. Mr. President, we have heard a great deal of discussion here on what seems to me a very unimportant feature of this schedule. What I should like to know is whether I have interpreted the paragraph correctly that it increases the present rate from about 35 per cent to something like 100 per cent?

Mr. SIMMONS. If the Senator will pardon me, if he had been here the other day when we were discussing the framework of the compensatory scheme proposed by the committee he would not have thought this was an unimportant matter. It is a very fundamental matter and lies at the very bottom of this whole business. It goes to the question of concealed protection.

Mr. HITCHCOCK. That is, of course, of importance, but as I read the existing law, the tariff is 35 per cent, while the schedule as now proposed will make it about 100 per cent.

Mr. SMOOT. The Senator is wrong.

Mr. HITCHCOCK. Will the Senator state, then, what the ad valorem equivalent will be?

Mr. SMOOT. The ad valorem as it was originally written on fabrics made wholly of wool would be 76 per cent; on fabrics partly of wool, as it was originally written, the duty would be 68 per cent. Of course, in view of the amendment which we have already adopted that the compensatory duty should only be allowed upon the wool contained therein, the equivalent ad valorem will fall a little lower than that. The goods embraced in this paragraph are very expensive goods, I will say to the Senator; they are narrow goods and are made into garters and suspenders and generally have silk mixed with them or their warp is of rubber.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield a moment?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Of course, a fabric the import price of which is a dollar when it is made chiefly of wool under this paragraph will be taxed 49 cents per pound of wool, if there is a pound of wool in the fabric, plus an ad valorem rate of 50 per cent, which will be equivalent to 99 cents on a dollar article. That is the way it would work out.

Mr. SMOOT. If the price were a dollar a pound, it would; but no such goods as that fall in this paragraph. These are high-priced articles. They are woven in not to exceed 12-inch widths, and many of them in only three-quarters of an inch width. Most of them have rubber warp, and are used for suspenders, and frequently are mixed with silk.

Mr. WALSH of Massachusetts. Then why did the committee put in a bracket imposing 49 cents duty on the wool fabric if no goods made wholly of wool fall under this paragraph? I am assuming an article made of all wool the import price of which is a dollar. On such an article the tax is 49 cents upon

the wool and 50 per cent ad valorem. The Senator admits that in such a case the duty would be practically 100 per cent.

Mr. SMOOT. Yes; if there were such a case.

Mr. WALSH of Massachusetts. Of course, we can conceive of goods on which the rate would be more than 100 per cent.

Mr. SMOOT. The tariff rate is 76 per cent on the wool; but the amendment making the rate 49 cents on the wool content will bring the equivalent ad valorem down to a little over 68 per cent.

Mr. HITCHCOCK. I am trying to find out what the tariff duty will be on wool of the manufactured article.

Mr. SMOOT. Just the rate that is proposed upon the wool itself.

Mr. HITCHCOCK. First there is a duty of 49 cents per pound. Now, what is the equivalent ad valorem of 49 cents per pound?

Mr. SMOOT. Under the original provision the equivalent ad valorem of the 49-cent rate is the difference between the 55 per cent and 76 per cent, which would be 21 per cent.

Mr. HITCHCOCK. Then added to that must be a 55 per cent ad valorem.

Mr. SMOOT. No; 50 per cent.

Mr. HITCHCOCK. Fifty per cent ad valorem? That will make a total per cent of 71.

Mr. SMOOT. As against the present law, which was 35 per cent.

Mr. HITCHCOCK. Thirty-five per cent.

Mr. SMOOT. The other would be with 5 per cent off of 68 per cent, or 63 per cent, as against 35 per cent.

Mr. HITCHCOCK. Is there any such tremendous importation of this article as to justify more than doubling the tariff rate?

Mr. SMOOT. I can not say that there has been of late.

Mr. HITCHCOCK. Has there ever been any great importation of this character of goods?

Mr. SMOOT. We do not know as to the quantity made in this country; we have no reports as to the production in the United States, and I can not say what is the percentage of imports to domestic production.

Mr. HITCHCOCK. Apparently the records show imports of only $3,000 a year.

Mr. SMOOT. Oh, no; under paragraph 1114 in 1921 the imports were valued at $157,624.

Mr. WALSH of Massachusetts. The imports under paragraph 1114 in 1921 were valued at $2,942.

Mr. SMOOT. Of course I suppose that included braids and laces as well.

Mr. HITCHCOCK. Mr. President, if the imports are only $3,000 a year, why more than double the tariff? That is what I can not see. How can that be explained?

Mr. SMOOT. I want to say to the Senator that these goods are entirely the subject of fashion. They are passementerie. They are the highest type of luxuries. Whether or not they are made here all depends on whether or not they take during the year. Fashion governs them entirely now that we have taken the braids and galloons and veilings and veils and laces out of this paragraph.

Mr. HITCHCOCK. I can recognize that if they are luxuries it is not such a serious matter to double the tariff; but why double the tariff even on luxuries if the amount imported is negligible?

Mr. SMOOT. I do not think it will make any difference as to the importations.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah a question. Now that braids, laces, galloons, veils, and veilings have been taken out, where will they go?

Mr. SMOOT. In paragraph 1430. There will have to be a new division made in that schedule.

Mr. WALSH of Massachusetts. Is that the sundries schedule?

Mr. SMOOT. Yes; the sundries schedule.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, on page 149, after line 19, to strike out—

PAR. 1115. Knit fabrics, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $1.25 per pound, 25 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $1.25 per pound, 36 cents per pound and, in addition thereto, 25 per cent ad valorem.

Hose and half hose, and gloves and mittens, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $3 per dozen pairs, 30 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $3 per dozen pairs, 36 cents per pound and, in addition thereto, 30 per cent ad valorem.

Knit underwear, finished or unfinished, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 30 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $2.50 per pound, 36 cents per pound and, in addition thereto, 25 per cent ad valorem.

Outerwear and other articles, knit or crocheted, finished or unfinished, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 30 cents per pound and, in addition thereto, 28 per cent ad valorem; valued at more than $2.50 per pound, 36 cents per pound and, in addition thereto, 33⅓ per cent ad valorem.

And in lieu thereof to insert:

PAR. 1115. Knit fabrics in the piece, wholly or in chief value of wool, valued at not more than $1 per pound, 33 cents per pound and 40 per cent ad valorem; valued at more than $1 per pound, 49 cents per pound and 50 per cent ad valorem.

Hose and half hose, and gloves and mittens, wholly or in chief value of wool, valued at not more than $1.75 per dozen pairs, 39 cents per pound and 35 per cent ad valorem; valued at more than $1.75 per dozen pairs, 49 cents per pound and 50 per cent ad valorem.

Knit underwear, finished or unfinished, wholly or in chief value of wool, valued at not more than $1.75 per pound, 39 cents per pound and 30 per cent ad valorem; valued at more than $1.75 per pound, 49 cents per pound and 50 per cent ad valorem.

Outerwear and other articles, knit or crocheted, finished or unfinished, wholly or in chief value of wool, and not specially provided for, valued at not more than $2 per pound, 39 cents per pound and 40 per cent ad valorem; valued at more than $2 per pound, 49 cents per pound and 55 per cent ad valorem.

Mr. SMOOT. Mr. President, beginning with line 11, down to and including line 16; that is, for the last paragraph of the committee amendment I offer a substitute which I sent to the desk and ask to have read.

The PRESIDENT pro tempore. The substitute will be stated.

The ASSISTANT SECRETARY. As a substitute for that part of the paragraph embraced within lines 11 to 16, both inclusive, the following is proposed:

Outerwear and other articles, knit or crocheted, finished or unfinished, wholly or in chief value of wool, and not specially provided for, valued at not more than $1 per pound, 39 cents per pound and 40 per cent ad valorem; valued at more than $1 and not more than $2 per pound, 44 cents per pound and 45 per cent ad valorem; valued at more than $2 per pound, 49 cents per pound and 50 per cent ad valorem.

Mr. WALSH of Massachusetts. There is another bracket added?

Mr. SMOOT. Yes; I will say to the Senator that the committee added another bracket. Frankly, the manufacturers claim that the competition is so keen to-day in that one bracket that nearly all of the mills making those goods in the United States are closed.

Mr. WALSH of Massachusetts. Why does not the Senator add the words "on the wool content thereof" after the compensatory duty in each case?

Mr. SMOOT. I do not know how in the world we could ever find that out in the case of these outer garments.

Mr. WALSH of Massachusetts. You have attempted to find it out in the case of the other wool fabrics.

Mr. SMOOT. That is quite different from a made-up garment. You can take a piece of cloth and test it without destroying the cloth; but in the case of garments it is absolutely impossible. The only way we could do that is by values, as has been done here in the brackets, and knowing as nearly as possible just what percentage of yarns the different costs would go into that kind of an article.

I want to say to the Senator that I had a sample of these outer garments brought to my office the other day, a number of them, with the invoice on the goods. The manufacturer claimed that they were all wool, and I doubted it. I knew that it was very coarse wool, and I doubted that it was all wool; so I said, "May I cut this garment, and if you will allow me to do so, I will test it to find out whether it is all wool or whether it is not?" I took out of that garment enough of the material to test whether it was all wool or not, and I found that it was, and the invoice price of that was 84 cents a pound. It averaged 84 cents a pound.

I want to say frankly that I am warned that if these rates go through, that part of the industry can not survive; but I think it can, because of the fact that with the low-grade wools at the price they are now I think they can get along with the compensatory duty we have offered.

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

Mr. SMOOT. Yes.

Mr. LENROOT. I should like to ask the Senator a question with reference to the difficulty of ascertaining the wool content. Is it or is it not a fact that the yarn itself may be part wool and part some other material, cotton or otherwise, and that a test could not be made without injuring the garment?

Mr. SMOOT. They can not make the test without injuring the garment. If it were possible, we would do it otherwise; but I will say to the Senator that in order to test this very garment I had to take at least an inch square out of it, and

when you take out only an inch square you are liable to be 4 or 5 per cent off, because of the fact that the weights are so small, particularly if the material is adulterated a very little, that you can hardly weigh it. Your scales are hardly fine enough to find out what the percentage is. I will say to the Senator from Massachusetts that if it were possible I would gladly accept an amendment to that effect, but it is impossible to administer a provision of that kind.

Mr. WALSH of Massachusetts. Mr. President, this paragraph (1115) covers wool knit fabrics, wool gloves and mittens, wool knit underwear, and wool hosiery.

There have been comparatively small importations of these articles. Wool knit fabrics were imported in 1921 to the value of $7,425, wool gloves and mittens to the value of $303,143, wool knit underwear and outerwear to the value of $161,299. These have been negligible when compared with the production in this country. There has, however, been quite an increase in the importation of wool hosiery during the year 1921 and also during the year 1920, due to the short skirts worn by women and the inclination to wear sport hosiery and wool hosiery which was not made in this country.

Our people do not wear large quantities of woolen hosiery or woolen gloves. The gloves and hosiery and underwear worn by our people are made either wholly or in chief part of cotton or silk. Whatever wool hosiery or underwear is imported is largely of a special type and kind that does not compete with the domestically made hosiery or underwear.

The specialty shops import these wares to satisfy the demands of a certain class of customers, largely those who like to wear sport clothes and like to dress in the manner and style of the English.

I do not know that I can present my views in opposition to this amendment better than by asking to have read from the desk an article which I will send up from the Dry Goods Economist of April 29, 1922. This paper contains an interesting discussion of these duties. I suppose it is well known that the Dry Goods Economist is the leading magazine in circulation among dry goods merchants throughout the country. It is a very high-class paper. The writer of this article seems to consider these high duties indefensible, and does not believe that they ought to be levied.

I ask the Secretary to read the article.

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

The Assistant Secretary read as follows:

NOBODY IS WILLING TO BE GODFATHER TO THE KNIT-UNDERWEAR TARIFF—MANUFACTURERS KNOW IT IS UNNECESSARY—JOBBERS SAY THEY DON'T CARE ONE WAY OR THE OTHER, AND IMPORTERS DON'T LIKE IT—WHY IT WAS PUT IN THE BILL IS A PUZZLE.

As far as can be discovered from a canvass of the market, the proposed tariff on knit underwear is nobody's child. In other words, nobody confesses to wanting it especially. But still it is there, and the presumption is that domestic manufacturers made some effort to have it put there; except perhaps Congress, in the goodness of its heart, having been so kind to the other industries, couldn't bear to leave the knit-underwear industry out in the cold. * * *

RATES CALLED EXORBITANT.

These rates are characterized by importers as both exorbitant and unnecessary. The Economist has pointed out before that the amount of knit underwear imported into this country is negligible and could not by any stretch of the imagination be looked upon as competing seriously with domestic production. Under the circumstances there appears to be no present need for protection, and the proposed rates are so high, importers say, that they will simply kill off the current small volume of importations without benefiting anybody in particular.

Apparently, manufacturers are concerned not so much with existing competition as with the possibility of competition in the future. They are afflicted with the fear that this country will be flooded with the products of cheap European labor. Ever since the armistice this country has been perpetually on the brink of the aforesaid flood; but during those three and a half years no more than a few scanty drops have trickled over.

WHERE IS THE DANGER?

There may be a reason why we are more likely to be flooded with European knit underwear during the next three years than we have been during the last three; but up to the moment of going to press this reason has not been discovered. Neither the British nor the Germans have succeeded in making knit underwear that would "go" successfully on the American market, although both have tried hard. It is possible that they may succeed eventually; but putting up a tariff against an eventual possibility is a new wrinkle.

DISTRIBUTERS INDIFFERENT TO TARIFF.

Jobbers and other distributers of knit underwear are not much concerned with the question. They handle so little imported goods, they say, that it is a matter of indifference to them whether the proposed tariff shuts off importations or not. They do not believe that it can be used by domestic manufacturers as a lever to raise prices, because the large volume of domestic production and the competition for business between domestic manufacturers will be sufficient to regulate prices.

More serious is the probable effect of the proposed tariff on raw-material prices, particularly wool. The raw-wool schedule, which aims at an average duty of 33 cents a pound, clean basis, on all except carpet wools, is enough to make the most hardened protectionist sit up and take notice. If this measure goes through the price of raw wool and of wool underwear is bound to be affected materially. The same is true of long-staple cotton, on which the proposed duty is 7 cents a pound. The only thing that seems reasonably clear about the whole matter is that the consumer, as usual, is going to get it in the neck.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment as modified.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

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

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same transfer of my pair as on the last vote, I vote "yea."

Mr. WALSH of Massachusetts (when Mr. TOWNSEND's name was called). The Senator from South Carolina [Mr. DIAL] is paired with the Senator from Michigan [Mr. TOWNSEND]. If the Senator from South Carolina were present and not paired, he would vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last vote, I vote "yea."

Mr. WILLIS (when his name was called). In the absence of my colleague [Mr. POMERENE], with whom I am paired, I transfer that pair to the senior Senator from Maryland [Mr. FRANCE] and vote "yea."

The roll call having been concluded,

Mr. LODGE. Making the same transfer of my pair with the senior Senator from Alabama [Mr. UNDERWOOD] as before, I vote "yea."

Mr. McCUMBER. I transfer my general pair as on the previous vote and vote "yea."

Mr. ERNST (after having voted in the affirmative). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER] and let my vote stand.

Mr. JONES of Washington. I transfer my general pair with the Senator from Virginia [Mr. SWANSON] to the Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

The result was announced—yeas 31, nays 16, as follows:

YEAS—31.

Ball	Frelinghuysen	McKinley	Oddie
Borah	Jones, Wash.	McLean	Phipps
Bursum	Kendrick	McNary	Smoot
Calder	Keyes	Moses	Sterling
Capper	Ladd	New	Warren
Cummins	Lenroot	Newberry	Watson, Ind.
Curtis	Lodge	Nicholson	Willis
Ernst	McCumber	Norbeck	

NAYS—16.

Ashurst	Harrison	Kellogg	Sheppard
Caraway	Heflin	Overman	Simmons
Fletcher	Hitchcock	Ransdell	Trammell
Harris	Jones, N. Mex.	Robinson	Walsh, Mass.

NOT VOTING—49.

Brandegee	Gerry	Owen	Stanley
Broussard	Glass	Page	Sutherland
Cameron	Gooding	Pepper	Swanson
Colt	Hale	Pittman	Townsend
Crow	Harreld	Poindexter	Underwood
Culberson	Johnson	Pomerene	Wadsworth
Dial	King	Rawson	Walsh, Mont.
Dillingham	La Follette	Reed	Watson, Ga.
du Pont	McCormick	Shields	Weller
Edge	McKellar	Shortridge	Williams
Elkins	Myers	Smith	
Fernald	Nelson	Spencer	
France	Norris	Stanfield	

The PRESIDENT pro tempore. There is not a quorum present. The Secretary will call the roll.

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

Ashurst	Frelinghuysen	Lodge	Phipps
Borah	Gooding	McCumber	Ransdell
Broussard	Harreld	McKinley	Robinson
Bursum	Harris	McLean	Sheppard
Calder	Heflin	McNary	Simmons
Capper	Hitchcock	Moses	Smoot
Caraway	Jones, N. Mex.	New	Sterling
Cummins	Jones, Wash.	Newberry	Walsh, Mass.
Curtis	Kellogg	Nicholson	Warren
Ernst	Kendrick	Oddie	Watson, Ind.
Fletcher	Keyes	Overman	Willis

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The Assistant Secretary called the names of the absent Senators and Mr. LENROOT and Mr. NORBECK answered to their names when called.

Mr. BALL entered the Chamber and answered to his name.

The PRESIDENT pro tempore. Forty-seven Senators have answered to their names. There is not a quorum present. What is the pleasure of the Senate?

Mr. McCUMBER. I move that the Sergeant at Arms be instructed to procure the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Mr. TRAMMELL and Mr. CULBERSON entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present. The Secretary will call the roll upon the amendment proposed by the committee, as modified.

The reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair as on the former vote, and its transfer to the senior Senator from New York [Mr. WADSWORTH], I will vote. I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. McLEAN (when his name was called). I transfer my pair with the senior Senator from Montana [Mr. MYERS] to the junior Senator from Iowa [Mr. RAWSON] and vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Making the same announcement as to the transfer of my pair as on the previous ballot, I vote "nay."

Mr. WILLIS (when his name was called). Making the same announcement as before of the transfer of my pair with the senior Senator from Ohio [Mr. POMERENE] to the senior Senator from Maryland [Mr. FRANCE], I vote "yea."

The roll call was concluded.

Mr. WATSON of Indiana. Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. LODGE. Making the same announcement as to the transfer of my pair as previously, I vote "yea."

Mr. ERNST (after having voted in the affirmative). My general pair with the senior Senator from Kentucky [Mr. STANLEY] I transfer to the junior Senator from Maryland [Mr. WELLER] and allow my vote to stand.

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from South Carolina [Mr. DIAL].

The result was announced—yeas 36, nays 17, as follows:

YEAS—36.

Ball	Curtis	Lenroot	Nicholson
Borah	Ernst	Lodge	Norbeck
Brandegee	Frelinghuysen	McCumber	Oddie
Broussard	Gooding	McKinley	Phipps
Bursum	Harreld	McLean	Smoot
Calder	Jones, Wash.	McNary	Sterling
Cameron	Kendrick	Moses	Warren
Capper	Keyes	New	Watson, Ind.
Cummins	Ladd	Newberry	Willis

NAYS—17.

Ashurst	Heflin	Overman	Trammell
Caraway	Hitchcock	Ransdell	Walsh, Mass.
Fletcher	Jones, N. Mex.	Robinson	
Harris	Kellogg	Sheppard	
Harrison	Myers	Simmons	

NOT VOTING—43.

Colt	Glass	Pepper	Stanley
Crow	Hale	Pittman	Sutherland
Culberson	Johnson	Poindexter	Swanson
Dial	King	Pomerene	Townsend
Dillingham	La Follette	Rawson	Underwood
du Pont	McCormick	Reed	Wadsworth
Edge	McKellar	Shields	Walsh, Mont.
Elkins	Nelson	Shortridge	Watson, Ga.
Fernald	Norris	Smith	Weller
France	Owen	Spencer	Williams
Gerry	Page	Stanfield	

So the committee amendment as modified was agreed to.

Mr. McCUMBER. Mr. President, I rise to a point of order. I desire an expression from the Chair as to whether or not an order of the Senate requiring the Sergeant at Arms to procure the presence of absent Senators is deemed suspended when a quorum is secured?

The PRESIDENT pro tempore. The Chair did deem the order suspended, and ordered a roll call. The Chair is not prepared to say that that is the proper procedure, however.

Mr. McCUMBER. I do not understand that having the roll call in itself suspends the order because a quorum has been secured. However, I want the Sergeant at Arms distinctly to understand, if the rule is that the order is not suspended when he secures the presence of a sufficient number of Senators to constitute a quorum, that the order is to bring absent Senators in, and I desire that order to be continued in force, and that the Sergeant at Arms shall understand that it shall be in force during the entire legislative day, even though that legislative day lasts until next March, if it is necessary, in order to keep a quorum here.

Mr. LODGE. Mr. President, I think the practice and the understanding have always been that the order to the Sergeant at Arms remains in force unless formally vacated by the Senate. Sometimes formal action to vacate the order has been forgotten; but I think there is no doubt about the practice being as I have just stated it.

The PRESIDENT pro tempore. The Chair has no doubt that the order continues until it is suspended by a vote of the Senate.

The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. On page 151, after line 16, the Committee on Finance proposes to strike out paragraph 1116 as printed in the House text, as follows:

PAR. 1116. Clothing and articles of wearing apparel of every description, not knit or crocheted, manufactured wholly or in part, made of wool or of which wool is a component part, whether or not constituting chief value, valued at not more than $2.50 per pound, 20 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $2.50 but not more than $5 per pound, 25 cents per pound and, in addition thereto, 25 per cent ad valorem; valued at more than $5 per pound, 36 cents per pound and, in addition thereto, 30 per cent ad valorem.

And in lieu thereof to insert a new paragraph, as follows——

Mr. SMOOT. Before the Secretary reads the paragraph which is proposed as an amendment, I now desire, on behalf of the Committee on Finance, to offer two modifications, in order to perfect the amendment. On page 152, paragraph 1116, line 2, after the word "crocheted," I ask that there be inserted the words "manufactured wholly or in part, composed." That is simply to perfect the wording of the paragraph.

Also, on line 7, before the words "per cent," I desire to strike out the numeral "55" and to insert the numeral "50."

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Secretary will read the paragraph as proposed to be modified.

The ASSISTANT SECRETARY. As proposed to be modified the paragraph reads as follows:

PAR. 1116. Clothing and articles of wearing apparel of every description, not knit or crocheted, manufactured wholly or in part, composed wholly or in chief value of wool, valued at not more than $2 per pound, 26 cents per pound and 40 per cent ad valorem; valued at more than $2 but not more than $4 per pound, 33 cents per pound and 45 per cent ad valorem; valued at more than $4 per pound, 49 cents per pound and 50 per cent ad valorem.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). The question is on the amendment of the Committee on Finance as modified.

PARAGRAPH 1116—CLOTHING.

Mr. WALSH of Massachusetts. Mr. President, clothes and articles of wearing apparel are given a lower protective rate than in the Payne-Aldrich law, but the total rate ranges practically as high owing to the increase of the raw wool duty. On these goods, however, there appears to be no reason why the protective rate of 55 per cent accorded in the Senate bill should even approximate the rate in the Payne-Aldrich law, namely, 60 per cent. It is a well-known fact that the clothing-manufacturing industry of the United States is not subject to foreign competition and has practically exclusive control of the domestic market. The manufacture of ready-

made clothes is conducted nowhere in the world upon such a large and efficient scale as in the United States. Indeed, the testimony of one of the leading men in the trade, Mr. Goldman, of Cohen & Goldman, New York City, before the Senate Finance Committee contains the frank admission that the protective duty upon clothes is not a matter of vital concern to the clothing manufacturers inasmuch as the industry of this country is on a competitive basis and sells its goods already far below the tariff wall. The fact is that this branch of the wool industry, even in the pre-war and post-war period, has exported clothes upon a substantial scale. Exports have generally exceeded imports by a considerable margin, and what imports have come in have been largely specialties and do not compete with the domestic industry. It is the duty upon raw wool, rather than upon clothing which vitally concerns this branch of the industry. Indeed, it will be a great marvel of business efficiency if, under the disadvantage of a duty of 33 cents per pound, the American clothing manufacturers are able to continue to export any clothing at all to other countries and compete with goods made from free wool. Even in the domestic market this duty will seriously curtail the demand for clothes of good quality.

The Department of Commerce, in its 1916 report on "The men's factory-made clothing industry," stated:

> Imports of wool clothing are negligible, as compared with the huge domestic output, and consist mainly of English overcoats, novelty garments like the Balmaccan, and golfing and motoring clothes. Imports of sack suits are rare. The people in this country who demand English clothes are few; they reside usually in the seaport cities such as New York and Boston, and are in touch with England either socially or commercially. English ready-made clothing is not comparable with the American. The English tailoring is poor, except in the finest custom work. Very conservative styles of clothing are worn in England; the models do not change from one season to another as they do in the United States. American people believe not only that the styles of clothing for men that are originated in the United States are superior to those that come from other countries, but also that the workmanship is superior to the workmanship on ready-made clothing produced in foreign countries. This belief accounts, in a measure, for the tremendous increase in the production of factory-made clothing in the United States during the last 20 years. While the manufacture of ready-made clothing is one of the large industries in the United States, this industry is of comparatively small importance in other countries.

The above facts hold true to-day, and the domestic clothing manufacturer has practically no competition from abroad; not only that but for many years exports of clothing has been larger than imports. Under these circumstances it is difficult to see how a high duty on clothing can be justified.

Yet, let us see what this bill does. We will take as a basis a £4 suit of clothes invoiced from abroad at a price equivalent in exchange value to $29.53 and sold to the consumer in this country at $75 (vide Valuation Investigation Report made by the Secretary of the Treasury in 1921).

The duties under different acts and proposed bills would be as follows:

	Specific and ad valorem duties.	Total duty per suit.	Equivalent ad valorem.
			Per cent.
Act of 1909	4 pounds at 44 cents plus 60 per cent of $29.53.	$19.48	66
Act of 1913	4 pounds at 44 cents plus 35 per cent of $29.53.	10.34	35
Emergency act	4 pounds at 45 cents plus 35 per cent of $29.53.	12.14	41
H. R. 7456 [1]	4 pounds at 36 cents plus 30 per cent of $75.00.	23.94	81
Senate bill	4 pounds at 49 cents plus 55 per cent of $29.53.	18.20	62

[1] Note the effect of the foreign valuation plan, as a basis for levying duties as provided in the House bill, in increasing protection.

The wholesale price of the comparable domestic suit, better tailored, although not of as good cloth, is stated in the report to have been $32.50; this probably retailed to the consumer at $50. The fact that the consumer was willing to pay $75 for a foreign suit as against $50 for a comparable domestic suit shows that foreign clothes are sold on a basis of quality or preference and do not undersell the domestic.

Mr. SMOOT. What the Senator has said does not, of course, apply to tailor-made clothing in the United States, and those who produce such clothing are the ones who are most vitally interested in this paragraph, as the Senator knows.

Mr. WALSH of Massachusetts. As the Senator has stated, the large clothing manufacturers entertain the view I have expressed. There are some tailoring establishments, I believe, which claim that this duty is necessary. We have developed a considerable export business in ready-made clothing; but, of course, it will all be over now. The increase of the duty upon raw wool will end all our export clothing business. Nobody claims that it will be retained.

Mr. SIMMONS. Mr. President, I beg the Senator's pardon, but will he yield to me?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WALSH of Massachusetts. I yield.

Mr. SIMMONS. The Senator from Massachusetts has made a very important statement and one which I think is striking. With the high duties on raw wool I do not think it possible that our manufacturers of clothing will be able to compete in foreign markets in the sale of their products. Can the Senator furnish us information as to the amount of the exports of clothing?

Mr. WALSH of Massachusetts. I can do so directly, but I can not at this moment. I shall, however, be glad to do so later.

Mr. SIMMONS. I think it will be very well to put that into the RECORD in order that it may appear there.

Mr. President, as long as the clothing industry is competitive these protective duties are not likely to be effective to the full amount; but it is an invitation to form combines and direct the clothing industry of this country toward a monopoly. There is really an invitation extended upon the part of the Government to an industry like the clothing industry, where such heavy duties are levied, to form a monopoly. Why? These duties shut out whatever foreign competition may threaten to come in. The only thing that prevents them from being totally effective in the home market is the home competition; so that any financiers who possess the real spirit of greed, and who seek an opportunity to make great profits, can very easily figure out how, by a consolidation of the clothing industry in this country, they can make these duties absolutely effective, and the manufacturer of clothing can increase his prices up to the very high tariff wall levied in this bill.

It is only fair to say that the duties levied upon the material which goes into the making of suits and clothing have been very greatly increased; but that does not affect the tariff. It will affect the price to the American consumer; and I want to call attention to the extent to which this industry has had its burdens increased by reasons of the duties imposed in other sections of this bill upon the materials used in the manufacture of clothing.

The per cent of increase over the Underwood law on wool cloth valued at not over 60 cents a pound is 230 per cent.

The per cent of increase over the Underwood law on wool cloth valued at from 61 to 80 cents a pound is 207 per cent.

The per cent of increase over the Underwood law on wool cloth valued at from 81 cents to $1.50 per pound is 180 per cent.

The per cent of increase over the Underwood law on wool cloth valued at over $1.50 per pound is 130 per cent.

In the case of cotton linings the increase over the Underwood law is 64 per cent.

In the case of silk used for linings the increase over the Underwood law is 12 per cent. Once more the rich, who use silk lining, are favored with a small increase in duty.

On trimmings and buttons the increase is 250 per cent.

On haircloth the increase is 216 per cent.

On canvas padding the increase is 100 per cent on one kind and on another kind 57 per cent.

On cotton thread the increase is 133 per cent.

Summing it all up, on these four chief classes the duty is increased more than 200 per cent, on five from 100 to 200 per cent, on two more than 50 per cent, and on two less than 50 per cent.

It would be a very serious matter if these duties—which, of course, will be effective to the clothing manufacturer—were levied at the high rates named here. If we had importations of clothing it would destroy the business, of course; but there are no importations. No matter what the duty is that is levied upon the material that goes into the finished product of the manufacturer, all he has to do is to charge it up to the consumer. There is not any doubt whatever but that there is going to be a substantial increase in the price of clothing, regardless of this protective duty upon clothing, by reason of the duty upon raw wool and the duty upon the various materials which go into the making of clothing. In fact, the great problem with the clothing people is the duty on raw wool. They appreciate that and they know that the production of clothing depends upon the price of clothing, and they know that they must produce clothing at popular prices in order to supply the American demand, and that the production decreases as the cost of clothing increases.

So they are opposing these duties upon raw wool and these duties upon the materials which go into the finished product, because they say it will lessen the production in America because it will increase the prices of clothing, and it will destroy

whatever foreign business the clothing industry has been able to develop.

I am putting into the RECORD, at the suggestion of the Senator from North Carolina, the figures of the exports and imports of woolen wearing apparel, not knit.

For the year 1918 our imports amounted to $4,894,000, and our exports to $4,239,262. Of course, that was a war year, and it is not a good basis of comparison.

In 1919 our imports amounted to $1,425,890, and our exports to $14,665,069.

In 1920 the imports amounted to $5,011,135, and the exports to $8,160,416.

In the year 1921, which was the year when the industry was very much depressed, the imports amounted to $3,201,582 and the exports to $3,296,490.

In normal years the exports are very much larger than the imports, and the imports, anyway, are specialties, which do not compete with the clothes made by the clothing industry. They may compete with the clothes made by American tailors; and I think the American tailors may be demanding high duties, because they claim that a large number of well-to-do go to Europe and have their clothes made there, and that when they bring their clothes into this country they should be compelled to pay the high duties named in this bill. But so far as the great clothing industry is concerned there is no tariff problem involved here, and I do not believe they want any protection. They do want cheap wool, and they are protesting strongly against the 33 per cent duty on wool per clean pound. If you want to make clothing cheap give the clothing industry a free and unrestricted wool market.

Mr. SMOOT. Mr. President, I think the Senator is right when he says that the ready-made clothing in the United States, manufactured in Baltimore, New York, and Cincinnati—they being the great centers of the ready-made clothing industry—would not require 50 per cent protection. I freely grant that. But there is not a tailoring establishment in the United States that does not claim now that their business is greatly affected by the 50 per cent rate. I do not care what duty is levied on those Americans who go over to Europe once a year and have their clothing made there, because of some style of cloth or style of make, to ape the English dude. When a man goes from here over there and has his clothes made I do not care whether he pays 50 per cent, 60 per cent, or 75 per cent.

The importations under this paragraph are of specialties, just as the Senator from Massachusetts has said. Under the rates named in this paragraph those valued at not more than $2 per pound bear an equivalent ad valorem of 53 per cent; valued at more than $2 and not more than $3, the equivalent ad valorem is 53 per cent; and valued at more than $4, the equivalent ad valorem is 62 per cent. I think the Senator from Massachusetts gave the same figures. The equivalent ad valorem in the Payne-Aldrich law was 77 and 86 per cent.

As far as the committee was concerned in drafting the paragraph, they thought that as long as those overcoats and suits are made for parties who go abroad, and do not think that any suit made in the United States is good enough for them, I am not crying about the duty they shall pay.

Mr. SIMMONS. Mr. President, it is not my purpose to enter into any specific discussion of this particular paragraph. However, I want to give my full and hearty indorsement to the position taken by the Senator from Massachusetts [Mr. WALSH] with reference to the situation which will undoubtedly develop speedily, if it has not already been accomplished, with reference to the monopolization of this industry of making clothes in this country.

In connection with all of this business, I think we have given too little attention to the fact that many of the industries to which high protection has been given are already to a very large extent consolidated and under single control, at least as far as is necessary to enable them to substantially regulate the prices of their products.

Mr. SMOOT. That is not the case in this business.

Mr. SIMMONS. I am speaking generally now. When that happens in this country with reference to a particular industry all the fundamental reasons which have heretofore been assigned by the Republican Party and the champions of protection in its behalf seem to my mind to vanish.

In my studies of the tariff question I have been taught to understand that the Republican theory of tariff protection was based upon the fundamental principle that, so far as the consumer was concerned, he would be protected against excessive and unreasonable prices by domestic competition, and while, in the first instance, prices might be advanced as the result of protection, it would tend to the establishment of the industry in this country to the point where it could supply the domestic demand, and that under the operation of the law of supply and demand prices would be kept down to reasonable and fair margins of profit.

If there is domestic monopoly none of those things for the protection of the consumer will happen. He will be absolutely at the mercy of the combination which fixes the prices, and those prices can be established by them as high as their avarice may dictate, up to the point where foreign competition would be invited if they were advanced any further.

In that condition it has seemed to me that there was no logical or economic basis upon which we could levy a protective duty upon such a product without at the same time doing a rank injustice to the domestic consumers of that product. I am simply making these general observations for the purpose of fortifying, in the main, the idea which was in the mind of the Senator from Massachusetts when he was applying this principle to the paragraph now in hand.

With reference to this clothing situation, I want to say that this paragraph is a pretty far-reaching one. It applies, as its language imports, to "clothing and articles of wearing apparel of every description, not knit or crocheted, wholly or in chief value of wool," so that it may be said, speaking generally, that the rates carried in this paragraph are the taxes which this bill imposes upon the wool clothing of the people. It embraces all woolen articles of apparel "not knit or crocheted."

It is a very serious matter to artificially and by legislation advance the price of the wool clothing of the people. Taking our country as a whole, it has during certain seasons of the year a rather hard climate. There is no apparel at all suited to the conditions which environ us in this country which will answer the requirements of the rigors of winter except wool. These articles are as necessary to the poor as they are to the rich. They are not only necessary to the comfort of every human being in the United States, outside, possibly, of a narrow strip on our southern coast, but they are equally necessary to the preservation of a high standard of physical condition and health of the people. There is no substitute for wool. It is as much a necessity, therefore, as the food we eat, and as that character of food with which we can not dispense.

In those conditions, especially when we take into consideration the distress of a very large element of our people just at this time, to deliberately and by the exercise of a function of government arbitrarily increase the prices of woolen clothes in this country to the extent these duties will necessarily increase them seems to me to be little short of an outrage.

Now there is no contention that the woolen industry in this country is in its infancy. There is no contention that the woolen industry in this country is not well established and needs further expansion in order to enable it to supply the domestic demand. It is admittedly an old industry. It is admittedly an established industry of sufficient size not only to supply the domestic requirements but to supply with its surplus other markets to a large extent.

It is also charged and generally believed that there is no industry in the country more closely consolidated, in which the prices are more arbitrarily adjusted by the different manufacturers by reason of combination of interests, than in the woolen industry. So that there would seem to be no argument, based upon tariff protection, that would apply to the industry, and no hope for the consumer of wool products through domestic competition, and therefore if foreign competition is excluded there is nothing to restrain the avarice of the producer from charging whatever price he may see fit to charge.

In these circumstances it is proposed to impose—for the purposes of protection, not compensation on account of the wool duties, but for purposes of protection, a duty of 50 per cent—55 per cent in the original bill, but very graciously, under pressure, reduced by the committee to 50 per cent. That can have but one meaning in the world, and that is—under the circumstances which now exist—to enormously increase the price of wool. The present law for all purposes of legitimate protection seems to have been effective. It imposes a rate of 35 per cent. It has excluded the foreign product. Yet we are asked to increase that rate to 50 per cent. I grant, if we are going to put a rate of 33 cents per pound on raw wool, that outside and independent of any question of protection the woolen manufacturer would be entitled to a rate that is equivalent by way of compensation.

Now in connection with these general remarks I want to read a letter. It relates to the effect of these rates in increasing the cost of a suit of clothes. There has been considerable controversy on the floor with reference to whether these increases over the present rate will increase the price of clothing and to what extent, if any, it will increase those prices. This letter contains a calculation with reference to that matter and

leaves out the question of whether there is a difference between the emergency rate on raw wool and the rate in the proposed bill on raw wool. His calculation is based upon the increase in the protective rate, excepting the rates in the emergency law and the proposed rates in the pending bill on raw wool as not specially affecting the profits.

The letter is addressed to the Hon. REED SMOOT. It is dated July 14, 1922, and is written by Edgar B. Walters, manufacturers' agent, Broadway and Twenty-third Street, Bartholdi Building, New York City, N. Y. The Senator from Utah has not seen fit to put the letter in the RECORD, and as a copy of it was sent to me I take the liberty of doing so myself. The letter reads:

JULY 14, 1922.

Hon. REED SMOOT,
Committee on Finance, United States Senate,
Washington, D. C.

DEAR SIR: According to recent press reports, you are quoted as having said:

"The proposed rates in the Fordney-McCumber tariff bill will not result in an increase in the price of clothing to the consumer."

And again:

"Whatever changes are made in the woolen schedule will be very slight, perhaps 5 per cent on woolen cloth."

I trust you will pardon me for calling your attention to paragraph 1116—

That is the paragraph with which we are dealing now—

page 152, in the proposed bill, which reads as follows:

"Clothing and wearing apparel of every description, not knit or crocheted, wholly or in chief value of wool * * * valued at more than $4 per pound—

He is taking the $4 cloth for purposes of comparison—

$0.49 per pound and 55 per cent ad valorem."

Does this not provide for an increased cost on clothing over the rates now in effect?

As an example: A man's suit now costing $20, foreign value, weight 4½ to 4¾ pounds, would under these rates cost as follows:

Foreign cost	$20.00
Weight duty ($0.49 per pound)	2.33
Ad valorem duty (55 per cent)	11.00

He is taking the rate as proposed in the original Senate committee amendment—

Carrying charges, marine insurance, and duty on container	$1.67
Total cost	35.00

That is, the present market.

Under the present tariff laws the same suit costs as follows:

Foreign cost	$20.00
Emergency law, weight duty $0.45 per pound	2.14
Ad valorem duty (35 per cent)	7.00
Carrying charges, marine insurance, and duty on container	1.59
Total cost	30.73

Now, that is simply applying the additional protective rate, the difference between 35 per cent per pound and 55 per cent per pound. The difference in the compensatory rate as provided in the emergency law and the present bill as applied to this article would only be the difference between $2.33 under the bill and $2.14 under the emergency tariff law, or a difference of 19 cents, a negligible matter. I am leaving that out of consideration. The writer concludes:

Or $4.27 less than the proposed rate on a $20 suit.

That calculation seems to me to be perfectly straight. He takes a suit costing the same price abroad, and he figures what it would cost under the rates of the pending bill and what it would cost under the rates of the present law, regarding the emergency tariff law as in force.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. If the Senator will allow me to finish the reading of the letter, then I shall be glad to yield.

I continue reading:

I have had many years' experience as selling agent for both domestic and foreign manufacturers of ready-made clothing, and am at present representing both American and foreign manufacturers. I may also say I am the American purchasing agent for foreign manufacturers and am therefore an exporter as well as an importer.

Remember, this letter was written to the Senator from Utah [Mr. SMOOT].

I shall be pleased to place at your disposal such evidence as I have and which I believe will show that not only are the present rates, 35 per cent ad valorem and 45 cents per pound on ready-made clothing, fully protective, but that they are almost prohibitive.

England is the only country in the world equipped to do any business in this market in men's clothing, and at present the average suit of American make, $25 wholesale selling price, can not be produced there, of comparable workmanship and finish, at less than $20.50, wholesale selling price, even at the present depreciated rate of exchange.

I have not heard it said that the American clothing manufacturers had asked for an increase in the present rates. On the other hand, it is generally conceded that no country in the world has developed the ready-to-wear industry on such a scale as has been done here. In fact, the American manufacturers are at present selling goods in England and other foreign countries because of their superior methods of production and distribution.

I am convinced that the present tariff on clothing affords more protection than is necessary and should be materially reduced. I do not believe a tax of $15 on a $20 suit, as proposed, can be defended on any grounds.

Yours faithfully, ——— ———.

The original of the letter was doubtlessly signed by Edgar B. Walters.

Mr. SMOOT. Mr. President——

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

Mr. SIMMONS. I yield.

Mr. SMOOT. I find it a physical impossibility for me to answer the thousands of letters which I have received from all over the country. Every moment of my time from early in the morning until late at night is occupied in connection with the work on the tariff bill. I can, however, pick out here now a few of the articles in this schedule which carry a higher rate of duty than under the existing law with its rate of 45 cents. I was speaking of the cloth schedule generally. I also at the same time stated that the equivalent ad valorem upon all cloths—and that is what we were discussing, and not suits of clothes—would be reduced 5 per cent from the rates which had been reported to the Senate.

I made that statement and followed it with the inquiry as to why there were 107,000,000 pounds of wool lying in bond in the different ports of entry in the United States. Mr. Walters ought to have known why. Every woolen manufacturer knows why. It is because of the fact that the rates provided in the pending bill are lower than those which are imposed in the emergency tariff law. He makes his case out on the basis that the rates in the pending bill will be higher. The woolen manufacturers are not so silly that they would hold wool in bond waiting for a bill to be passed the duties imposed by which would be higher than those which are provided for in the existing law. I am speaking now of the emergency tariff law. The statement I have made is a complete answer to Mr. Walters's contention, I will say to the Senator from North Carolina.

Mr. SIMMONS. I beg the Senator's pardon. I did not hear the last suggestion he made. As I understand, he is speaking about the emergency tariff law, and I did not catch the point.

Mr. SMOOT. Then I shall have to repeat to the Senator what I said.

Mr. SIMMONS. Mr. Walters estimated on the basis of the 35 per cent ad valorem rate of the emergency tariff law.

Mr. SMOOT. But he has only taken into consideration the face of the rates on the scoured basis. He has not taken what the actual result would be.

Mr. SIMMONS. I think the Senator from Utah must misunderstand the matter. In his calculations he includes upon a suit of clothes purchased after the passage of this act the "weight duty" of 49 cents per pound, which is $2.33. Then in his calculation of the cost under the present law he includes 45 cents per pound weight duty. Suppose he had computed on a basis of $2.33 in both cases, it would have affected the result to the extent of 19 cents.

Mr. SMOOT. But it would be even worse than that, I will say to the Senator, because of the effect of the skirting clause. The importers are bringing in here the wools that go into suits and are holding them in bond because, notwithstanding this bill provides 33 cents on scoured wool, the rate is lower than the 45 cents on the scoured content provided for in the emergency tariff act, which is now in effect.

Mr. SIMMONS. I think, Mr. President, when the Senator from Utah reads the calculation which is made here he will see that of the $4.27 increase in the cost of an imported suit——

Mr. SMOOT. The Senator did not hear what I said.

In the first place, I can pick items in the pending bill and figure them out so that the rate would be more than the present law, but I was talking at the time the quotations were made about the cloth paragraphs. That is what I had reference to. I also stated at the same time that on those paragraphs the rate would be cut 5 per cent. I think I made that statement in answer to a question which was then asked by the Senator from North Carolina.

Mr. SIMMONS. Yes; the rates were cut 5 per cent this morning; but, of course, that would have to be taken into consideration in the calculation as to the difference of $4.27, because that reduction has been made since the letter was written.

Mr. SMOOT. Yes; I know the letter is based upon the rate that was in the bill at the time it was written, which was 55 per cent; but comparing this schedule from beginning to

end with the emergency tariff rates, considering the skirting provision in that law—I do not say that it would be so without that provision, but with the skirting provision—and the decision made by the Treasury Department, the rates now proposed will be found to be less than they are in the emergency tariff act.

Mr. SIMMONS. I am not discussing the general question now, but in the calculation made in this letter the difference in the weight duty as now proposed and that of the emergency tariff act is only 19 cents.

Mr. SMOOT. Mr. President——

Mr. SIMMONS. Let me finish. Eliminate that, and it would leave $4.08 as the increased cost of the suit of clothes by reason of the increase in the rate from 45 per cent to 55 per cent. Of course, when that is cut down 5 per cent, as has been done this morning, and only this morning, that has to be deducted from the total additional cost.

Mr. SMOOT. The Senator has time to answer the letter, and if I can get time I will answer it; but I have not had time to do so up until now. I will call the writer's attention to the fact that there are a number of other articles as to which he could make a similar contention.

Mr. SIMMONS. He invites the Senator from Utah to write him.

Mr. SMOOT. I have not had time to do so. When I have the time I will answer the letter. I can not answer all the letters received by me. I should like to see any human being, I do not care who he is, answer all the letters that I get in reference to the tariff bill and in addition do the other work which falls to me. The man who could do that does not live.

Mr. SIMMONS. I am not complaining of the Senator from Utah not answering the letter, but I am complaining that I do not think the Senator quite understands the nature of the calculation made by the writer of the letter. The calculation is a very simple one, and I do not think the result attained can be questioned. The writer is a man who professes not only to be an importer but to know what he is talking about, and also to be an exporter; and he professes to have a general knowledge of the wool business. He states that the proposed increases in rates are not needed; that the industry is amply protected, and overprotected, now; and that there is no necessity for adding $4.27 to the cost of a $20 suit of clothes, making a differential on account of the tariff, in round numbers, of $15 on a $20 suit of clothes.

Mr. President, Senators may talk about this rate adding so much and that rate adding so much, but if they will add the 55 per cent rate and the compensatory rate, just what this gentleman says will be found to be true, that a $20 suit of clothes made in Great Britain when it is sold in this market will cost the purchaser $35, or $15 more than the original cost of production.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. While the Senator has been talking I was called out of the Chamber by a gentleman who has been following the wool schedule with much interest, and who informed me that he went to his tailor this morning and found him very gloomy and depressed. The tailor showed him some samples which had just come in, and advised him that in one case cloth which last season cost $1.50 a yard this year was costing him $2.50 a yard; that another sample that cost him last season $3 a yard was costing this year $4.50 a yard; and that another sample which cost $4 a yard last season was costing him nearly $7 a yard this year. The high duties of the emergency tariff law are becoming effective in increasing prices. That fact, together with the knowledge that the rates are to be increased by the pending bill, have resulted in increasing the prices of woolen cloth and dress goods almost 100 per cent when they get into the hands of the tailor.

Mr. SMOOT. Did the Senator ask that tailor what he charged for a suit of clothes?

Mr. WALSH of Massachusetts. I did not talk with the tailor, but with a gentleman who had been to the tailor and who repeated what the tailor had told him.

Mr. SMOOT. Of course, the tailor will say that; but, on his own statement, on the basis of three yards and a half of cloth for a suit of clothes, the cloth at $2 will cost $7, but what will the tailor charge for the whole suit?

Mr. WALSH of Massachusetts. The Senator misunderstood me. The tailor showed the gentleman to whom I have referred some samples and said, "Here is a sample which came in this morning of goods which last season cost $1.50 a yard and now they are asking for it $2.75 a yard." Then he took other samples and showed similar increases.

Mr. SIMMONS. Mr. President, it is clear that this issue can not be evaded by injecting charges as to profiteering on the part of the tailors. That is not the question we are discussing here to-day. We are discussing the effect of the proposed tariff rates upon cloth and clothing, if I may speak in the language and fashion of my good friend, the junior Senator from Idaho [Mr. GOODING].

Mr. WALSH of Massachusetts. Our friend from Utah appreciates that it is very popular to abuse profiteers, especially tailors and retailers.

Mr. SIMMONS. But that is not the question here.

Mr. SMOOT. I am going to ask the Senator from Massachusetts a direct question. Does he think, if there were an advance of 50 cents a yard in the price of the cloth, there being 3½ yards in a suit of clothes, the total increased price amounting to $1.75, that the tailor would add the $1.75 to the suit of clothes?

Mr. WALSH of Massachusetts. I do not know that I understand the Senator.

Mr. SIMMONS. Let me ask the Senator from Utah a question. Does the Senator from Utah think that because the tailor charges an excessive price for his work that we ought to charge all the people of this country excessive prices for their cloth to be transferred through the wholesale merchant or through the retail merchant or through the tailor to the consumer? Does he think that is any excuse for what we are doing here?

Mr. SMOOT. That is not the point at all.

Mr. SIMMONS. That is merely aggravating it. We become then a party to the profiteering when we do that.

Mr. SMOOT. No, Mr. President——

Mr. SIMMONS. When the United States Senate undertakes to excuse itself for adding enormously to the cost of the basic material, upon the ground that the tailor who makes the goods into clothes or the manufacturer who manufactures them or the retail merchant or the wholesale merchant who sells them adds an unconsionable profit, then the Senate of the United States is saying that because these people are doing these outrageous things the great Government of the United States ought to put itself behind them and do likewise.

Mr. SMOOT. That is not the question at all.

Mr. WALSH of Massachusetts. The Senator's argument has been that the manufacturers and retailers and wholesalers will "get theirs" anyway, and therefore he does not think any of these increases will be reflected. The Senator from North Carolina very strikingly calls attention to the fact that that does not justify us in increasing these duties.

Mr. SMOOT. No; I think when a tailor charges $145 for a suit of clothes that $1.75 will make no difference whatever. That is what I think, and I think it in all sincerity. I say take it out of the people who charge exorbitant prices for clothes and let it go into the Treasury of the United States.

Mr. WALSH of Massachusetts. Mr. President, when the Senator was in the wool-manufacturing business and the price of any of his raw material was increased, did he not increase the price of the finished product?

Mr. SMOOT. Sometimes that may be done and sometimes it may not be done.

Mr. WALSH of Massachusetts. And did not the Senator in fixing the price upon the finished product estimate what each bit of the material that went into that finished product cost him, and what the labor cost was, and what the overhead charges were? Therefore does he mean to say it does not make any difference whether the material that goes into the finished product increases in price or decreases in price?

Mr. SMOOT. Sometimes conditions are such that that can not be helped. Naturally what the Senator suggests would be the orderly way and the business way to do; but I have seen it happen many a time when no advantage could be taken of such conditions. There is not a manufacturer in the world who has not found himself in the same position.

Mr. WALSH of Massachusetts. The Senator will agree with me that in ninety-nine cases out of one hundred an increase in the price of the raw material will increase the price of the finished product and a decrease in the price of the raw material ought to, if the usual laws of business honesty are applied, result in a decrease in the price of the finished product.

Mr. SMOOT. Yes; wherever there is competition, there is no doubt that is true.

Mr. SIMMONS. Not only is that so, but any increase made at the bottom is carried forward, and a similar increase is made by everybody who handles the goods. The Senator from Utah

now says that some who charge excessive rates overlook a little item like this; that they do not charge any more for their goods because of it than they otherwise would charge; that they would charge the same whether the cloth costs a high price or a lower price; and, therefore, he says, let us make these profiteers pay this into the Treasury.

Mr. President, if that argument were sound there might be some sense in it, but that argument is not sound. A tailor, like everybody else that is dealing in merchandise, is going to add the cost of his material, if that cost is increased, to his price; and the result will be, in the last analysis, that the profiteer, who the Senator from Utah thinks is able to pay this money and thinks we ought to make him pay it and let it go into the Treasury, will not pay it, but the victim of his profiteering will pay it. The victim is the final consumer, who has to bear the whole load of accumulated costs, starting with the original cost of production with the duties added, with all the freights and other items of expense added to the raw cloth; and then, when the manufacturer buys the wool, if it is wool, that increase is added, and the manufacturer of the cloth adds a profit on account of that additional cost. It has to pay its per cent of it, just as much as the cost of the article without the duty. There is, therefore, a profit laid upon the duty by the manufacturer. Then, when he sells it to the wholesaler, the wholesaler carries forward to the profit and adds a commission to it by way of compensation for his handling it. When it comes to the clothier, his cost is added up and a profit is added to that; and so it goes on and on until it reaches the final consumer. Everybody who is handling it has added to the cost, and then added a profit to himself because of that initial cost. The Senator will understand what I mean. I will not digress.

Mr. WALSH of Massachusetts. Mr. President, I wonder if the Senator has been impressed as he studied this paragraph with what a wonderful invitation has been extended here to drive the clothing industry of this country into a monopoly. Here is a great, big industry that has grown very rapidly. It has a tremendous output, and through the levying of high protective duty all foreign competition is shut off. The high duties levied here are not effective in full at present, because of the very sharp domestic competition. It is almost an invitation, it seems to me, to have these great clothing industries come together, upon the assurance and the promise that the moment they stifle domestic competition they will be able to raise the prices of clothing to the height of the tariff wall that we are setting up here.

I do not know of any other case where Congress has practically said, "Gentlemen, if you have greedy inclinations, if you want to make money, if you want to get the full effect of the protection that we are giving you, go out and form a combine. We have said that we will protect you from foreign competition, and we have left you in the position to take care of the domestic competition." As soon as the clothing manufacturers get together these duties will be effective to the last dollar. It is almost a command from Congress to combine, organize, and form a monopoly to strangle the American people with any prices they may choose.

Mr. SIMMONS. Mr. President, does the Senator doubt for a minute that if this bill is passed the process of monopolizing the industries of this country will go on at a breakneck pace at once?

Mr. WALSH of Massachusetts. Why, that is the next step in the economic development following the imposition of high protective duties. It is the necessary step that industry will take to increase its profits. The first step we are taking here, shutting out foreign competition, saying, "Nobody from abroad will influence you in fixing whatever price you see fit. It is up to you so to arrange the prices in this industry in this country that you may not suffer too much from domestic competition." Of course, that is encouraging monopolies, and I pointed out that that is what has happened already in the woolen industry. As we have shown, the little manufacturing units of woolen cloths have all disappeared. The 4,000 little woolen mills that dotted the land 40 years ago have been reduced to less than 1,000. Of course, in part this may be due to the policy of centralization, but I sincerely believe that these high protective tariff duties have had a tendency to organize the woolen industry into a monopoly; and the same thing, in my opinion, is going to happen in the clothing industry.

Mr. SMOOT. Mr. President, notwithstanding all that has been said, the Senator from Massachusetts and I agree that the cloths that are imported under paragraph 1116 to-day are novelties, used by people who want English cloths rather than American cloths, and by people who want an English overcoat rather than an American overcoat. As far as the ready-made clothing is concerned, that furnishes the clothing to the great mass of the people—98 per cent, I suppose, of the American people—the domestic manufacturers have to-day a monopoly of that trade, and I want to say that there is not any business in the United States that I know of where there is keener competition.

Take such houses as Hart, Schaffner & Marx, of Chicago; Kuh, Nathan & Fischer, of Chicago; Kuppenheimer & Co., of Chicago; Sonneborn & Co., of Baltimore; Kirschbaum & Co., of Philadelphia; and the manufacturers of Cincinnati, Ohio; I say that there is not a business in the United States where there is such keen competition. As far as the making of the clothes is concerned, they have the last word in America in the machinery, in the styles, and everything else connected with the clothing manufacture; but we have a certain number of citizens, including a lot of dudes, that do not want to wear an overcoat unless it is made in London. They do not want to wear a pair of pants unless they ape the ones worn in England. If Englishmen wear baggy pants, they have to wear baggy pants. I do not care if those people have to pay 50 per cent duty upon importations of that kind. That is what falls under this paragraph, and that is what the friend of the Senator who wrote this letter imports into this country, and he is more interested in his chances of importing that kind of goods than he is in selling any domestic product made anywhere in the United States.

Mr. SIMMONS. Mr. President, I have no doubt that there is in all lines of business in this country very sharp competition for customers; but there is a very great difference between competition for customers and competition in prices. It is competition in prices that I have been speaking about and that the Senator from Massachusetts has been speaking about.

Mr. President, I have here an article which appeared in the World's Work of August, 1922. It is written by Mr. Reuben A. Lewis, jr. It discusses the tariff question now before us in a very frank, a very candid, and so far as I can see a fairly unbiased manner, and throws a great deal of light upon a number of phases of this very important and interesting question. It is not long, and I am going to ask that it be published in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the World's Work of August, 1922.]

A TARIFF TO RAISE THE COST OF LIVING—THE FORDNEY-MCCUMBER TARIFF THE HIGHEST PROTECTION EVER OFFERED—HOW AND WHERE IT WILL RAISE THE COST OF THE NECESSITIES OF LIFE TO AMERICAN CONSUMERS.

(By Reuben A. Lewis, jr.)

"A bill to raise the cost of living, to hamper foreign trade, and to retard the return of prosperity."

Such a title would be more appropriate for the Fordney-McCumber tariff than the pleasing and conventional platitudes with which the framers have sponsored it, "A bill to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes."

The tariff, in the making ever since the Republicans came into full power, has had a hard struggle for the spotlight. Long overshadowed by tax revision, treaties, and the soldiers' bonus, it has finally emerged from the cloister of the Senate Committee on Finance and has taken its place at the head of the administration's legislative program. With more than 2,000 proposed amendments, it would hardly be recognized as the same bill as that which passed the House of Representatives last summer. The famous American-valuation plan, which for the first time in our tariff history sought to base duties on the comparable domestic commodities instead of the foreign invoice price, has been discarded. The rates, so high that the bill was invested with the sobriquet of "Fordney's folly," have been shifted and changed helter-skelter. The more moderate views of the world's greatest deliberative body have been reflected in more conservative imposts. The free list, from which so many commodities were stricken, has regained some of its erstwhile items.

Although tempered by the sobering views of the more grizzled statesmen in the Senate, the tariff bill will stand out as the utmost in protection. The farmer, for the first time, has joined hands with the infant industries, the adolescent manufactures, and the venerable institutions of the land, appearing in the foreground of those whose continued existence is said to be threatened without the sheltering protection the dominant party has promised. While several of the more conservative members have counseled delay and the majority, to all appearances, is lacking in enthusiasm, the Republican machine has decided to press on to a conclusion. The one big push before adjournment is to pass the measure before repairing from Washington to the scenes of the fall political campaigns.

The tariff, shoved to the background in recent years by taxation as a reason for a change in administrations, will be one of the outstanding issues—perhaps the dominant issue—in the fall elections. Senator UNDERWOOD, the minority leader, early in May challenged the Republicans to make the tariff the issue upon which the electorate would be asked to pass judgment. While there has always been two schools of thought as to whether or not a protective tariff should be adopted at any time, it can hardly be gainsaid that there are compelling arguments to challenge the advisability of action now with world conditions still unsettled, no danger of a destructive flood of imports even faintly apparent, and the country industrially on the upgrade. Whole pages of protest indeed have been read into the CONGRESSIONAL RECORD from rock-ribbed Republican and independent newspapers inveighing against the tariff change as an ill-timed move. But with a foolish consistency not always the hobgoblin of the administration's best minds,

the majority, definitely committed to the adoption of a new tariff, has stumbled on toward something, which from this distance resembles a precipice more than it does a new prosperity.

Out of the welter of endless controversy one fact stands in splendid isolation. The rates in the McCumber bill, though measurably lower than those adopted by the House of Representatives last July, are higher than any ever enacted into law. Senator SIMMONS, the ranking minority member of the powerful Committee on Finance, has contended that the rates are 40 per cent above the level of those in the Payne-Aldrich bill. It is incontestably true that every one of the 14 schedules is higher than in the Underwood law. Compared with the high-water mark of protection as symbolized in the act of 1909, the rates on cotton goods, woolens, and textiles are, on the whole, lower. However, the metals schedule is markedly higher, silks are taxed as real luxuries, while duties on medicines and chemicals have soared to new heights. A selective embargo on dyes has been voted for the first year, with the condition that it may be continued for two years if the President, in his judgment, thinks the tariff wall must be kept up to protect the war-born industry.

An analysis of the pending bill reflects the changing and fluctuating conditions under which it was framed. While the underlying principle is that of protection, there does not seem to have been any orderly or scientific basis upon which the rates were determined. The Payne-Aldrich tariff, which President Taft admiringly described as the "best tariff ever," was founded upon the doctrine of equalizing the costs of production. The Underwood bill of 1913 was conceived to provide a "competitive tariff." The McCumber bill was designed to "afford protection to American industries and permit them to pay wages sufficient to enable our workmen to maintain an American standard of living; to maintain essential industries created as a result of the war and considered vital to the future industrial independence of the American people"; and "to protect the American market and preserve domestic competition and at the same time permit fair competition from other countries." In the quest of a happy descriptive term the supporters of this all-embracing bill have sought to give it the popular label of the "All-American tariff" because they contend that, for the first time, all sections of the Nation are given their share of protection.

The most extraordinary feature of the pending legislation is the provision adopted in response to President Harding's message for a way "to make for flexibility and elasticity so that rates may be adjusted to meet unusual and changing conditions which can not accurately be anticipated." Without a precedent, this administrative section endows the President with authority to increase duties on any commodities up to 50 per cent above the established rates; to transfer articles from the free list to the dutiable list; and to substitute a proclaimed American valuation for the foreign invoice value as a basis for levying duties. By investing the President with such wide powers, it is claimed that the tariff would be "removed from politics" because the Executive, before acting, would be guided by a painstaking study made by the nominally nonpartisan Tariff Commission. Inasmuch as this continues, instead of ends, the long assailed "tariff uncertainty," it will be adopted, if at all, only after a bitter and stubborn fight. The business interests of the country have taken none too kindly to the idea of this sword of Damocles dangling from the ceiling of the new tariff structure. So long as the Constitution provides that all bills for raising revenue shall originate in the House of Representatives and the party system survives, there seems to be little hope of escape from the situation where politics instead of ratiocinative processes determine what the rates of import duties shall be.

There are three distinct trends discernible in the bill—ad valorem rates have been replaced in innumerable instances by specific duties; the free list has been greatly reduced; custom duties have gone skyrocketing on two great classes of imports, agricultural products and manufactures, especially those which normally come from German and central European nations now having depreciated currencies.

But that which is more compelling in popular interest is the fact that materially higher rates are to be applied on the commonest necessities of life. American industries, reliant upon foreign markets for the absorption of their surplus, are concerned vitally with the new levies on raw materials. How is this going to affect the consumer's pocketbook? With dearer crude materials, how is the American manufacturer going to meet the competition in the foreign field?

While the tariff has been hailed as a wonder-working nostrum that may be expected to prevent the wage of the American workman from being lowered and at the same time guarantee the American manufacturer a materially higher return for his products, the minority is proclaiming that this era of superprotection will be created through a tax of billions laid on the backs of the consuming public. Indeed at the same time that Senator MCCUMBER was fervently informing his colleagues, "I do not think that this bill will raise the cost of living a dollar," Senator WALSH, Democrat, of Massachusetts, was estimating that the high duties, soaring beyond the notorious Payne-Aldrich bill, would add $21,000,000,000 annually to the cost of living. Inasmuch as the Nation's pay roll has been computed to be not more than $8,000,000,000 a year, it is reasonable to deduce that the truth lies somewhere between the two specious limits.

The cost of living is going up. The question is: How much?

Even the most meticulous survey of column upon column of rates, with their maze of ad valorems, specifics, and compounds affords little that is concrete to the popular mind. It is virtually impossible to estimate the extent in percentages the rates have advanced. The difficulty is that, in order to make any comparison, the base used must be ad valorem. In one bill there are ad valorem customs—say 10 per cent of the value of the import. In the other specific rates—assume 5 cents a yard—have been substituted. Compound rates, a combination of the two, further complicate the computation. In the process of conversion a definite valuation must be placed upon the article for which the duty is to be collected. While a precise contrast is perhaps desirable, it is such a precarious task that not even the Government's actuary or the Tariff Commission has ventured upon the hazardous estimate. Some rates are purely ornamental and meaningless. Others add a definite cost to the whole domestic consumption. So long as the inexorable law of supply and demand operates and industries gauge their prices with the idea of getting the maximum return, no one can definitely foresay what the results will be. The prophet walks on uncertain ground in this sphere, for higher tariff rates do not necessarily mean higher costs. When the emergency tariff act in 1921 raised the duty on sugar, one of the most staple articles, from 1 cent to 1.6 cents it declined to the lowest level in 30 years.

A measurable appreciation of what striking advances are destined to come, however, may be had by contrasting the hundreds of rates in the McCumber bill running above 40 per cent with the corresponding items of the present law. Pertinently relative is the fact that the average ad valorem duty, based upon imports actually brought in for consumption during 1921, was just 11.95 per cent. This represented an inflation over 6.49 per cent for the preceding year and 6.52 per cent for 1919. The increases, while not consistent with any rule, have been pretty general. Pointing out that the McCumber bill had doubled the rate on dolls and toys while providing an increase from 30 to 60 per cent on tombstones, Senator UNDERWOOD reminded the Senate that the Republican Party had placed a tax on everything from the cradle to the grave.

The essence of protective duties is that the price of the domestic supply will be raised by the amount of the customs levied on the imports. Perhaps there are no two staple commodities in normal times which have responded more faithfully to this rule than wool and sugar. The United States produces 300,000,000 pounds of wool and consumes more than 600,000,000 pounds. With wool free under the Underwood bill, the new Schedule 11—for the iniquitous letter K of the Payne-Aldrich tariff has been obliterated—provides for a duty of 33 cents a pound on scoured wool. Before the Senate started the debate on the wool schedule two advances had been marked up on all-wool fabrics by the largest American manufacturer.

To a people consuming 91.5 pounds per capita the price of sugar is not a small item in living costs. Of the four and a half million tons consumed annually, the domestic beet and sugar-cane industries contribute a bare 1,000,000 tons. The Philippines, Hawaii, Porto Rico, and the Virgin Islands, which are given the concession of sending in their output duty free, help satisfy the American sweet tooth, while Cuba, with a slight preferential over the full duty foreign supplies nearly half of the market demand. The cost of production in Cuba plus the duty more or less governs the price at which the consumer may purchase his sugar, so that there is a direct relation between what the American buyer pays and the duty that is fixed. Sugar and wool are the favorite exhibits of what a protective tariff costs because the reckoning is so simple. The same analogy might, however, be followed on a myriad of commodities, which must attribute part of their sales price to the tariff.

Here are the rates on foodstuffs:

	Payne-Aldrich.	Underwood.	Emergency.	Fordney-McCumber.
Wheat flour	25 per cent	45 cents 196-pound barrel.	20 per cent	78 cents hundredweight.
Corn meal, etc	40 cents 100 pounds	Free		30 cents hundred pounds.
Oatmeal, etc	1 cent pound	30 cents 100 pounds.		90 cents 100 pounds.
Fish, canned	30 per cent	15 to 25 per cent.		30 per cent.
Apples	25 cents bushel	10 cents bushel	30 cents bushel	30 cents bushel.
Plums and prunes	do	do		2 cents pound.
Lemons	1½ cents pound	½ cent pound		Do.
Walnuts, unshelled.	3 cents pound	2 cents pound		4 cents pound.
Potatoes, Irish	25 cents 60 pounds.	Free	25 cents 60 pounds.	58 cents 100 pounds.
Macaroni, etc	1 cent pound	1 cent pound		2 cents pound.
Cattle	$2 head to 27½ cents.	Free	30 per cent	1½ to 2 cents pound.
Fresh beef	1½ cents pound	do	2 cents pound	3½ cents pound.
Fresh pork	do	do	do	¾ cent pound.
Bacon and hams	4 cents pound	do	25 per cent	2 cents pound.
Milk, condensed or evaporated.	2 cents pound	do	2 cents pound	1 to 1¾ cents.
Butter	6 cents pound	2½ cents pound	6 cents pound	8 cents pound.
Cheese	do	20 per cent	23 per cent	5 cents pound to 25 per cent.
Poultry	5 cents pound	2 cents pound		6 cents pound.
Eggs	5 cents dozen	Free		8 cents dozen.
Almonds, unshelled.	4 cents pound	3 cents pound		5 cents pound.
Coconuts	Free	Free	Free	½ cent each.

The tariff, like other indirect taxes, is painless. It is interesting to speculate what would happen if the purchasers of imported commodities were required to pay directly out of their pockets the taxes, which in a pyramided form are passed on by the obliging middlemen. Suppose shops and stores tacked on to the bills, in just the same fashion that the erstwhile nuisance taxes were collected, imposts amounting to half of the sales price. Fancy what exclamations would come when sales prices of articles in common usage were swelled 50 per cent.

Here are some of the customs that are coming to revive that once far-heralded phrase the high cost of living:

ON ARTICLES OF WEARING APPAREL.

The McCumber duty, cotton, 60 per cent.
The McCumber duty, silk, 60 per cent.
The McCumber duty, woolen, from 40 cents plus 50 per cent to 40 cents plus 55 per cent a pound.

ON FABRICS AND CLOTHS.

The McCumber duty, cotton, 40 to 50 per cent.
The McCumber duty, silk, 55 per cent.
The McCumber duty, woolen, from 40 cents plus 50 per cent to 40 cents plus 55 per cent a pound.

In pre-war times there were large imports of cheap cotton stockings, gloves, and other wearing apparel that were absorbed by people of most moderate means. Now, by the dozen, the cheapest glove must pay a duty of $3, the lowest priced stocking 70 cents, and the coarsest undergarment a rate of 40 cents. Table, household, and kitchen utensils are assessed at 50 per cent of their value. The most common china is listed at 55 per cent. Knives, reflecting the meteoric rates in the cutlery schedule, that run as high as 400 per cent, are taxed at from 2 to 60 cents each plus 60 per cent ad valorem. Scissors must pay 10 cents plus 55 per cent a pair. The customs on clocks is half their value.

What a shock milady would suffer from head to foot when the milliner added 50 per cent on a trimmed straw hat from Paris, while the

perfumer tacked on 60 per cent for a whiff of lilac, the furrier made a simple addition of 50 per cent for a stole, and the bootery figured 60 per cent extra for a smart pair of shoes!

And thus it goes.

The conversation of the Nation is going to turn from "how dry it is" to "how high it is" unless all signs fail.

As the national mind goes beyond the 3-mile limit there is another consideration. The view that the world from an economic standpoint is indivisible is becoming more firmly fixed. The farmer has seen what it means when the purchasing power of the best customer for his surplus is impaired. The manufacturing industry, vastly overexpanded during the war-time boom, realizes that there must be a sharp contraction in its output unless a foreign market is found for this excess. There is nothing more patent, as long as exchange is the basis of world commerce, that we can not sell unless we buy.

In trade orientation the United States faces changed conditions. Before the World War the balance of trade ran from $50,000,000 to $60,000,000 a month against America. We were a debtor nation. With the war the golden tide turned. While Congress is engaged in the seemingly indeterminable debate as to how high the tariff wall should be raised, a reckoning shows that the allied Governments owe us $11,000,000,000. Secretary of Commerce Herbert Hoover estimates that American capital has poured its resources into foreign countries to the extent of $4,000,000,000 since the armistice. Even the most confirmed optimist in his dotage would scarcely expect all the Allies to refund their indebtedness under the restrictions laid down by Congress. Surely it is too much to hope for eventual repayment if we are to throw up barriers to trade at this stage and thereby lose the benefit of the increasing productivity of Europe.

So insistent and repeated has been the cry that we must increase our export trade that it would seem every stimulus would be given to effect such an end and every obstacle, as far as possible, removed. And yet there is one striking feature in the proposed tariff bill that is of more than passing consequence—the number of high duties that have been levied on raw materials. It would seem that the framers of the law had overlooked a pertinent truth. American foreign trade consists principally of three great classes of commodities—agricultural products, cotton, wheat, and grain; patented articles, typewriters, harvesting machinery, moderate-priced automobiles, and comparable products of inventive genius; and manufactured commodities. And yet raw materials from which these artitcles are fashioned have been lifted from the free list and placed on schedules where they must pay duty and enhance the cost of the finished product.

In many lines of manufacturing the United States outstrips the world. Yankee ingenuity, coupled with big-scale production, has enabled American industries to win what has promised to be a firm hold on certain widely distributed markets. The American shoe literally walks around the globe. This country, now the leading manufacturer of footwear, has wrested from Great Britain the rank of the first exporting nation. In 1920 the American factories sent out boots and shoes valued at $67,144,542. The decline in foreign purchasing power was reflected in a great drop in 1921. With Great Britain striving to regain her former position and other foreign nations importing the machinery which is largely responsible for American supremacy, it is manifest that the competition will become increasingly keen. At this juncture the McCumber bill proposes to transfer hides from the free list and thus insure higher costs of the raw materials which compose the heels and soles of shoes.

The gospel of cleanliness has been vastly aided by American soap, which has won reputation in the most distant lands. The toilet soap, as well as the household variety, has contributed to the balance of trade. There are four vegetable oils that enter largely into the production of this common necessity—those extracted from the soy bean, the coconut, the palm, and the cotton seed. Removed from the free list in the Underwood bill, these vegetable oils have been assessed handsomely. The soap industry supplies 99 per cent of the American consumption and produces more than $300,000,000 worth of these needed articles annually.

The expansion of the steel and iron industry during the last decade is one of the commercial epics. The amazing development of the automotive industry has created a new customer of vast proportions for the American plants, while the emergency shipbuilding program launched by the Shipping Board forced the mills to enlarge their activities. Before the war, when the Underwood tariff cut down the protective duties, the American steel and iron mills proved that they could produce these basic materials more cheaply than they could be imported. Profiting from the World War, the steel interests have reached out into the foreign markets and are entrenched for the struggle to hold on as Germany, Belgium, and Britain seek to regain their old customers. Of all the alloys used in the making of steel, ferromanganese is required in the largest quantity. Free under the Underwood law, a duty of $2.50 a ton is now proposed. Magnesite, an essential refractory, and virtually all of the other alloys which impart the various special qualities to high-grade steels, have been lifted from the free list and placed upon the swollen roster of dutiable commodities. The cargoes of steel and iron which have been dispatched from American ports have always constituted a respectable part of our foreign trade. Government records reveal that even in 1913 we exported approximately ten times as much in manufactures of steel and iron as the Nation imported. In 1920, for the third time, the volume surpassed the billion-dollar mark.

The automobile-tire industry is another example of how America has strode to the front. During 1920 the factories shipped more than $50,000,000 worth of tires abroad. A slump reduced the volume to sixteen millions last year. Here again, the tariff framers are making mischief. Of all the Egyptian long-staple cotton that comes into our ports about 80 per cent is consumed in the making of fabrics for tires. The agricultural bloc, led by the Arizona and California Senators, is demanding a duty of 7 cents a pound on Egypt's foremost offering to the United States and its abdication from the favored position previously accorded raw materials.

Another peculiar twist is observed in the machinery schedule. The national inventive genius has never glowed brightly enough to beat the English in the creation of textile machinery. It tops the import list. In order to obtain the novelties in design and manufacture, the American industry must bring in these patented machines regardless of cost. Singularly, the tariff rate is highest on this productive article through which our mills enjoy a wide overseas market for the finished goods.

And thus it goes with many of the other industries which have applied the spurs to their sides and have sought to speed past the barrier in the export race.

A mere scanning of the nature of our imports and exports serves to show the importance of our industries, sending out finished products to the world marts in competition with the other great exporting nations, not being burdened with dearer raw materials. Congress, imbued with a generous spirit that has a sardonic guise, has been consistent. Not only has it proposed high duties on the raw materials which we import but it has compensated by declaring that the finished products, which we export and do not import, must pay proportional rates.

The drawback, drafted to permit the manufacturer to escape the payment of customs on raw materials entering into exports, has striking, if not nullifying, imperfections. Even if full advantage were taken of this feature, it would afford only a partial restoration of duties, because the Government deducts at least 1 per cent. No allowance is made either for a return on the invested capital, frozen during the period of conversion from the crude to finished state. The rub is that only the actual importer can later claim the drawback, while the joker is that he must prove to the satisfaction of the Treasury that all of the imported raw materials entered directly into the goods shipped overseas.

The rigid inflexibility of the system ignores the fact that the manufacturer is seldom the agent through which the foreign sale is made and fails to take cognizance of the machinery that has been set up. Imagine the plight that an importer of manganese would have in gaining a drawback on watch springs! It is another fine theory shattered against the stern wall of business practice.

The cold figures of the Department of Commerce for 1921 reveal in significant divisions why duties on raw materials are a menace to our foreign trade:

Summary statement of imports and exports of merchandise.

Groups.	1921	
IMPORTS.		Per cent.
Free of duty:		
Crude materials for use in manufacturing	$747,812,561	47.87
Foodstuffs in crude condition, and food animals	260,362,031	16.66
Foodstuffs partly or wholly manufactured	53,960,736	3.45
Manufactures for further use in manufacturing	219,733,870	14.07
Manufactures ready for consumption	268,013,182	17.16
Miscellaneous	12,308,775	.79
Total free of duty	1,562,191,155	100.00
Dutiable:		
Crude materials for use in manufacturing	105,272,186	11.12
Foodstuffs in crude condition, and food animals	43,605,614	4.60
Foodstuffs partly or wholly manufactured	314,881,920	33.26
Manufactures for further use in manufacturing	124,238,064	13.13
Manufactures ready for consumption	350,913,970	37.06
Miscellaneous	7,862,494	.83
Total dutiable	946,834,248	100.00
Free and dutiable:		
Crude materials for use in manufacturing	853,084,747	34.01
Foodstuffs in crude condition, and food animals	303,967,645	12.12
Foodstuffs partly or wholly manufactured	368,842,656	14.70
Manufactures for further use in manufacturing	344,031,934	13.71
Manufactures ready for consumption	618,927,152	24.66
Miscellaneous	20,171,269	.80
Total imports of merchandise	2,509,025,403	100.00
Per cent of free		62.26
EXPORTS.		
Domestic:		
Crude materials for use in manufacturing	984,025,577	22.47
Foodstuffs in crude condition, and food animals	692,166,371	15.81
Foodstuffs partly or wholly manufactured	669,703,375	15.29
Manufactures for further use in manufacturing	399,879,573	9.13
Manufactures ready for consumption	1,625,401,862	37.12
Miscellaneous	7,846,972	.18
Total domestic	4,379,023,730	100.00
Foreign	106,098,966	.....
Total exports	4,485,122,696	.....
Excess of exports	1,976,097,293	.....

The object of the permanent tariff is to raise the prices at which American manufacturers sell their goods. While the sponsors of the legislation are frankly willing to admit that the bill will fail in its purposes unless these results are achieved, they are not so outspoken when questioned as to its effect upon the cost of living. Senator McCUMBER has declared that one of the chief objects is to prevent the industries from lowering the wages now paid to their workmen. Presenting statistics, which he claimed showed that wages were 105 per cent above the pre-war level while the manufacturers were selling their products at an advance of only 40 per cent, the successor to the mantle of the late Boies Penrose contended that only by enabling the manufacturers to get more for their goods could the high-wage scale survive. The debate in Congress thus far has been singularly devoid of predictions that the passage of the tariff bill will raise wages; on the other hand, there has been no denial that it will increase the costs of the most common necessaries of life at least when they pass from the plants of the manufacturers.

Thomas O. Marvin, chairman of the bipartisan United States Tariff Commission, holds to the view that the public will not bear the burden of these increased costs. Pointing to the wide differential between the price that the manufacturer gets for different commodities and the figure at which these are retailed, Mr. Marvin insists that this increment will be absorbed by the middlemen. "This bill is designed to raise the manufacturers' prices—not the retailers'," he explained. "The volume of trade that may accrue to American manufacturers by the most meager margin is far greater than supposed. It should be remembered that we consume from 90 to 96 per cent of all that we produce. If our industries are kept operating on a large scale the purchasing power of the workers is increased. With more demand, lower unit production costs will come. Thus the cost of manufactured articles may be lowered instead of raised."

Here is how Senator McCUMBER curiously explained how the protection to the inflated wage scale was to be applied without loss of the ineffable boon to the manufacturers:

"Let the manufacturer be satisfied with the most meager return on his investment for a while; then let the employees increase their efficiency to the highest possible degree. Then, if the retailer will just follow the manufacturer, the great American public, now hungry for more and better things, will give employment to all to supply its demand, and old-time prosperity will again reign throughout the land."

President Harding in one crisp sentence epitomized the administration's argument for tariff action: "I do not want to build up an industry abroad at the expense of one in this country."

While it would be heresy for any sponsor of the proposed tariff to say that it was for revenue only, the Treasury experts have estimated that a yield of at least $350,000,000 a year and perhaps $400,000,000 may be expected. This return will compare favorably with the $305,475,485 in receipts for 1921, $331,231,441 in 1920, and $249,774,758 in 1919. Unquestionably the higher rates will tend to keep out hundreds of commodities that are now being entered at American ports and will confine imports more rigorously to the necessities.

The minority, with an eye to the elections, has volubly and tenaciously protested the passage of key items in every important paragraph that has come up in debate. The majority, impatient to adjourn, has charged filibuster and needless delay. There is no smoke screen to conceal the fact that the tariff has become more and more the real issue between the two parties. Inasmuch as it seems likely at this time that the bill will hardly go into effect before the voters go to the polls there will be scant opportunity for even the closest observer to appraise its economic effects. Unless the champions of the two parties undergo a change of faith and complexion it seems likely the electorate will hear in one thunderous tone that this wonder-working act will restore with amazing alacrity the "old-time prosperity," while in another breath the ominous warning will be sounded of hastening ills and the empty dinner pail.

Like a grim specter on the field of battle rises the fact in political history that no party has ever revised the tariff and won the election in the same year. Little wonder that boots are quaking and hearts beating stoutly on the opposing sides of the Senate Chamber.

Mr. HITCHCOCK. Mr. President, I want to refer to what the Senator from Utah [Mr. SMOOT] said a few moments ago concerning the purchase of foreign cloths for men's clothes.

Mr. SMOOT. This paragraph covers clothing.

Mr. HITCHCOCK. Very well. I understand the Senator from Massachusetts to say—and I have verified it by asking him—that these were not British cloths nor British clothing that he was referring to, but American-made goods——

Mr. SMOOT. If it comes in as cloth, and is imported, it has to come from some other country.

Mr. HITCHCOCK. But that American-made goods that formerly were offered to the dealers in Washington for $2 a yard are now being offered as $3.50 a yard.

Mr. SMOOT. I think the Senator is mistaken.

Mr. WALSH of Massachusetts. I will send my friend up to try and get the samples and bring them here during the day.

Mr. SMOOT. I have the samples here.

Mr. HITCHCOCK. And that American-made woolens that were formerly offered at $3 are now offered at $5. The charge is not that people who import British goods are to be required to pay more, but that, because of the increase in the tariff, those who buy American goods are going to be assessed, upon every suit of clothing that they buy, a number of dollars; it is difficult to tell exactly how much. That is the charge. You are going to increase the cost of clothing for every man in the country as a result of these various increases.

Mr. WALSH of Massachusetts. The Senator agrees to that in part. He does not go as high as the Senator from North Carolina and I go. He agrees that there is going to be an increase.

Mr. SMOOT. Then the person who told the Senator about the increase was mistaken.

Mr. WALSH of Massachusetts. I have sent up to the tailor's, and I hope to have him back here before we finish this schedule.

Mr. SMOOT. I have the quotations here of the last week, with all of the prices—the price at the opening in February and the increased prices for every week after that; and the average, I will say to the Senator, is less than 13 per cent.

Mr. WALSH of Massachusetts. Those are manufacturers' prices.

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. I am talking about a gentleman who went into a Washington tailor's and had his samples brought out and produced to him this morning.

Mr. SMOOT. The Washington tailor does not sell the cloth to that man. The tailor buys his cloth from the manufacturer.

Mr. WALSH of Massachusetts. Exactly—from the jobber in New York, I suppose.

Mr. SMOOT. There is no necessity of it if he buys in quantities.

Mr. WALSH of Massachusetts. The Senator knows that no tailor buys from a manufacturer. He buys from a jobber.

Mr. SMOOT. Sometimes he buys from a jobber, and sometimes directly from the manufacturer.

Mr. WALSH of Massachusetts. Does the Senator mean to tell me that manufacturers sell yards of cloth to tailors?

Mr. SMOOT. Not yards of cloth, but bolts of cloth.

Mr. WALSH of Massachusetts. There is no tailor in Washington who does a large enough business to buy from a manufacturer.

Mr. SMOOT. Oh, yes; there is.

Mr. WALSH of Massachusetts. The clothing industry may buy from the woolen manufacturer, but the average tailor in a city like Washington buys from the jobber.

Mr. SMOOT. I can mention tailors that import directly from the manufacturer in England.

Mr. WALSH of Massachusetts. I am not talking about that. I am talking about the tailor here who uses domestic cloths. I say he buys from the jobber. The jobber sends him samples from New York, and he makes his selection.

Mr. SMOOT. No manufacturer cuts bolts of cloth up into suit lengths; but they do sell it by the bolt or by the 10-bolt or 100-bolt lots.

Mr. STANLEY. Mr. President——

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

Mr. HITCHCOCK. I yield to the Senator.

Mr. STANLEY. I will say to the Senator from Utah that I was under that impression, that tailors buy by the bolt almost universally. Suits of cloth are sold by the sample, and if the Senator will go to Washington tailors, for instance, and try to get a coat and two pairs of trousers of one piece of cloth, he will find that two-thirds of the samples they show are not sufficient to make two pairs of trousers with a coat. They are bought by the piece.

Mr. SMOOT. I do not know what tailor the Senator goes to, but I can take you to tailors in Washington, for instance, J. M. Stein & Co., or E. H. Snyder & Co., and the Senator will find bolts of cloth on their shelves.

Mr. STANLEY. I will not embarrass tailors by giving their names——

Mr. SMOOT. It is no embarrassment at all, because they will admit it themselves, and you can see the bolt of cloth on their shelves.

Mr. STANLEY. I was surprised at the number of tailors who did not have cloth enough of any pattern to even make into suits consisting of a coat and two pairs of trousers. These cloths come by the piece.

Mr. SMOOT. That may happen. They come both ways.

Mr. STANLEY. The bulk is bought from the jobber, I am sorry to say.

Mr. SMOOT. Whenever you have it cut it comes from the jobber.

Mr. STANLEY. There is one other question I want to ask the Senator, because he is an expert on this question and is candid in his answers, even though sometimes he has to testify against himself, unfortunately, on account of that candor.

Mr. SMOOT. If it is the truth, I would have to say it.

Mr. STANLEY. Yes; the Senator does, and I like to see him suffer, because I do not think the Senator enjoys telling the truth when it hurts an organization he loves, but he will do it, I will say that for him. I am not trying, however, to give him any pain now. Does the Senator mean to state that certain qualities of clothing, especially gents' furnishing goods, suitings, are made in this country in quantities of the same quality in which they are made in Great Britain without regard to the price?

Mr. SMOOT. Before I answer I want the Senator to repeat that question, because I did not follow him, as my attention was diverted.

Mr. STANLEY. There are a few mills in the country which produce a quality of clothing for the best suitings comparable to English cloth. I am under the impression—and the Senator knows better than I—that we do not produce in this country enough of that character of cloth—which is generally worn—either in texture or in the use of dyes that will wear, cloth that will not fade, as the English cloth will not fade.

Mr. SMOOT. There are a few mills in the United States which can make cloth just as fine as any mill in the world. The English cloths are supposed to be the best cloths made in the world, outside of the few which are made comparable to them in the United States, and the same cloths made in Germany are very nearly as good. But I want to say to the Senator that there is no laboring man who ever purchased a yard of that cloth.

Mr. STANLEY. That is true.

Mr. SMOOT. It is all made up by tailors and is not made into a ready-made suit. It is made for the Senator or for

somebody else who wants a suit made to fit him and is perfectly willing to pay the price.

Mr. STANLEY. That is what I am talking about, exactly. Suits which cost, say, from $100 to $150 are made of English cloth?

Mr. SMOOT. They are made many times of American cloth.

Mr. STANLEY. But as a rule?

Mr. SMOOT. I would not say as a rule. I think the best merchant tailors use perhaps 50–50 of the American cloth and the foreign cloth.

Mr. STANLEY. My information is that there is no American cloth of any great quantity which meets that demand. That is what I want to get at. Would we produce enough cloth of that character to supply the demand if we put an embargo on the English cloth?

Mr. SMOOT. We could produce all we use.

Mr. STANLEY. Do we?

Mr. SMOOT. No; we are not producing it to-day. It requires the most technical skill to put the proper finish on the cloth. It requires the very best of operators. It requires the finest of machinery, and it requires the very finest wool that can be grown in the world to make it.

Mr. STANLEY. Mr. W. C. P. Breckinridge, who, as I have said before, was the most versatile genius Kentucky ever sent to Congress, and had technical knowledge of all sorts, went very elaborately into this question some 25 years ago, and he produced statistics to show that this cloth could only be made by a certain character of operators; that we had not the apprentices, that we had not the technical manual skill to pull the wool, to produce this cloth in any great quantity.

Mr. SMOOT. It is not in the pulling of the wool; it is in the making and finishing of the cloth.

Mr. STANLEY. In the selection of the wool and in the finishing of the cloth. He said it was technical, like diamond cutting, and that if the English business was destroyed or an embargo were placed on it, in this country we had not, first, the wool, the technical operatives to pull it, or the technical operatives to manage the looms, and that it would be physically impossible to produce in any reasonable length of time that character of cloth, and that when we did we would simply have to import English labor; that with labor the necessary skill was not to be found here.

Mr. SMOOT. Of course, conditions are quite different now from what they were when Mr. Breckinridge made that statement.

Mr. STANLEY. I do not know whether those conditions exist, and that is what I am asking the Senator.

Mr. SMOOT. Those conditions do not prevail now as they did before, and I am quite sure that now we could, in time, gather employees together, and, with the Australian fine wool, which is what the English use in making these cloths, make similar cloth, and make it in sufficient quantities to meet the demands of the American people. But I want to say to the Senator that where cloths are made in small quantities it always costs more, relatively, than to make them in large quantities. In other words, if we start with a batch of wool to make simply one warp of cloth, the length of which would be 360 yards, the loss is tremendous. You will have a loss at the end, where you have a little more filling than you wanted, and you may have more warp yarn than you wanted; there is the waste in beginning the working of wool and surplus stock at the end, and there would be no more waste in these processes than in making 100,000 yards instead of one warp. I refer to the waste in the beginning and the waste at the close. When you have a trade in cloth of that kind you have to have a trade so large that it will take quantities, or the cost is prohibitive. That is the condition.

Mr. STANLEY. One other question and then I will be through, and I thank the Senator from Nebraska for yielding to me.

In that event I could see no great industrial necessity for hothousing or fostering the manufacture of this expensive and rare cloth in the United States. It is not a war necessity. We can do very well without it in case of extremity, and if we can exchange American commodities for that cloth at an advantage, I am at a loss to see the propriety, except as a purely revenue measure, of imposing these high duties upon that cloth.

Mr. SMOOT. I have stated virtually that myself. You can not get a suit made of that kind of cloth anywhere in the city, by any tailor I know of, for less than $100, and they run up to $145. The strange thing to me is that many of the finer cloths have dropped, particularly in this country, more than 50 per cent since the peak of 1919 and 1920, but you do not find the price of a suit of clothes reduced in the same proportion.

Mr. STANLEY. That is on account of the fact that the work is done by highly organized labor, and, as I understand it, the tailors have not dropped prices at all.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah one or two questions. I do not understand that the cloth which the Senators have been discussing comes in under this paragraph at all.

Mr. SMOOT. It does not.

Mr. LENROOT. I would like to ask the Senator what does come in under this paragraph; certainly not these finer cloths the Senator has been talking about?

Mr. SMOOT. I will tell the Senator just what comes under this paragraph; and the Senator from Massachusetts and I agree about it. This is the clothing paragraph, covering cloth that is to be made up into clothing. As far as ready-made clothing is concerned there are no manufacturers in any country in the world who can beat the American people in making ready-made clothing. They have perfected it almost to an art.

Mr. WALSH of Massachusetts. It comes in the form of specialties.

Mr. SMOOT. Yes; specialties; just as the Senator from Massachusetts has said.

Mr. WALSH of Massachusetts. Topcoats and raincoats.

Mr. SMOOT. I know men, who are friends of mine, who would no more think of buying an American overcoat than they would think of flying. I know men who go to London every year for their overcoats and their clothing.

Mr. LENROOT. Do they buy them ready-made?

Mr. SMOOT. They have them made in England and ship them in here ready-made. They will not have any other style.

Mr. WALSH of Massachusetts. Every large American city has English specialty shops where gents' clothing of English tailoring is sold.

Mr. SMOOT. Golf clothes and of the cockney style.

Mr. WALSH of Massachusetts. Certain forms of waterproof coats and evening coats.

Mr. LENROOT. I would like to ask the Senator, for my information, the proportionate value of the cloth in a suit of clothes with reference to the entire cost of manufacture?

Mr. SMOOT. That all depends on the quality and the price.

Mr. LENROOT. What is the average?

Mr. SMOOT. It takes three and a half yards of cloth to make a suit of clothes, and——

Mr. LENROOT. I am speaking of ready-made clothing.

Mr. SMOOT. Let us take a cloth costing $6 a yard. Three and a half yards would cost $21. That is fine English cloth.

Mr. LENROOT. What would the cost of manufacture of that suit be, cloth and all?

Mr. SMOOT. Of course, if the lining were silk, it would be expensive, and I can not say what the cost of manufacture would be.

Mr. WALSH of Massachusetts. But the Senator does not want the cost of tailor-made clothes.

Mr. McCUMBER. These cloths are not made into ready-made clothes.

Mr. LENROOT. I am asking the Senator to give me the cost of the cloth in ready-made clothing. I would like to get the proportionate cost of the cloth in the cost of the manufacture.

Mr. WALSH of Massachusetts. Taking any ready-made suit, the Senator from Wisconsin wants to know how much of the price of that suit is represented in the cloth and how much in the labor.

Mr. SMOOT. Here is a fine piece of cloth [exhibiting]. The Senator wants to know what it would cost to make a suit of clothes of this, and the price of that cloth.

Mr. WALSH of Massachusetts. Take a $30 or $40 sack suit.

Mr. SMOOT. I would rather put it this way: The price of that on July 1, 1922, was $1.95 a yard. We will call it $2 a yard. Three and a half yards would be $7.

Mr. WALSH of Massachusetts. That is the manufacturer's price.

Mr. LENROOT. That is what the clothing manufacturer pays?

Mr. SMOOT. That is what the mill would sell this for to the clothing manufacturer.

Mr. WALSH of Massachusetts. The clothing manufacturer pays that for it.

Mr. LENROOT. I want the Senator to give me the price of the cloth that goes into a ready-made suit.

Mr. SMOOT. This may be made into a ready-made suit, but it is the best cloth.

Mr. McCUMBER. It is very much in excess of the value of the average cloth which goes into a ready-made suit.

Mr. SMOOT. I want to be perfectly fair with the Senator.

Mr. WALSH of Massachusetts. The cloth represents about a third and the labor two-thirds.

Mr. LENROOT. That is what I am trying to get at.

Mr. WALSH of Massachusetts. Very generally speaking. Of course, it depends on the style and other things. Is not that true?

Mr. SMOOT. The cloth does not run as high as one-third, by any manner of means. When we take into consideration the linings, the buttons, the thread, the padding, and everything else, it is not nearly one-third with exception of few instances. A suit of clothes made of this cloth could not have been purchased by anyone anywhere for less than $65.

Mr. WALSH of Massachusetts. Can the Senator give a better answer than I have given?

Mr. SMOOT. I think it would run all the way from 10 to 30 per cent in special cases. That is the only way I can give it.

Mr. LENROOT. That would be $21 that it cost the manufacturer of the suit, taking the highest figure.

Mr. SMOOT. Yes; I think that would be about right. Back in 1898 and 1899 I used to send thousands of yards of cloth to one of the large Chicago clothing manufacturers to make up into clothing. I would order that cloth made into the different sizes of clothing. I had a contract price to make that cloth and furnished all that went into it outside of the cloth for $3.75 a suit. Of course it would cost more than that to-day, but in 1898, 1899, and 1900 the contract price for making the suits, furnishing all there is in a suit with the exception of the cloth itself, was $3.75.

Mr. LENROOT. What would that cloth be worth a yard?

Mr. SMOOT. The cloth at that time was worth $1.20 a yard, but the suits sold for $15.

Mr. WALSH of Massachusetts. Mr. President, in answer to the inquiry of the Senator from Wisconsin I would like to read from the report of the Tariff Board on Schedule K, as follows:

In women's garments the cloth is also the largest single item. In skirts it is equal to 40 per cent of the net wholesale selling price; on most cloaks equal to between 30 and 35 per cent; on cheap suits it is over 25 per cent; and on more expensive varieties it falls below 20 per cent. To the manufacturer, therefore, cloth is not so important an element of cost in women's clothing as in men's. On the other hand, the labor and manufacturing expense are more important in women's clothing. The margin remaining to the manufacturer of women's garments, over and above the cost of materials and expense of converting them into wearing apparel, is somewhat less than in the men's clothing industry, but selling expenses are considerably lower for these establishments.

Mr. SMOOT. I knew I was well within the bounds when I said it was 15 to 30 per cent.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

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

Mr. DIAL (when his name was called). I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. LODGE (when his name was called). Making the same transfer of my pair as before, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "yea."

Mr. McLEAN (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Transferring my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the senior Senator from California [Mr. JOHNSON], who, if present, would vote "yea." If at liberty to vote, I would vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WILLIS (when his name was called). Making the same announcement with reference to my pair with my colleague [Mr. POMERENE] and its transfer, I vote "yea."

The roll call having been concluded,

Mr. FRELINGHUYSEN. Making the same announcement as before, I vote "yea."

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. In his absence I withhold my vote. If permitted to vote, I would vote "nay." I vote "present."

Mr. KENDRICK. I transfer my general pair with the senior Senator from Illinois [Mr. McCORMICK] to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. JONES of New Mexico. I transfer my pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Maryland [Mr. WELLER] with the Senator from New York [Mr. WADSWORTH];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 29, nays 22, not voting 45, as follows:

YEAS—29.

Brandegee	Gooding	McLean	Spencer
Broussard	Jones, Wash.	McNary	Sterling
Bursum	Kendrick	Moses	Warren
Calder	Keyes	New	Watson, Ind.
Cameron	Ladd	Newberry	Willis
Curtis	Lodge	Oddie	
Ernst	McCumber	Phipps	
Frelinghuysen	McKinley	Smoot	

NAYS—22.

Ashurst	Harris	Nelson	Stanley
Capper	Heflin	Overman	Swanson
Caraway	Hitchcock	Ransdell	Trammell
Cummins	Jones, N. Mex.	Robinson	Walsh, Mass.
Dial	Kellogg	Sheppard	
Fletcher	Lenroot	Simmons	

NOT VOTING—45.

Ball	Glass	Norris	Stanfield
Borah	Hale	Owen	Sutherland
Colt	Harreld	Page	Townsend
Crow	Harrison	Pepper	Underwood
Culberson	Johnson	Pittman	Wadsworth
Dillingham	King	Poindexter	Walsh, Mont.
du Pont	La Follette	Pomerene	Watson, Ga.
Edge	McCormick	Rawson	Weller
Elkins	McKellar	Reed	Williams
Fernald	Myers	Shields	
France	Nicholson	Shortridge	
Gerry	Norbeck	Smith	

So the committee amendment as modified was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment is, on page 152, line 14, after the word "figured," to strike out "5 cents per square foot and, in addition thereto, 30," and to insert "55," so as to make the paragraph read:

PAR. 1117. Oriental, Axminster, Savonnerie, Aubusson, and other carpets and rugs, not made on a power-driven loom; carpets and rugs of oriental weave or weaves, produced on a power-driven loom; chenille Axminster carpets and rugs, whether woven as separate carpets and rugs or in rolls of any width; all the foregoing, plain or figured, 55 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, the carpets and rugs named in this paragraph are not made in this country. The paragraph refers to oriental high-priced rugs. The tax imposed I assume is for revenue purposes. I have no objection to those who want to buy these high-priced rugs paying a good revenue tax to the Government. I have no objection to the paragraph.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is, on page 152, after line 16, to strike out—

PAR. 1118. Axminster carpets and rugs, not specially provided for, and carpets and rugs of like character or description, 2 cents per square foot; Wilton carpets and rugs, and carpets and rugs of like character or description, 3 cents per square foot; Brussels carpets and rugs, and carpets and rugs of like character or description, 2 cents per square foot; velvet and tapestry carpets and rugs, and carpets and rugs of like character or description, 1½ cents per square foot; and, in addition thereto, on all the foregoing, 25 per cent ad valorem.

and in lieu thereof to insert:

PAR. 1118. Axminster carpets and rugs, not specially provided for; Wilton carpets and rugs; Brussels carpets and rugs; velvet and tapestry carpets and rugs; and carpets and rugs of like character or description, 40 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, there is no tariff problem involved in this paragraph. One of our most prosperous industries is the carpet industry. It has been a

self-supporting and self-sustaining industry for years. It does not need any protection. There are no imports of comparable carpets or rugs, except perhaps in the case of one class of carpets made in this country—the Axminster. We have been exporting more than we have been importing of carpets. The industry does not need protection. There is no reason for increasing the duty, and in my opinion there can not be a satisfactory defense made of the attempt here to substantially increase the protective duties on carpets. This is all I care to say on this paragraph.

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

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 7, after the word "character," to strike out "and" and to insert "or," and in the same line, after the word "for," to strike out "1 cent per square foot and, in addition thereto, 20," and to insert "30," so as to make the paragraph read:

Ingrain carpets, and ingrain rugs or art squares, of whatever material composed, and carpets and rugs of like character or description, not specially provided for, 30 per cent ad valorem.

Mr. SMOOT. On behalf of the committee I desire to modify the amendment on page 153, line 8, before the words "per cent," by striking out the numerals "30" and substituting therefor the numerals "25."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 11, after the word "in," to strike out "part" and to insert "chief value," and in line 12, after the word "wool," to strike out "whether or not constituting chief value, 2 cents per square foot and, in addition thereto, 25," and to insert "40," so as to make the paragraph read:

All other floor coverings, including mats and druggets, not specially provided for, composed wholly or in chief value of wool, 40 per cent ad valorem.

Mr. SMOOT. I desire to modify the committee amendment, in line 13, before the words "per centum," by striking out the numerals "40" and inserting in lieu thereof the numerals "30."

The PRESIDENT pro tempore. The question is on the amendment as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, line 19, to increase the rate of duty on screens, hassocks, and all other articles composed wholly or in part of carpets or rugs, and not specially provided for, from "22" to "40" per cent ad valorem.

Mr. SMOOT. I desire to modify the committee amendment, on page 153, line 19, before the words "per centum," by striking out the numerals "40" and inserting in lieu thereof the numerals "30."

The PRESIDENT pro tempore. The question is on the committee amendment as now modified by the Senator from Utah.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 153, after line 19, to strike out—

PAR. 1120. All manufactures not specially provided for, composed of wool or of which woo. is a component part, whether or not constituting chief value, 25 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1120. All manufactures not specially provided for, wholly or in chief value of wool, 55 per cent ad valorem.

Mr. WALSH of Massachusetts. That is the "catch-all" paragraph, I suppose?

Mr. SMOOT. I will say to the Senator that we do not give in that paragraph a compensatory duty at all. As the Senator has stated, it is a "catch-all" paragraph, providing for a duty of 55 per cent, which, of course, there being no compensatory duty imposed, is rather low.

Mr. WALSH of Massachusetts. I presume this paragraph is inserted in case any importations should come in which are not taken care of in the other paragraphs?

Mr. SMOOT. That is all.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 154, line 4, after the word "goat," to insert "Cashmere goat," so as to make the paragraph read:

PAR. 1121. Whenever in this title the word "wool" is used in connection with a manufactured article of which it is a component material it shall be held to include wool or hair of the sheep, camel, Angora goat, Cashmere goat, alpaca, or other like animals, whether manufactured by the woolen, worsted, felt, or any other process.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 154, after line 6, to strike out:

PAR. 1122. All samples of manufactures of wool which are not admitted under bond for exportation within six months shall be subject to the same rates of duty and the same valuation as the manufactured articles which they are intended to represent.

Mr. WALSH of Massachusetts. Mr. President, before a vote is taken on this, which is the last amendment in the wool schedule, I ask to have printed in the RECORD three letters, one addressed to the Senator from Montana [Mr. WALSH] and the other two to myself, in reference to the duties which are levied in the wool schedule of the pending bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters referred to are as follows:

JULY 28, 1922.

Hon. THOMAS J. WALSH,
The Senate, Washington, D. C.

DEAR SIR: I have just read in the CONGRESSIONAL RECORD (p. 10640) the following remarks by you on the wool schedule during the Senate discussion on July 25, when you condemned the rates on wool as "unjustifiably large," but objected to Senator LENROOT'S 60 per cent ad valorem maximum unless the compensatory duty could be reduced proportionately:

"Before a vote is taken on this matter I desire to say that I represent in part in this body the greatest wool-producing State in this Union. I am entirely satisfied that the rates provided for in paragraph 1102 are unjustifiably large. I am desirous of voting for very much lower rates. I should like very much to vote for the amendment offered by the Senator from Wisconsin. The wools to which it would be applicable are not produced in any considerable quantity, at least in our section of the country, and the effect would be indirect and not direct. But, Mr. President, I shall not vote to reduce the rates on the raw wool unless I can be fully assured that the compensatory duties upon the manufactured products are going to be reduced proportionately and in accordance with those rates."

This has led me to write this letter to you in order to present what I am sure is an entirely practicable plan for making the wool schedule adequately protective and also fair to the woolgrower, wool manufacturer, clothing manufacturer, and consumer.

This can be accomplished by placing ad valorem rates on wool, wool by-products, noils, waste and shoddy, tops, yarn, cloth, and all other products of wool, and making these rates high enough to protect the American production of the various products, but not so high as to burden the consumer. The Wilson-Gorman bill of 1894 and the Underwood-Simmons bill of 1913 and the experience in administering these tariff acts supply an excellent basis on which to frame an ad valorem schedule to take the place of the Underwood and Fordney-Penrose emergency acts, both of which are now in effect.

The objections to placing an ad valorem maximum on specific wool duties, as in the House bill and the Lenroot amendment, are:

1. The ad valorem equivalents of the duty on high-priced wool subject to the specific rate are lower than the ad valorem maximum on the low priced wools.

2. The compensatory duties on goods are excessive on the wools subject to the ad valorem maximum.

The second objection could be partially remedied by placing ad valorem compensatory rates on wool goods, but that would give an excess of the compensatory on high-priced goods, a defect that could be lessened by graduating the ad valorem compensatory according to the value of the goods, decreasing the ad valorem compensatory rate as the value increased. These, however, would be mere expedients partially to offset the effects of combining specific and ad valorem duties on wool.

The only right way is to begin with an ad valorem duty on new and reclaimed wool and wool by-products, and then place ad valorem compensatory and protective rate on wool goods. To do this it is necessary to decide on the following factors:

1. Ad valorem duty on wool and by-products.
2. Increase in American conversion cost over the foreign conversion cost.
3. Relative costs of wool and conversion in a dollar's worth of wool goods abroad.

Having decided on these factors the ad valorem compensatory and protective rates can be easily calculated. As I want to keep my explanation of this plan free from the suspicion of recommending or exploiting any particular rate on wool or wool goods, I will illustrate the calculation of the wool and wool goods rates from the above factors by the aid of algebraical symbols:

Let—

a=ad valorem rate on wool;
b=per cent of increase of American conversion cost over foreign conversion cost;
c=cost in cents (per cent) of wool in a dollar's worth of goods abroad;
d=cost in cents (per cent) of conversion of wool into a dollar's worth of goods abroad;
x=ad valorem compensatory rate on goods;
y=ad valorem protective rate on goods;
z=total ad valorem rate (compensatory and protective) on goods.

Then the calculation is—

ac=x;
bd=y;
ac + bd=z.

Having given this algebraical explanation of the plan in order to keep it free from the suspicion of promoting any particular rates, I will apply it to several concrete cases, assuming for all of them that one dollar's worth of goods abroad costs 50 cents (50 per cent) for wool and 50 cents (50 per cent) for conversion.

First I will take the Underwood bill of 1913. The Committee on Ways and Means had that bill framed to provide for a duty of 15 per cent ad valorem on wool. This was abandoned at the last moment and the bill as reported provided for free wool and 35 per cent ad valorem on cloth. With a dollar's worth of foreign goods costing 50 cents for wool and 50 cents for conversion, a 35 per cent ad valorem duty on goods is a protective rate based on an American conversion cost 70 per cent above the foreign conversion cost.

On this basis, and taking the original intention of the 1913 Committee on Ways and Means as an illustration, we have the following factors:

a=15 per cent;
b=70 per cent;
c=50 per cent;
d=50 per cent.

Then the rates on goods are:

.15×.50=7½ per cent, compensatory rate on goods;
.70×.50=35 per cent, protective rate on goods;
7½ per cent + 35 per cent=42½ per cent, total rate on goods with 15 per cent on wool.

If the wool duty is increased to 30 per cent ad valorem, the calculation of the revised Underwood rates on cloth would be:

a=30 per cent;
b=70 per cent;
c=50 per cent;
d=50 per cent.

Then—

.30×.50=15 per cent, compensatory rate on goods;
.70×.50=35 per cent, protective rate on goods;
15 per cent + 35 per cent=50 per cent, total rate on goods with 30 per cent on wool.

Now, let us take as an illustration the free wool Wilson bill rate of 40 per cent on goods, which represents an increase of 80 per cent in the American conversion cost over the foreign, and assume that the rate on wool is 40 per cent ad valorem. We have now—

a=40 per cent;
b=80 per cent;
c=50 per cent;
d=50 per cent.

Then—

.40×.50=20 per cent, compensatory rate on goods;
.80×.50=40 per cent, protective rate on goods;
20 per cent + 40 per cent=60 per cent, total rate on goods with 40 per cent on wool.

The Wilson bill also provided for a rate of 50 per cent on high-priced goods, which represented an increase of 100 per cent in the American conversion cost over the foreign. On this basis, with a duty of, say, 40 per cent on wool, we have:

a=40 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.

Then—

.40×.50=20 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
20 per cent + 50 per cent=70 per cent, total rate on goods with 40 per cent on wool.

These illustrations of the plan can be continued indefinitely, but I will give only one more, assuming a duty of 50 per cent ad valorem on wool and a 100 per cent increase in the American conversion cost over the foreign. We have now—

a=50 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.

Then—

.50×.50=25 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
25 per cent + 50 per cent=75 per cent, total rate on goods with 50 per cent on wool.

The above plan is equally suited for the tariff on tops, yarn, and cloth, it being necessary only to decide upon the relative proportions of wool cost and conversion cost in one dollar's worth of the product abroad. Take wool yarn as an illustration, assuming a 50 per cent duty on wool, an increase of 100 per cent in the American conversion cost, and relative cost proportions of 70 cents (70 per cent) for wool and 30 cents (30 per cent) for conversion for a dollar's worth of yarn abroad. Now we have—

a=50 per cent.
b=100 per cent.
c=70 per cent.
d=30 per cent.

Then—

.50×.70=35 per cent, compensatory rate on yarn.
1.00×.30=30 per cent, protective rate on yarn.
35 per cent + 30 per cent=65 per cent, total rate on yarn with 50 per cent on wool.

In these calculations the only variable factors are c and d, the relative proportions of wool and conversion costs in the value of goods, abroad. Those who do not want a fair tariff on wool and wool goods seek to convey the impression that the variations in the relative costs of wool and conversion mean corresponding variations in the compensatory duty on goods. See John P. Wood's testimony before the Finance Committee on December 14, page 3539; also the recent Tariff Commission's bulletin prepared by L. G. Connor, page 13. The only statistics that I know of bearing on the relative costs of wool and conversion are those given in my "Analysis of the Tariff Board Report on Schedule K," June, 1912, a copy of which I inclose. These are based on actual costs of goods made in American mills under my supervision, also on the fragmentary data in the Tariff Board's report on Schedule K, the omissions in which I supplied from data of actual costs. These statistics show that on the great bulk of wool goods the relative costs range from 60 per cent for wool and 40 per cent for conversion at one extreme, to 40 per cent for wool and 60 per cent for conversion at the other extreme, the variations beyond these limits being so few and so slight as to be negligible.

Now, let us assume a wool duty of 50 per cent and a conversion cost increase of 50 per cent, and apply the above plan to three assumed fabrics with relative costs as follows:

1. 40 per cent for wool, 60 per cent for conversion.
2. 50 per cent for wool, 50 per cent for conversion.
3. 60 per cent for wool, 40 per cent for conversion.

FABRIC NO. 1.

a=50 per cent.
b=50 per cent.
c=40 per cent.
d=60 per cent.

Then—

.50×.40=20 per cent, compensatory rate on goods.
.50×.60=30 per cent, protective rate on goods.
20 per cent + 30 per cent=50 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 2.

a=50 per cent.
b=50 per cent.
c=50 per cent.
d=50 per cent.

Then—

.50×.50=25 per cent, compensatory rate on goods.
.50×.50=25 per cent, protective rate on goods.
25 per cent + 25 per cent=50 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 3.

a=50 per cent.
b=50 per cent.
c=60 per cent.
d=40 per cent.

Then—

.50×.60=30 per cent, compensatory rate on goods.
.50×.40=20 per cent, protective rate on goods.
30 per cent plus 20 per cent equals 50 per cent, total rate on goods with 50 per cent on wool.

Thus if the duty on wool and the increase in the conversion cost are equal, a variation in the relative costs of wool and conversion, no matter how wide, has no effect whatever on the total rate required on goods, which is the same in all cases.

Let us now assume that the wool duty is 50 per cent ad valorem and the increase in the conversion cost is 100 per cent. We have—

FABRIC NO. 1.

a=50 per cent.
b=100 per cent.
c=40 per cent.
d=60 per cent.

Then—

.50×.40=20 per cent, compensatory rate on goods.
1.00×.60=60 per cent, protective rate on goods.
20 per cent plus 60 per cent equals 80 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 2.

a=50 per cent.
b=100 per cent.
c=50 per cent.
d=50 per cent.

Then—

.50×.50=25 per cent, compensatory rate on goods.
1.00×.50=50 per cent, protective rate on goods.
25 per cent plus 50 per cent equals 75 per cent, total rate on goods with 50 per cent on wool.

FABRIC NO. 3.

a=50 per cent.
b=100 per cent.
c=60 per cent.
d=40 per cent.

Then—

.50×.60=30 per cent, compensatory rate on goods.
1.00×.40=40 per cent, protective rate on goods.
30 per cent plus 40 per cent equals 70 per cent, total rate on goods with 50 per cent on wool.

Thus for the practicable extremes of variation in relative costs of wool and conversion the total rates on goods vary only 5 per cent from the mean of these costs, fabric No. 1, at one extreme, requiring 5 per cent more than fabric No. 2, which represents the mean of the extremes, while fabric No. 3, at the other extreme, requires 5 per cent less than fabric No. 2, the mean.

From the above it follows that if the tariff act provides for the rate required for the mean of the extreme variations in relative costs of wool and conversion, the actual rates required for compensatory and protective duties will vary not more than 5 per cent above or below the rate imposed on the goods.

I will tabulate these results in order to make the comparison easier:

Fabric.	Rate in act.	Rate required.
	Per cent.	*Per cent.*
1	75	80
2	75	75
3	75	70

So far as the relative costs of wool and conversion are concerned, I have given you the best information available, based on my own experience and the figures compiled by the Tariff Board. The Committee on Finance, if empowered by the Senate, could obtain these comparative costs from enough of the woolen and worsted mills of the country in a few weeks to afford an up-to-date basis for carrying out the plan proposed above. All the difficulties, confusion, turmoil, special privilege, and discrimination under Schedule K are wholly the result of the specific rates in the schedule from 1867 to 1894 and from 1897 to 1913 and proposed in the House bill and Finance Committee's bill now under consideration. The only remedy is an ad valorem tariff on wool and all of its products.

The variation of 5 per cent is the extreme. The relative costs of wool and conversion for the great bulk of wool goods will be near the mean of the extremes and the duties on them thus practically in agreement with what are required.

Those who do not want a fair tariff on wool and wool goods will raise objections to an ad valorem schedule, but these objections are either baseless or negligible. They will say that undervaluations will result, ignoring the fact that the greatest frauds in the collection of duties in the United States have been in connection with specific rates on sugar, also ignoring the cases now pending in which imported wool subject to the specific rates of the emergency act is reported to have been concealed by a covering of carpet wool.

They will also claim that the duty under an ad valorem rate on wool is least when values are lowest, ignoring the fact that under normal conditions simple justice to producers and consumers demands that this should be the case, ignoring the fact that the protective duty on wool goods in every tariff law since 1867 has been ad valorem, and consequently that these protective duties which they approve are subject to the same variations that they claim are fatal to ad valorem com-

pensatory duties, and also ignoring the fact that under an ad valorem schedule the woolgrower, top maker, spinner, weaver, and clothing manufacturer would all be on the same ad valorem basis of justice.

Disregarding party politics and considering the question solely from the viewpoint of the public welfare, there is no escape from the conclusion that Schedule K should be placed on a strictly ad valorem basis with adequately protective rates on new wool, reclaimed wool, wool by-products, and partially and wholly manufactured wool goods.

The Sixty-seventh Congress may not, probably will not, do this. It will probably place on the statute book a wool schedule even less defensible than the Payne-Aldrich Schedule K. But the people rule in the end, although the popular will is often thwarted through the control of legislation by selfish interests. But the American people want just laws. They have learned much since 1909 about the injustice of the wool schedule, and sooner or later they will secure justice by an adequately protective ad valorem tariff on wool and wool goods.

The view to which you so courageously gave expression on Tuesday, July 25, the twenty-fifth anniversary of the passage of the Dingley bill, have led me to believe that you would gladly hasten the coming of the rule of justice in Schedule K. I trust you will find it possible to render this service to the public.

Yours very truly,

SAMUEL S. DALE.

—

On goods composed of mixtures of wool and other fibers—cotton, etc.—the compensatory duty should be reduced to conform to the percentage of wool in the cloth, which can be easily and accurately determined.

(Copy to Senator WALSH of Massachusetts.)

(Inclosures:)

1. Analysis of Tariff Board report on Schedule K.
2. The Wool Tariff. Conversation with Senator Dolliver (Doc. No. 38, Sixty-first Congress, first session).

—

BENOIT SYSTEM,
Malden, Mass., July 1, 1922.

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: I wish to enter protest against the passing of the proposed tariff bill of 33 cents flat rate per pound on the scoured contents of the pound of wool. The people are demanding lower prices in clothing and will not stand for much higher prices.

The retail clothiers and the manufacturers have worked hard the last two years in order to lower the price of clothing, with the final result that the price of a suit of men's clothes has been reduced all the way from $5 to $12 per suit in the last two years, and yet the people are still clamoring for lower prices, and are holding off buying their accustomed needs in the hope of forcing prices downward.

If this bill is passed it will add $3 to $5 to the price of a suit of men's clothes or an overcoat, and the same proportion on boys' clothing. This proposed bill would affect particularly the people buying the medium and lower priced clothing, which is another very bad feature of the bill.

I do not advocate a low tariff on wool, but the tariff should not be so high as to place a burden on 98 to 99 per cent of the people of the country to benefit only 1 to 2 per cent of the woolgrowers of the country.

I trust that you will understand my feeling in regard to the new proposed wool tariff and will represent my interests in this matter at Washington.

I would be pleased to hear your views in this matter at your convenience.

Yours very truly,

ARTHUR H. BENOIT.

—

FITCHBURG HARDWARE CO.,
Fitchburg, Mass., July 24, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: I desire to register my vigorous protest against Schedule 11 of the Fordney-McCumber tariff bill, which proposes a duty on raw wool of 33 cents a pound.

It is excessive, unwarranted, and beyond the point of necessary protection.

It has been universally conceded that Schedule K of the Payne-Aldrich bill was too high. Schedule 11 exceeds it. It will increase prices to the many for the benefit of the few, which is uneconomic at this time.

Kindly give this protest your earnest consideration.

Very truly yours,

M. B. DAMON.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the Committee on Finance, striking out paragraph 1122.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. In "Schedule 12, silk and silk goods," the Committee on Finance propose——

Mr. McCUMBER. Mr. President, before proceeding to the consideration of the silk and silk goods schedule I wish to make a very few general observations, with the hope of bringing the matter before the Senate from the standpoint of the Committee on Finance.

Mr. President, the average price of cotton is now about 15 cents per pound; the average price of wool, scoured, which places it in the same condition as cotton when it is marketed and fit to be spun into yarn, is about 60 cents a pound. When we come to the silk schedule, however, we deal with a commodity which has a value of about $6 per pound. Therefore it may easily be seen that when we enter the silk realm we enter into the field of luxuries.

By far the greater quantity of goods that are manufactured into clothing are of cotton and wool, although there is a vast volume that is composed of silk fabrics. The silk fabrics, however, are not worn by the great majority of the American people. So we may consider silk fabrics and silk clothes in the light of luxuries.

Mr. President, a few years ago the American people adopted the eighteenth amendment to the Constitution. Prior to its adoption the Government was receiving as revenue from liquors about $300,000,000 annually. The cost of conducting the Government is many times greater than it was prior to 1914, the beginning of the great World War. We have gone to the limit, according to the views of a great many American experts, in the extent to which we have levied taxes on sales and in the imposition of income and excess-profits taxes; we have gone to the limit, according to the views of a great many, in the matter of surtaxes upon incomes; but we have got to have the money; we have got to raise the $300,000,000 that we lost in revenue when we adopted the eighteenth amendment to the Constitution. Where can we best levy that tax?

I am presuming that it is a tax. I do not know a better place than upon such luxuries as silk. Therefore in determining the duties that should be imposed the committee had in view not only the matter of protection of American industries in the manufacture of silks but it had also in view the raising of a very considerable revenue. Consequently the committee did not attempt to hew close to the line of exact protection.

There are a great many articles made of fancy silks which could be sold for an increase above the cost of from 10 to 15 per cent, but which are actually sold to the American people at an increase of from 50 to 150 per cent. Those who desire to purchase such luxuries have sufficient money generally to be able to pay more than they otherwise would to support the American Government. In making the duties upon those fancy goods we have taken that propensity of some of our citizens into consideration, and we propose to allow them to indulge in it for the benefit of the American Treasury. So I say in general that the rates in the silk schedule are both for protection and revenue, with the emphasis upon "revenue."

Mr. President, in the calendar year 1921 the imports of manufactures of silk amounted to $48,207,000 worth, and the duties collected from silk manufactures amounted to $21,795,866. The silk schedule, therefore, furnished 6 per cent of the customs receipts in 1921.

Our exports of silk manufactures during the calendar year 1921 were as follows: Dress goods, $3,337,764; wearing apparel, $3,611,956; all others, $2,722,360. So, while we imported something over $48,000,000 worth of dutiable silk goods, we exported about $9,672,000 worth of the same articles.

Mr. President, paragraph 1205 relates to broad silks. In value of exports and in revenue derived it is by far the most important paragraph of the silk schedule. Since 1914 there has been a very radical change in the relative importance of the different sources of broad silk imports, and it is worth while for those who are interested in the silk schedule to bear that great change carefully in mind. In 1914, 52 per cent of the total value of the imports came from France, 12 per cent from Switzerland, 25 per cent from Japan, and 1 per cent from China. Now, note the change: In 1921 the percentages were Japan 71 as against 25 in 1914; France, 10 per cent as against 52 per cent in 1914; China, 6 per cent as against 1 per cent in 1914; and Switzerland, 5 per cent as against 12 per cent in 1914. So it will be seen that the manufacture of silk has gone from the Occident to the Orient, and we must deal therefore with the cheaper labor conditions of the Orient.

In quantity Japan's predominance in 1921 is even greater than indicated by mere values. Fabrics obtained from Europe are chiefly expensive goods, demanded because of style, unique design, or special construction. Imports from China and Japan are ordinarily low and medium grade goods of simple weave, and they have enormously increased. Considerably more than half of the total from Japan are light-weight habutaes such as are not made in the United States. The remainder are heavy habutaes and other goods similar to those made in the United States.

From China come chiefly pongees woven in the gum from wild tussah silk.

Mr. President, I think we should weigh these facts in considering the duties that are imposed upon this schedule, because our competition has gone from the higher-price producing countries prior to the war to the lower-price producing countries since the war; and considering the fact that it is necessary that we make up from some source the immense loss growing out of the eighteenth amendment, I think we should give and sustain as high a rate of duty as the trade will bear upon silk luxuries.

Mr. SHEPPARD. Mr. President, I shall pursue the course adopted by the Senator from North Dakota and discuss the silk schedule as a whole.

THE SILK SCHEDULE OF THE REPUBLICAN TARIFF BILL OF 1922.

Mr. President, silk in reaching its final form for human use passes through many stages. Its principal source is the silkworm.

THE SILKWORM.

The silkworm is hatched by artificial heat from eggs that have been collected and stored a number of months pending the arrival of the hatching season.

The worm is then placed on the leaf of the mulberry tree, and on this leaf feeds for six weeks.

It then emits from an opening in its underlip two liquid strands, called brins, which harden and unite under the influence of the air into a silk filament or thread, aided by a gum accompanying these liquid emissions.

Making a weaving motion with its head and a circular motion with its body, the worm gradually wraps about itself thread after thread until in about three days a complete encasement, known as a cocoon, is formed.

Inside this silken envelope the worm changes into a chrysalis and then into a moth, which pierces the cocoon at one of its ends and breaks out, its first and only task on emerging from its silken cradle being to provide for the propagation of its kind. The eggs the female moth lays are collected and stored for the next hatching.

REELED RAW SILK YARN.

To produce a yarn or composite thread from which the best and most widely used silk products come the firmest and smoothest threads in the cocoon must be reeled before the chrysalis becomes a moth and pierces the cocoon.

The chrysalis is killed by the use of hot, dry air and the cocoon thus kept intact. To secure the best results it has been found necessary to select from 3 to 12 or more of these intact cocoons the strongest and most evenly shaped threads and then to reel them together. The composite thread or yarn so reeled from the unpierced cocoon is the raw silk of commerce, the raw material of most of the American and other silk industries, which carry it through further stages to the final fabricated form The processes of growing the worm, developing and preserving the cocoon, and reeling from it the threads of proper size and strength are so tedious, so exacting, so wearisome, and the pecuniary return so paltry that it has not been possible to establish the reeling of raw silk in the United States, although repeated efforts have been made. For instance, it takes about 2,000 or 3,000 cocoons to produce a pound of raw silk, and a pound sells for about $8 at present. The normal price is around $4 or $5 per pound. The development of each cocoon requires the most exhaustive attention and care. It is hardly conceivable that human beings can be found to perform such painstaking, monotonous, and intensive work for such trifling compensation. The fact that they are reduced to such economic straits is a revelation of one of the tragedies underlying our civilization. That hundreds of millions throughout the world may wear a soft and glistening raiment, a fabric that contributes so much to the comfort, refinement, and general well-being of society, as well as to many of its practical needs, hundreds of thousands of the human race must suffer the direst poverty and privation. Only in China and Japan, where the struggle for a bare physical survival has reached the fiercest of proportions, are a sufficient number of mortals to be located who endure economic crucifixion that the rest of humanity may know a brighter existence, so far as the silk industry is concerned. By far the greater portion of the earth's raw silk thread or yarn comes from China and Japan. A rougher form of silk yarn is reeled from wild, undomesticated silkworms known as tussah or tusser worms that feed on the leaves of oak and other trees, mainly in China and India, and makes a stronger and coarser fabric than that which comes from the domesticated worm.

SILK WASTE THREADS.

The threads in the cocoon of such imperfect structure that they can not be used for reeling are called waste silk. Waste silk consists also of cocoons after they have been pierced by the emerging moth, or which for other reasons have become unreelable; of reeled yarns discarded for various reasons in throwing and weaving processes in the United States, the discarded yarns being known also as mill wastes; of fibers less than 2 inches in length left over after silk waste is dressed, these being known as exhausted noils. Waste silk can not be reeled, but is spun into yarn.

IMPORTATIONS OF REELED RAW SILK AND SILK WASTE.

Raw silk and silk waste, including silk cocoons, are imported into the United States free of duty, where they become the basis of the American silk industry, the largest silk industry in the world, the third largest textile industry in the United States. The reeled raw silk yarn is the basis of woven silk goods, while the waste silk is the raw material for spun-silk goods. The volume of American imports of reeled raw silk—that is, the yarn in its first stage after leaving the unpierced cocoon, the yarn from which by far the larger portion of American silk fabrics is made—is an indication of the wonderful growth of the silk-manufacturing industry in this country. Considering these imports by five-year periods and starting with those of the years from 1866 to 1870, inclusive, as a base, we find that they have grown from 2,875,970 pounds in that period to 183,240,727 pounds in the period from 1916 to 1920, inclusive, an increase of over 6,370 per cent. Before the Civil War there was a duty on raw silk, but it did not create a domestic industry for the reasons already mentioned. Since the Civil War these raw-silk imports have been on the free list. Imports of silk waste are also duty free and have averaged 3,861,893 pounds per year during the 30 years from 1891 to 1920, having grown from 1,346,689 pounds in 1891 to 11,263,546 pounds in 1920. In these silk-waste totals are included the exhausted noils, which averaged 791,119 pounds per year during the 20 years from 1901 to 1920, and the pierced or imperfect cocoons unfit for reeling but used for spinning, which averaged 120,312 pounds per year for the 30 years from 1891 to 1920. Silk-waste importations had a value of $16,135,227 in 1920; reeled raw silk importations, $437,951,434. The only form of silk waste produced in the United States is that known as mill waste and amounts to about one-eighth of all waste silk imports. Since the Civil War it has been the policy of both the Democratic and Republican Parties to keep these raw materials of the American silk industry on the free list. The term "silk waste" originated when the fibers so described were valueless. It was later discovered that while they could not be reeled and woven they could be spun into a practicable yarn by methods similar to those employed in the spinning of flax and cotton.

REELED RAW-SILK YARN "THROWN" INTO STRONGER YARNS OR WOVEN DIRECTLY INTO CLOTH.

The reeled raw silk arrives in this country in skeins or hanks, and after being cleaned and wound on bobbins is converted by what is known as the throwing process into a stronger yarn, called thrown silk, or is woven directly into cloth.

STANDARD TYPES OF THROWN YARNS.

The standard types of the thrown or twisted yarn—the word "thrown" being derived from the Saxon "thrawan," which means to twist—are tram, crêpe twist, organzine, grenadine, and poile.

Tram is made by combining or doubling two or more raw-silk threads and twisting them into one by what is technically called the slack twist, and is used chiefly for filling in the manufacture of many important silk fabrics and of knit goods. Crêpe twist is used in making a fabric called crêpe silk, and is a tram yarn to which an extra hard twist has been given.

Organzine is made by first twisting two raw-silk threads separately in one direction and then doubling and twisting them in the opposite direction, and is used as a warp in the manufacture of the fabrics for which the tram is the filling.

Grenadine is an organzine yarn to which a specially hard twist has been given, and is used in making gauzes and occasionally a fabric known as silk voile.

Poile is the only standard thrown yarn made by twisting a single raw-silk thread, and is used in making silk voile, chiffons, and chiffon crêpe.

NO INTERMEDIATE STAGE BETWEEN REELED RAW-SIK YARN AND THROWN YARN OR CLOTH.

Here it should be said that there is no intermediate stage of manufacture between the imported raw silk and these thrown yarns or the cloth into which the raw article is sometimes immediately woven without going through any further yarn process. It is true that the raw-silk thread may be wound on spools or tubes before entering further processes, but this could not be said to represent a stage of manufacture.

Nevertheless, the pending tariff bill provides a duty on silk partially manufactured from raw silk and not twisted or spun of 35 per cent ad valorem. See paragraph 1201 of the tariff bill. The only effect of this joker provision, this tariff fiction, is to supply a basis or excuse for high duties on the forms into which the reeled raw silk imports are actually converted. The thrown yarns and certain woven fabrics are the first forms into which the reeled raw silk imports are made, and the provision under discussion could not have reference to these yarns and fabrics because they are the subjects of separate paragraphs in a subsequent part of the bill, paragraphs bristling with formidable duties on these very items.

THE AMERICAN THROWN SILK YARN INDUSTRY.

From the thrown silk yarns are made most of the silk goods produced by the American silk industry. Indeed, the making of these yarns is an important and largely independent branch

of that industry. Probably more than 85 per cent of the reeled raw silk imports are made into the thrown silk yarns, much more than half of which are manufactured by separate throwing establishments, the rest being produced by finished-goods makers for their own use. The United States has distanced all other countries in the production of thrown silk yarns, 28,000,000 pounds having been turned out here in 1920. Imports are hardly worth mentioning, except to emphasize their insignificance. They have averaged about 34,000 pounds a year during the 30 years ending with 1920. Competition from abroad, therefore, is all but nonexistent. And yet the Republican Party proposes duties on thrown silk yarn 33⅓ per cent higher than the present rates.

Mr. KELLOGG. In what form is the silk imported?

Mr. SHEPPARD. In the form of skeins or hanks of what is known as reeled raw silk; also in the form of imperfect or damaged cocoons and of threads too short or too uneven for reeling.

Mr. KELLOGG. Before it is made into threads?

Mr. SHEPPARD. Before the reeled raw silk is made into a stronger composite thread or yarn called thrown yarn, which is the basis of the woven silk industry, and before the imperfect cocoons and shorter threads are made into a yarn which is the basis of the spun silk industry.

When it is observed that the present rate, 15 per cent ad valorem, is the rate under which the American industry has outstripped the world during the past nine years, the rate under which it commands and supplies the entire home market, the enormity and the absurdity of this advance of about 200 per cent in the tariff taxes on this basic item of the silk industry will become apparent.

SEWING AND EMBROIDERY SILK THREAD, ETC.

Certain articles made by twisting the reeled raw silk into a tougher thread or yarn are known as sewing thread, used mainly for hand sewing; machine twist, a thread used principally for machine sewing, although sometimes employed in sewing by hand; floss and embroidery silk; that is, threads used for machine and hand embroidering. These articles are sometimes made from spun-silk waste, but to no great extent, inasmuch as the waste yarns lack strength and elasticity. As long ago as 1879 the United States had outstripped the world in this branch of the silk industry. In that year a book was published by authority of the Silk Association of America entitled "The Silk Goods of America," and written by William C. Wyckoff, wherein appeared this statement:

> The manufacture of silk thread in this country is a distinct branch of the industry which has wholly outgrown foreign competition.

Under all tariff acts since that time the sewing and embroidery silk industry has supplied practically the entire domestic market, imports have been insignificant, with the exception of but a few years, and a substantial export trade has developed. The tariff acts of 1883, 1890, 1894, and 1897 imposed a duty of 30 per cent ad valorem on these items. The tariff act of 1909 imposed the practically prohibitive rate of $1 per pound in the gum and $1.50 a pound if ungummed or otherwise advanced by any process of manufacture. The survey of the Tariff Commission has the following comment on the Payne rate, that is, the 1909 rate:

> This duty was practically prohibitory, and the only imports thereunder consisted of one or two thousand pounds a year of special high-priced sewing silks. Owing to the absolute exclusion of ordinary sewing and embroidery silks, the equivalent ad valorem rate of duty on the trifle of high-priced silk thread imported averaged lower than the 30 per cent ad valorem duty imposed previous to the act of 1909.

But the most remarkable evidence of the superior position of the sewing and embroidery silk industry in the United States, its complete independence of foreign competition, was shown by the fact that when the prohibitive Payne rates were supplanted by the very low rate of 15 per cent ad valorem in the Democratic tariff law of 1913 imports continued to be so pitifully few that in none of the years since 1913 have they amounted to 2 per cent of the domestic production. In fact, in most years they have been less than 1 per cent of the domestic output. In 1914 the domestic output was valued at $9,681,613, while the imports had a value of $12,940, or less than one-fifth of 1 per cent. In 1919 the domestic output had a value of $9,682,000, while imports were valued at $6,332, about one-tenth of 1 per cent. During 1920, when speculative silk movements created an abnormal demand for everything made of silk, imports were less than 1 per cent of home production. On the other hand, exports in 1920 of these American sewing and embroidery silk threads to Canada alone exceeded $400,000 in value, while important quantities went to Australia and other countries. It is clear that if there is any industry in the United States which has been established beyond the slightest necessity of a fostering tariff tax it is that of sewing and embroidery silk. And yet in the very teeth of these facts the pending Republican tariff bill proposes to enact a duty increase of over 100 per cent on these articles of common use.

WASTE SILK THREADS USED IN MAKING POWDER BAGS FOR HEAVY ARTILLERY, INSULATED COVER FOR ELECTRIC WIRES, AND IN ACETYLENE-GAS CYLINDERS.

It should be said here that the type of waste silk fiber known as exhausted noils is used in making the powder bags essential to the most effective firing of heavy artillery and was in especial demand during the war. Silk is the best material for this purpose because it burns up quickly and leaves no smouldering residue. Silk from these short noils is used because it is about the least expensive way of securing silk for powder bags. Coarse-spun silk yarns were also utilized for this purpose during the World War. So we see that silk is quite an important factor in the national defense and in military operations. The exhausted noils are also used by woolen manufacturers in making mixed silk and wool goods and in making insulated cover for electric wires. They are also used in acetylene-gas cylinders.

PEIGNEE SILK YARN (DRESSED AND COMBED WASTE-SILK THREADS).

Before the silk waste is in shape for spinning it passes through a stage of partial manufacture, turning it into what is known as dressed and combed silk or peignee, a stage in which the unreelable fibers are cleaned and paralleled and tied at one end for further advancement toward spun-silk yarn. The shorter waste fibers, not under 2 inches long, are called long noils and are retained with the other cleaned threads for the next step toward the spun yarn, while waste fibers less than 2 inches long, called exhausted noils, are used as before indicated. Peignee, or dressed-silk yarn, is not made for sale in the United States, but is a mere intermediate stage between the waste-silk and the spun-silk yarn. The manufacturer of the spun-silk yarn obtains the best results when he makes his own peignee or dressed silk, and knows the exact nature of the waste silk employed in producing it. It is very difficult to determine this from peignee made by others.

Prior to the World War it was the custom for domestic spun-yarn mills to make their own peignee, and their machinery was balanced accordingly. During the war the demand for powder-bag cloth absorbed not only the short noils but the coarse yarn spun from peignee to such an extent that peignees were imported into the United States in considerable quantities for the first time in history. The silk boom in 1919 caused this accelerated importation to continue, with the result that several domestic spun-yarn mills enlarged their finishing machinery with a view to reliance on imports for peignee material. Also, combined European silk interests have established a spun-silk plant in the United States to convert into spun yarn here the peignee it makes abroad. The Tariff Commission estimates that 7,300,000 pounds of peignee were produced in the United States in 1918 and that 810,950 pounds were imported. Peignee imports come principally from Japan. Domestic mills have not yet demonstrated, however, that foreign peignee can be profitably worked up here, and this is due to its variable and uncertain quality. Furthermore, Japan is the only country making surplus peignee for export, and domestic producers relying on this foreign supply would be in a dangerous situation either in case of monopoly control in the country of export or in case of war. For military reasons, if for no other, the peignee industry should be maintained in the United States, and the present duty of 20 cents a pound is sufficient for that purpose. Because peignee represents an intermediate stage of production it is very difficult to determine its value, and ad valorem duties would be especially hard to administer. Therefore the Underwood-Simmons Tariff Act of 1913, which placed all other silk items under ad valorem duties, imposed a specific duty on peignee under the definition of silk partially manufactured from cocoons or from waste silk and not further advanced or manufactured than carded or combed silk—that specific duty being 20 cents per pound.

When it is recalled that in 20 of the 27 years prior to 1917 imports of peignees were less than 1,000 pounds per annum; that in 5 of these 27 years none at all came in; that in the remaining 2 years these imports amounted to 16,000 and 17,000 pounds, respectively; that the sudden rise in imports was due to abnormal war and after-war conditions; that the most successful makers of spun-silk yarn are those who develop their own peignees with their own machinery from their own waste silk, and that it is unsafe for them to rely on a foreign product with the raw material of which they have no definite knowledge; that so far the use of imported peignees by domestic manufacturers has not led to satisfactory results, this being due to the unsteady and uncertain quality of the foreign ar-

ticle—all these facts make it very questionable whether the importations will not revert on the advent of normal conditions to their former insignificance.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. SHEPPARD. I yield.

Mr. McLEAN. I understood the Senator from Texas to say that there were no imports of peignee of any consequence.

Mr. SHEPPARD. I did not say that.

Mr. McLEAN. I may have misunderstood the Senator.

Mr. SHEPPARD. On the contrary, I gave the figures provided by the Tariff Commission. There were imports of 810,050 yards in 1918, but during that year 7,300,000 yards were made in this country. I say to the Senator that I admit the peignee industry ought to be maintained in this country and that there should be a duty. I take the position, however, that the present duty of 20 cents a pound is sufficient.

Remember, also, that the waste silk is put through numerous processes before reaching the peignee state, processes such as degumming, which involves proper mixing of the different kinds of waste silk threads, boiling, scouring, drying, restoration of natural moisture, softening, and storing; processes such as opening, lapping, filling, dressing, combing, and so forth—most of these processes being of a technical nature, requiring to a large extent expert adult male labor, and the advantage of a home producer who conducts these processes in his own plant and under his own supervision over a producer importing peignees is readily seen. Observe further that under the existing Democratic duties on peignees and spun-silk yarns the spun-silk business has gone forward with tremendous strides, more than trebling its output from 1914 to 1920—that is, increasing its production from 2,500,000 pounds of spun-silk yarn in 1914 to 6,700,000 pounds in 1920—and it will be hard to find excuse for the proposed increase of the present tariff rate of 20 cents per pound to the 55 cents carried in the Senate bill, an increase of nearly 200 per cent.

SLIVER YARN, DRESSED.

The peignees—i. e., dressed and combed waste silk threads—are next drawn by machinery into a loose rope without any twist called sliver. Before we take up the succeeding step toward the spun-silk yarn it will be well to quote here in full paragraph 1201 of the pending bill. It is as follows:

Silk partially manufactured, including total or partial degumming, from raw silk, waste silk, or cocoons, and silk noils exceeding 2 inches in length, or silk and artificial silk, all the foregoing not twisted or spun, 55 cents per pound: *Provided*, That none of the foregoing shall pay a less rate of duty than 35 per cent ad valorem.

The Senate Finance Committee have proposed an amendment striking out the specific rate and providing a general rate of 35 per cent ad valorem, still involving an increase which I consider to be entirely without justification. I shall attempt to demonstrate this later.

I have already shown that the clause in this paragraph purporting to relate to silk partially manufactured from raw silk not twisted or spun is meaningless. I have already cited facts showing that the proposed duty of 35 per cent on silk partially manufactured from waste silk or cocoons and silk noils exceeding 2 inches in length—that is, on what is known as peignees—is beyond the pale of apology. It might be well to say here that the words "including partial or total degumming" were inserted because of a recent customs decision holding that the mere degumming of raw silk or waste silk—that is, the softening of the natural gum on the fiber by the simple method of boiling in soap and hot water—did not change the state of the fiber, and that the degummed fiber should come in without duty as raw silk or silk waste, as the case might be. The clause in the pending bill subjecting the raw fibers to a duty of 35 per cent merely because they have been soaked in boiling water is but another instance of the voracious motive behind the entire measure. The next stage after that of the peignee is, as we have seen, the sliver, the drawn rope of peignee fiber, and sliver would be dutiable under this same paragraph if any should be imported. It represents so slight a stage of manufacture that competing importations are out of the question.

ROVING YARN.

The rope of threads called sliver is next made into what is termed "roving" by giving the sliver a slight twist by machinery on roving frames. Like sliver, roving is so slight a stage of advancement in manufacture that importation is not to be thought of. And yet, as we shall presently observe, it is subjected to a heavy duty. No roving is made for sale in this country and none is imported. Sliver is in the same condition. Both are made in the domestic spun-silk yarn factories of the United States as a part of the process of converting peignees into yarn.

SPUN-SILK YARN; ALSO KNOWN AS SCHAPPE SILK YARN.

The twisted rope of yarn known as roving is next put on bobbins and spun and further twisted into spun-silk yarn, technically known as schappe silk yarn, or to put it shortly "schappes."

Taking up the spun-silk yarn, we observe that its elaborate classification in the pending bill under a rate scale beginning with unbleached, undyed, uncolored yarn with a single twist and with a certain size estimated according to numbers and increasing as twists, numbers, dyes, and colors are added, and adding further duties if the yarn is placed on bobbins, spools, or beams, means an advance over existing rates of about 40 per cent.

By the way, the Senate Finance Committee have a belated amendment pending doing away with this elaborate classification, and it is therefore not worth while to allude to it further. The Senate Finance Committee have in effect abolished the extremely elaborate classifications in two or three paragraphs of the silk schedule dealing with the vast bulk of silk goods and adopted the plain and simple plan of statement carried in the existing Democratic tariff law. The new proposal involves an increase of the present rate on spun-silk yarn of 35 per cent to 40 and 45 per cent.

That any rate advance on spun-silk yarn is without reason is shown by the remarkable expansion of the spun-silk industry under the present duties. The processes of manufacture are so difficult, numerous, and technical that production on an extensive scale and large capital investments are required. The industry in the United States is in the hands of seven or eight firms, and its total output has grown from 1,617,416 pounds in 1914 to nearly six and three-quarter million in 1920—multiplying itself nearly five times in six years under the present tariff law. There are but four concerns making spun-silk yarn exclusively. The other three or four make the spun silk for their own finished product. It is true that importations average about one-third of the domestic production, but it is also true that they affect in the main but one branch of the spun-silk industry, to wit, certain types of velvet, and that the imported type is not yet successfully or generally produced here. Imports can not be said, therefore, to be seriously competitive with the greater part of the domestic industry. Besides velvet, spun-silk yarn is used in making plushes, piece-dyed broad silks, wool-mixed fabrics, powder-bag cloth, already described, knit goods, and so used to a constantly extending degree. These facts do not show any need for additional tariff subsidy in the production of spun-silk yarn or "schappes."

The rapid growth of the spun-silk yarn industry shows that the present high rate of 35 per cent meets whatever inequalities exist in competitive conditions. Indeed, the Tariff Commission reports that in machinery, raw material, organization, capital, and technique—except the technique necessary to certain types of velvet before referred to—the home industry can not be effectively assailed from abroad. Before 1910 spun-silk imports exceeded home production; since that time the domestic output has so quickly advanced that it has almost doubled importation.

SILK PLUSHES, VELVETS, AND OTHER SILK PILE FABRICS.

We now come to certain finished products made principally of spun-silk yarn, products known as silk plushes and velvets, used for making and trimming both clothes and hats, for imitation furs and seals, pile ribbons, chenille fabrics, draperies, furniture coverings, and so forth. They are also known as silk pile fabrics, a pile fabric being any textile fabric composed of a foundation cloth to which is attached at one end short threads or loops of threads making a hairlike surface. The word "pile" is evidently derived from the Latin "pilus," meaning hair. The short projecting threads form what is called the pile. Most silk velvets and plushes are woven in this country with a pile fashioned from spun-silk yarn and a foundation cloth of some other textile material. Pile fabrics composed wholly of silk—that is, with both foundation cloth and pile of silk—are not made to any large extent in the United States, and such as are used here are mainly brought from abroad. Very few velvet ribbons and no plush for hats are made as yet in the United States.

Silk plushes and velvets form another distinct branch of the American silk industry—a branch that has grown enormously and always enjoyed a high degree of protection under both political parties. The Underwood-Simmons Tariff Act of

1913, the act now in force, gives these articles a rate of 50 per cent ad valorem, paragraph 314 of that act reading as follows:

Velvets, plushes, chenilles, velvet or plush ribbons, or other pile fabrics, composed of silk or of which silk is the component material of chief value, 50 per cent ad valorem.

These articles have never had a smaller degree of protection than 50 per cent, and the pending bill proposes to increase that generous figure about 20 per cent.

In 1914 silk velvet had a domestic production of 16,318,000 yards, valued at $8,570,022; silk plush, 9,115,000 yards, valued at $10,136,000. In 1919 silk velvet had a domestic production of 16,150,000 yards, valued at $20,950,000; silk plush, 5,860,000 yards, valued at over $10,000,000. Imports had a total value of $4,171,390 in 1914, $440,780 in 1919, and $1,157,410 in 1920. Imports in 1920 were less than half of 1914 entries and about half of the average yearly imports through 30 years. Imports consist mainly of all-silk velvets, high-grade specialties, velvet ribbons, all of which are produced to a very small degree or not at all in the United States, and do not compete, therefore, with the mass of American silk plush and velvet production. In fact, an export trade of important proportions has developed since the war, Canada alone receiving from this country silks and velvets to the value of $563,866 in the fiscal year of 1920. In view of these circumstances it is hard to see why there should be an increase of duty over the high protective rates now enjoyed by this branch of the American silk industry. Hatter's plush requires attention at this point. For many years hatter's plush has been placed in the sundry schedule of both Republican and Democratic tariff acts at a rate of 10 per cent ad valorem.

This was done because no hatter's plush was produced in this country, and for a number of years was not imported in sufficient quantities for any particular notice. However, from an average annual value of $46,000 from 1895 to 1909 imports began to increase in 1910, rising to $170,777 in 1914, $445,070 in 1917, and $539,939 in the first nine months of 1921. This is due to the fact that hatter's plush has come to be widely used for women's hats and for a number of general millinery purposes. In view of this widened use the pending bill transfers hatter's plush from the sundry schedule to the velvet and plush paragraph of the silk schedule where it properly belongs. It is claimed by plush manufacturers here that with a proper duty this article can be successfully made in the United States. Inasmuch, however, as the domestic velvet and plush manufacturers have done so well with all other lines it would seem that they should not ask for a larger rate on hatter's plush than they now enjoy on these other lines and in which they have established themselves so firmly.

BROAD SILKS.

Of remaining finished silk products it may be said that in general they are woven from the silk yarns which had themselves been woven from the raw silk reeled from the unpierced, normal, undamaged cocoon. The spun silk yarns derived from the threads called silk waste and originating in the damaged or imperfect cocoons and in left-over fibers of certain milling processes are also used in these products to a minor extent.

Of these remaining products, by far the most important is that known as broad silk. Indeed, "broad silks," a term including all woven silk fabrics in the piece over 12 inches wide, of which silk is the component material of chief value, except bolting cloth, a silk cloth imported especially for milling purposes, so marked as to be unavailable for any other use and admitted free of duty in both existing law and the pending bill, or except when embroidered, tamboured, appliquéd, or made wholly or partly of lace, netting, veiling, and so forth, constitute the largest branch of American silk production. Their principal use is for women's dress goods, linings of all kinds, shirts, ties, underclothing, furniture coverings, draperies, and so forth. Their manufacture requires about half of all the imports of raw reeled silk, and substantial amounts of spun-silk yarn, artificial silk yarn, and yarns of cotton, wool, and mohair. Their output in this country amounted in 1914 to 216,034,000 yards, and to a value of $137,720,000, more than half the total value of domestic silk manufactures in that year. In 1919 the output amounted to 307,104,000 yards, and to a value of $391,225,000, about 44 per cent of the value of all domestic silk products in that year. In the main these articles are made of standard weaves from silk yarns of high quality and of strong fiber, adapted to machinery production on a large scale. Skilled labor is required to a considerable degree, and in recent years home producers have added fancy qualities to the usual standardized types. Imports total about 6 or 7 per cent of internal output, averaging about two and a half million pounds per year during the four fiscal years from 1916 to 1920, inclusive. Exports in 1919 had a value of $10,225,376; in 1920, $8,775,079; during the first nine months of 1921, $2,542,244. The average exports per year during the period from 1916 to 1920, inclusive, has far exceeded the average imports.

In 1914 imports of broad silks came from the following countries in the percentages indicated: France, 52.1 per cent; Switzerland, 12.2 per cent; Japan, 24.8 per cent; China, 1 per cent; other countries furnishing the remainder. In 1921 Japan had jumped to 71.1 per cent, France had fallen to 10.3 per cent, Switzerland had fallen to 4.8 per cent, while China had increased to 5.5 per cent. This means that the United States has practically preempted the field of high-quality silks of the kind made in Europe, finding these more profitable than the lower-type goods, such as Japanese habutai and other light weights, Chinese pongee from wild tussah silk yarn, and so forth. For the most part these last-mentioned products from the Orient are not made here, and supplement the domestic market rather than seriously compete with the mass of standardized high-grade American silks. Some of these, it is true, are made or can be made in the United States, but our manufacturers find the better types more responsive to skilled labor and efficient quantity production.

It may be instructive to cite one or two instances of the success with which American manufacturers supplant European producers in the making of high-class silks. The most important article in the broad-silk trade from 1916 to 1920 was that known as georgette. It originated in France in 1912, and thousands of pieces were imported into the United States in 1913, 1914, and 1915. By 1916, however, the American factories were making it to such an extent and so successfully that with the help of the Democratic tariff rate of 45 per cent they shut out importations altogether in another year or so. Again, in 1910 there originated in France a popular and fashionable silk article known as crêpe grosgrain, or Canton crêpe. It was imported into the United States in large quantities, but in a short while American producers were making it so extensively and so efficiently that the Underwood-Simmons tariff rate of 45 per cent became a complete bar to the foreigner.

With this rate in operation the domestic manufacturers of broad silks have obtained command of the home market. Imports consist either of novelties, specialties, and exceptional grades from Europe, which consumers take regardless of price, and which our own producers import for their own instruction, or of cheap types from the Orient, which home industry either does not make or does not care to make. To add a higher duty is to give what is already a practical monopoly on the part of domestic industry in all kinds of standard silk dress goods a wider license to levy tribute on the American home. And yet the pending bill proposes an increase of about 22 per cent over the present rates on the fabrics now under discussion.

SILK KNIT GOODS.

Second in value to broad silks among finished silk products are silk knit goods, goods made on knitting machines mainly from tram yarn, a yarn thrown or twisted, as we have seen, from reeled raw silk, although spun yarn from silk waste and artificial silk yarn are used to a small extent. Among the principal kinds of silk knit goods in the order of their importance are hosiery, outer wear, including sweaters, scarfs, dresses, etc., gloves, underwear, neckties, knit fabric, thread, yarn, etc. The value of the silk knit goods output had a sensational rise from $41,262,000 in 1914 to $234,927,000 in 1919. Imports have been so small that serious foreign competition can not be said to exist. They have averaged less than $500,000 in value per year during the 30 years from 1891 to 1920, inclusive.

In 1914 they were less than one-half of 1 per cent of domestic production; in 1916 about one one-hundredth of 1 per cent. Exports are in material excess over imports. Notwithstanding the position of absolute security from foreign competition which the domestic silk knit-goods industry has held under the liberal 50 per cent duty of the existing tariff law, the pending bill proposes an increase to 55 and 60 per cent.

SILK RIBBONS AND OTHER SMALL SILK WARES.

Third in value after broad silks and second to knit goods are silk ribbons, the production of which in this country rose from a value of $38,000,000 in 1914 to $66,000,000 in 1919. They are made principally from the thrown silk yarn, the yarn derived, as we have several times observed, from the reeled raw silk, but spun silk yarn as well as cotton, artificial silk, and other yarns are sometimes employed.

Imports are comparatively small and are confined to exceptional qualities not made in the United States. The home industry makes ordinary standard grades and is independent of competition from abroad. In fact, foreign manufacturers do not attempt to compete with home producers in making the staple article, and, furthermore, ribbons produced here are exported in small quantities to Canada and Latin America. The existing Democratic rate of 45 per cent ad valorem and

the high-speed multiple-shuttle ribbon loom, operating on a maximum volume basis, long ago put the overseas competitor out of the running. Nevertheless the Senate Finance Committee, running true to form, proposes an increase to 55 per cent. Silk ribbons are included in paragraph 1207 of the pending bill, which reads as follows:

Fabrics with fast edges, wholly or in chief value of silk, not exceeding 12 inches in width, including ribbons and articles made therefrom, tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of silk or of silk and india rubber, not embroidered in any manner by hand or machinery, and not specially provided for, 55 per cent ad valorem.

The items in this paragraph are called small silk wares and include, besides ribbons, narrow fabrics not over 12 inches in width made on ribbon looms from the thrown yarns, and a number of articles not woven but made directly from the reeled silk threads. Among these articles are hat and cap bands; borders or finishings for dresses; thin taffeta ribbon binding in all staple colors; bindings for tailored garments; bindings for carpets and blankets; inner belting for skirts and waists, insuring proper adjustment; casings for corset steels and "boning" used in dressmaking; elastic banding and webbing containing rubber threads and used for braces, various kinds of supports, surcingles, suspenders, and garters; tubings, cords, tassels, garment labels, fishlines, and so forth.

Imports of these articles reached the highest point during the 30-year period from 1891 to 1920 in the year 1897, when they amounted to $1,221,528. From that point they declined to $489,830 in 1913 and to $434,185 in 1921. Domestic production runs into the tens of millions. Probably more than 50 per cent of the imports now consist of hatbands from Germany, and it is evident that they compete with this particular silk small ware. This leaves practically all the other small wares without the slightest shadow of competition, and the proposal to increase the high protective rate of 45 per cent they already have to a still higher level is as absurd as it is unjust. There may be good reason for leaving the existing rate on hatbands undisturbed. Certainly there is no excuse for increasing the rates on these other wares of common, everyday household use.

SILK HANDKERCHIEFS.

The next article to invite our attention in the silk schedule is the silk handkerchief. Its status is another illustration of the tendency of American manufacturers to make the high-grade, standard silk products and leave the cheaper types to the Japanese habutai and other forms of light-weight silk fabric. The demand for silk handkerchiefs is so unsteady and variable in the United States, their manufacture in Japan from untwisted or unthrown reeled-silk threads so simple a process requiring no especial skill, that the American producer finds he can employ machinery and skill to far better advantage in the higher types of silk fabrics. The result is that there is no separate silk-handkerchief industry in this country; it exists in connection with the broad-silk manufacture or with the making of other kinds of handkerchiefs, and that perhaps 90 per cent of the supply in the United States comes from Japan, as does about 90 per cent of the world's supply. Such silk handkerchiefs as are produced here are either loom-woven from thrown silk or cut from broad-silk fabrics. Importations of silk handkerchiefs had a value in 1920 of nearly $2,000,000, having risen to that figure from $370,955 in 1914. They consist mainly of the cheapest grade of women's silk handkerchiefs, the average unit value being less than $1 a dozen. Under the present tariff law there are three classifications: (1) Silk handkerchiefs, if cut, not hemmed, or hemmed only, bear a duty of 40 per cent; hemstitched or imit..tion hemstitched, 50 per cent; embroidered or lace trimmed, 60 per cent. These are unusually high rates, and yet they have failed to establish a domestic industry. Thus the cheap silk handkerchiefs are made to pay a revenue burden out of all proportion to other articles. Notwithstanding these facts, the Senate Committee on Finance insists on raising all the present duties on silk handkerchiefs, and mufflers as well, to 55 per cent and 60 per cent. As a matter of fact and justice, the duty on these common, cheap articles, a luxury within easy reach of all, should be lowered materially, if not abolished altogether. The duty is a purely revenue duty, carries no protection, because no industry exists of sufficient size to profit by it, and could be reduced without injury to any and with justice to all.

READY-MADE SILK WEARING APPAREL.

The silk product next to be considered is that which may be roughly classified as ready-made silk wearing apparel, including all principal types of male and female wear. This branch of the silk industry consumes nearly all the broad silk cloth before described and, in fact, utilizes every existing form of woven silk goods. It operates on so efficient a basis that competition from other countries is out of the question. In fact, exports of silk wearing apparel made in the United States increased from $2,556,166 in 1918, the first year they were officially recorded, to $10,016,045 in 1920. They declined in 1921 on account of the general business depression, but they still exceeded imports by a million and a half dollars. This is sufficient to show the establishment of the domestic industry beyond the reach of foreign competition. No definite figures are available as to home production because the industry usually exists in connection with the making of garments from other textiles, but it is the statement of the Tariff Commission that it supplies nearly all the demestic consumption. Imports consist mainly of special types for which there is a special demand, and had a value of something like $2,000,000 in 1920. The Tariff Commission also states that in this division of the silk industry the efficiency of American labor offsets the difference in wages paid at home and abroad, and that other conditions are at least equal, that women's wearing apparel is imported from France chiefly for ideas and not for sales, and in deference to the world ascendancy of Paris in the matter of styles. The duty of 50 per cent in the present Democratic tariff law on silk wearing apparel is unnecessarily high, but the Senate Finance Committee, wedded to its idols, proposes an advance to 60 per cent.

ARTIFICIAL SILK.

We now come to a form of silk not derived from the cocoon but made by chemical processes from the cellulose of plant tissue—namely, artificial silk. It is more lustrous than real silk, but heavier, weaker, less elastic, and harder to manipulate. It is much cheaper than the real article and is used chiefly for hosiery and other knit goods, silk and cotton weaving, braids, plush goods, tapestries, embroideries, and so forth. It has certain other uses which do not directly compete with those of natural silk.

The domestic output of artificial silk has grown from 1,566,000 pounds in 1913 to 15,000,000 pounds in 1921. Before the World War it rarely equaled as much as half the internal consumption, but after the war in 1919 and 1920 it equaled 88 per cent of that consumption. Prior to those years one corporation manufactured practically all the domestic output, the American Viscose Co., of New Jersey, a corporation whose stock is controlled by an English artificial silk firm. New plants with varied processes have since started, and a distinct increase in the domestic supply both in quantity and variety has developed. All this has come about under the present rate of 35 per cent ad valorem on artificial silk yarns and 60 per cent on the finished product. The pending bill proposes a specific duty of 35 cents a pound on partially manufactured artificial silk waste; on yarns of various types 45 cents, 50 cents, and 60 cents, respectively, none of these rates to be less than 35 per cent ad valorem, and on finished products 45 cents per pound, plus 60 per cent ad valorem. The proposed rates involve an increase of about 11 per cent on artificial silk fabrics and of 14 to 28 per cent on artificial tram and organzine silk yarns, respectively.

The Senate Finance Committee has since offered amendments changing these rates to some extent. I shall discuss that phase of the matter a little later.

It should be said here that an additional type of artificial silk comes from imitation horsehair, and that this type, both in yarn and finished product, is included in the paragraph of the pending bill relating to artificial silk.

Two processes are principally used in making artificial silk—the viscose and the nitrocellulose. In the former wood pulp is reduced by treatment with caustic soda and carbon bisulphide to a viscous or semifluid mass, and this is converted into filaments or threads. In the latter cotton linters are nitrated into gun cotton, the gun cotton reduced to a viscous, or semifluid mass, which is then converted as in the other process.

The Tubize Artificial Silk Co. of America, a company recently organized, has invested about $7,000,000 in the erection of a plant using the nitrocellulose or cotton linter process at Hopewell, Va., where they are already employing 2,000 people, men and women, with a daily output of 6,000 pounds of yarn per day, the ultimate capacity in view being 10,000 pounds per day.

This process was the first used for making artificial silk, having been discovered by Chardonnet in 1885. It is owned by an artificial silk concern in Belgium, the Fabrique Soir Artificiale. R. H. Murray, of the Tubize Artificial Silk Co. of America, said before the Ways and Means Committee of the House that his was a new company, associated with the Belgian organization, whose processes the new company had bought for American use. He did not say on what terms the old and the new company were associated, or what royalties or what control would be enjoyed by the foreign company.

In addition to the almost miraculous development of the artificial silk industry in the United States it should be noted that its exports to other countries had a value of $3,406,191 in the calendar year of 1918, $9,694,248 in 1919, $7,909,299 in 1920, and nearly $3,000,000 during the first nine months of 1921. Imports in the calendar year of 1918 were valued at $36,577; 1919, $129,154; 1920, $726,438; in 1921, first nine months, $319,354.

Mr. Simon Rosenau, of Philadelphia, representing manufacturers of artificial silk goods, said before the Ways and Means Committee of the House that the manufacture of artificial silk fabrics and garments was growing tremendously and would in the near future be as large as the real silk industry.

It is little less than scandalous that an industry like that of artificial silk, which under exceptionally high duties has had so wonderful an expansion—multiplying itself fifteen times in less than a decade, established so firmly that its exports run into the millions while imports remain less than 5 per cent of the home output—should ask and secure the imposition of higher tariff taxes on some of its products. While there may be a slight reduction on its finished products, the Senate Finance Committee has recommended a substantial increase on artificial silk yarns, an increase from 35 per cent under existing law to 40 and 50 per cent. The present rate on finished products of artificial silk is 60 per cent. This is slightly reduced. The reduction should be greater.

THE "CATCH-ALL" OR BASKET CLAUSE.

Lest some form of silk manufacture might possibly escape the most elaborate, comprehensive, and exorbitant duty scheme ever devised, the rate in the "catch-all" or basket paragraph of the silk schedule is increased in the pending bill to 60 per cent. In the existing tariff law the basket duty is 45 per cent. Truly, the "catch-all" clause in the pending bill is all that its name implies. It is contained in paragraph 1213 of the bill under debate, which reads as follows:

PAR. 1213. All manufactures of silk or of which silk is the component material of chief value, not specially provided for, 60 per cent ad valorem.

CONCLUSIONS.

The growth of the American silk industry is an illustration of those American qualities of initiative, energy, vision, creation, and execution which rank among the marvels of modern times. The Aladdin of American genius touched the lamp of American skill and resource, and, behold, a domestic silk production valued at $295,000,000 in 1914 swept to a value of $895,000,000 in 1919. Rarely has such a development been equaled in commercial annals; rarely, if ever, has it been surpassed. So rapid has been its progress that the American silk industry is to-day the largest in the world and the third greatest form of textile manufacture in the United States. It consumes probably three-fourths of the world's crop of raw silk. Its command of the home market is shown by an importation of finished silk products in 1914 valued at only $34,797,000, which increased to but $53,000,000 in 1919, about half of which was in bonded warehouses and not intended for local consumption. Internal output almost trebled, while the ratio of imports dropped more than half in the short space of five years.

If anything could be more astounding than this expansion it would be the audacity of the proposal in the pending tariff bill to enlarge the tariff duties on silk imports in the face of the record under existing rates. The silk makers themselves were by no means a unit on such a course. Several producers urged the retention of present tariffs at the hearings before the proper committees of Senate and House. They pointed to the world leadership of this country in the fabrication of silk—to the practical monopoly it had established here in standard goods of general use—and to the fact that with high-speed machinery, volume production, efficient labor, ample capital, and aggressive management it presented a front of adamant to the assaults of foreign rivals.

The average rate of 45 per cent ad valorem on silk imports in the Democratic tariff act which has been in force since 1913 and which the Republican Party is about to increase has proved to be not only a distinctly protective duty but in many instances a prohibitive one. The Democratic Party levied so large an impost on the theory that silks were luxuries. It is clear, however, that to-day many silk or part-silk articles, among which may be mentioned surgical threads and other medical supplies, insulated coverings for electric wires, cheap handkerchiefs, household furnishings, standard dress goods, dress accessories, coffin linings, and so forth, are of such widespread use among the American people that to a material and growing extent they may be classed as comforts and in some instances as necessities. They help to form that mass of useful commodities which find a more general distribution in the United States to-day than in any other country and which make possible what is known and envied everywhere as the American standard of living. American labor, the most active and effective on earth; American capital, the most colossal and the most efficient in the records of finance; American environment and opportunity, to date the fairest and most unfettered that ever spurred achievement or sustained ambition—all these have united to surround our present population with the most varied and available supply of the articles of material welfare and development history has yet noted.

The enlargement of that supply is one of our fundamental problems. It is not yet large enough to place within the reach of every citizen of energy and intelligence the requisite quantity of the commodities that assure healthful, comfortable, hopeful life. It may be carried to that happy end if relations of harmony and confidence and mutual solicitude prevail among labor and capital and Government. The growing shadow on our economic progress and on our civilization is the hostility now arising between purveyors of capital and managers of enterprise on one side, the hosts of physical toil upon the other. How unfortunate it is that at this critical hour the party in control of Government should lash the troubled waters into further fury by the imposition of the most oppressive tariff taxes in American annals—taxes on nearly everything of human necessity and use, from the swaddling bands of infancy to the shrouds of the dead—taxes which, as in this silk schedule, buttress monopoly and invite extortion; taxes which reveal this Government as the instrument of privilege, no longer the exemplar of equal opportunity; taxes which will do much to undermine the spirit behind the economic structure that brings to the American citizen more of the satisfactions, enjoyments, substantials, safeguards, and even luxuries of life than has yet been realized in this or any other land.

Mr. McLEAN. Mr. President, I think if I knew as much about raw silk as the able Senator from Texas [Mr. SHEPPARD] knows about raw wool, I would be able to get a unanimous vote on this schedule. The Senate will remember that the Senator from Texas, who has just delivered his illuminating essay on the silkworm, voted for a tariff of 129 per cent ad valorem on the low-grade coarse varieties of wool. I voted with him, because I am certain that unless we protect the sheep industry in this country woolen cloth will be more expensive than silk cloth in a very few years.

The rates in this schedule, although they are imposed upon a luxury, a class of goods which ordinarily bears high taxes, as do wines and tobacco, are less than half of the duties on raw wool. The highest rate in this schedule is on velvets—60 per cent ad valorem. That is only 10 per cent higher than the Underwood rate, or revenue rate. The next highest is 55 per cent on silk cloth, broad silks, and that is only 10 per cent higher than the rate in the Underwood law. The rates on the yarns and the partly finished products are based upon the best information the committee could get, information gathered partly from the Reynolds report and from a very careful estimate of manufacturers' costs of silk goods in this country, and I want to say that those rates in no case give more than reasonable protection to the industry.

The chairman of the committee, the Senator from North Dakota [Mr. MCCUMBER], said that the price of silk now was something like $6 a pound. That is true with regard to the fine reeled silk, but a very large percentage of the product is called waste silk, taken from the punctured cocoons. The price of that is very much less, and from that product a very large percentage of the goods which compete with our goods is made in China and Japan.

It is unnecessary for me to call the attention of the Senate to the importance of this industry. It employs something like 140,000 men and women, which means that half a million people in this country are dependent on the industry, and the industry is now working on half time.

The first real protective tariff on silk was imposed in 1864, which, if I remember correctly, was an ad valorem rate of 60 per cent upon the finished goods. The raw silk has come in free since that time, as we all know. The effect of that tariff I think is the most graphic illustration of the benefit of the protective principle that we have, because the raw material is all imported, and the growth of this industry and its development, depending as it does upon importations for its raw material, have been remarkable, and its history, it seems to me, is a complete answer to the arguments to which we have listened for weeks and months, emanating from the other side of the Chamber, and which attempt to discredit the committee and the pending bill because of the taxes which they insist are imposed by protective duties.

The arguments to which we have listened from the distinguished Senator from North Carolina [Mr. SIMMONS] and the Senator from Massachusetts [Mr. WALSH] and others, denouncing the rates in this bill, especially those applying to the woolen and cotton industries, as taxing the American people in enormous sums, have no significance whatever and are of no value whatever in measuring the merits or the demerits of the principle of protection as a permanent national policy.

When a State builds a university, it does not estimate the value of that university in the cost of the construction of the college buildings, and when a State or a county builds a highway, they do not measure the value of that highway to the public by the cost of its construction. Yet gentlemen on the other side of the Chamber confine their arguments against this bill entirely to the cost of the article in the year succeeding the imposition of these duties. The experience we have had with the silk industry, as I have said, demonstrates that those arguments have no significance whatever when they undertake to measure the benefits of protection as a permanent policy.

Mr. President, as I have said, the industry was established after 1864. They made silk in this country as early as 1843. In 1843 the employees worked 72 hours a week and received 6 cents an hour. That meant $4.32 a week. In 1921 the employees in the industry averaged about 48 hours a week and were paid about 49 cents an hour. In 1868 the common grosgrain silks sold for $3 a yard. In 1914 they sold for 60 cents a yard.

Mr. KELLOGG. What are they selling for now?

Mr. McLEAN. The Senator knows that since the war prices of all silks have increased, and I can not tell the Senator what the price of this particular article is to-day. It is higher, but I am confining my illustration to normal times.

We have here an illustration of the effect of protection upon an industry where we have to import all the raw materials. Mr. President, a day's work to-day in this country will buy from five to six times the silk goods that it would in 1868. That is precisely what always happens when we have a protective duty upon a legitimate industry where natural conditions are comparable with those of our competitors.

I will repeat what I said to the Senator from Texas a few moments ago. I voted for the tariff upon wool because I know that our flocks decreased from 65,000,000 to something like 45,000,000 under free wool, and I know that but for the protection which the industry has had the sheep industry in the country would have been destroyed and we would have been entirely dependent upon the producers of wools in foreign countries. Once that is the case, woolen clothing would bring all the trade would bear, and that means that it would bring all the foreign monopolists desired to charge us.

Mr. President, when the Dingley bill was framed a system of specific duties was applied to the silk schedule, owing to the price of silks at that time. That same policy was followed in the Payne-Aldrich Act; that is, the specific rates were continued, and for the same reason. When the Ways and Means Committee of the House, something like 18 months ago, framed this schedule they adopted the specific rates. At that time it was realized that they would be inoperative, owing to the price of silk, but it was thought best to retain them as a sort of gun behind the door, and they were retained. They were retained by the Finance Committee of the Senate when it first considered the schedule; but upon giving the matter further consideration, realizing that the specific rates would not operate, we thought it best to recommend ad valorem duties, with one or two exceptions.

With regard to the first paragraph which comes up for consideration, I do not know whether the chairman of the committee presented the amendment or not. If not, I ask that the first amendment be reported.

The PRESIDENT pro tempore. The Secretary will report the first amendment in the schedule proposed by the Committee on Finance.

Mr. SHEPPARD. Mr. President, before the amendment is reported I want to say to the Senator that I voted for the duty on raw wool because I propose to do what I can while the bill is being perfected to see that duties are levied on the products of the ranch and farm as well as on those of the factory. If we are going to have a policy of protection let it be applied without discrimination as between products and sections. When the time comes to vote finally on the entire bill I shall, of course, vote against it.

Mr. McLEAN. I assume that the Senator from Texas voted for the duty on raw wool because he thought it was justified. It was 129 per cent ad valorem.

Mr. SHEPPARD. Certainly it is justified when the duties on the finished product are considered. It may also be justified on its own account. At any rate let there be no discrimination between the raw material and the finished product.

SILK SCHEDULE.

The PRESIDENT pro tempore. The Secretary will state the first amendment.

The READING CLERK. The first amendment of the Committee on Finance is on page 154, in paragraph 1201, in line 13, to strike out the word "manufactured" and insert "manufactured, including total or partial degumming," so as to read:

PAR. 1201. Silk partially manufactured, including total or partial degumming from raw silk waste silk or cocoons, etc.

Mr. McCUMBER. Some time ago we offered certain amendments changing the phraseology entirely. I will send a copy of those amendments to the desk.

The PRESIDENT pro tempore. The committee withdraws the amendment just stated and substitutes therefor the amendment which will be stated.

The READING CLERK. On page 154 strike out lines 13 to 19, both inclusive, and insert in lieu thereof the following:

PAR. 1201. Silk partially manufactured, including total or partial degumming other than in the reeling process, from raw silk, waste silk, or cocoons, or silk and artificial silk, and silk noils exceeding 2 inches in length; all the foregoing not twisted or spun, 35 per cent ad valorem.

Mr. SHEPPARD. I move to amend the amendment proposed by the committee by striking out the words "from raw silk," in line 5 of the amendment as printed.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Texas to the amendment of the committee will be stated.

The READING CLERK. In line 5 of the committee amendment as printed the Senator from Texas moves to strike out the words "from raw silk."

Mr. SHEPPARD. I do this because there is no such article as that described by the language I propose to strike out. The raw reeled silk comes in free. The next manufactured form is known as thrown silk. It is given a separate duty under another paragraph of the bill. There is no intermediate manufactured form. It is true that the raw reeled silk might be wound on spools or tubes, and in that form become dutiable under this paragraph, but there would be neither justice nor sense in such a proceeding. Surely the winding of the reeled raw silk on tubes and spools could not be called a stage of manufacture, such a stage as to call for a separate duty.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Texas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. McLEAN. Does the Senator from Texas wish to comment further upon rates?

Mr. SHEPPARD. Yes. I move to strike out "35 per cent ad valorem" and insert "20 cents per pound."

The PRESIDENT pro tempore. The Secretary will state the amendment now proposed by the Senator from Texas.

The READING CLERK. On line 7 of the amendment as printed the Senator from Texas moves to strike out "35 per cent ad valorem" and insert "20 cents per pound."

Mr. SHEPPARD. May I ask the Senator from Connecticut a question? What is the meaning of the expression "or silk and artificial silk"? Is that the finished product? What is intended by that language?

Mr. McLEAN. That is where they mix silk and artificial silk.

Mr. SHEPPARD. Does the Senator mean silk manufactured from silk and artificial silk?

Mr. McLEAN. Yes.

Mr. SHEPPARD. What is the kind of cloth to which that term applies?

Mr. McLEAN. It is described here. They mix the real silk with the artificial silk. The Senator knows that artificial silk is made from cellulose prepared from wood. The nitrates are removed by the use of caustic potash. I am not familiar with the process, but it is all conversion cost, and the rate has to be fully as high upon the artificial silk as it does upon the real silk.

Mr. SHEPPARD. Very well. On my motion to substitute 20 cents per pound for 35 per cent ad valorem I desire to call attention to the fact that the price per pound of the silk yarn referred to in the paragraph as made from reeled raw silk is

about $8, so that the existing duty of 20 cents a pound would be nearly 3 per cent ad valorem. In this form the reeled raw silk would be wound on spools or tubes, the only intermediate step between reeled raw silk and the thrown yarn. Very little, if any, is so imported, however. If by any chance there should be any importation, the proposed ad valorem of 35 per cent would represent an increase of about 1,000 per cent over the existing ad valorem of 3 per cent.

Mr. McLEAN. The Senator is entirely mistaken about the value of silk.

Mr. SHEPPARD. It certainly could not be less than the raw reeled silk.

Mr. McLEAN. It will be seen by the Reynolds report that it runs from $2.50 up.

Mr. SHEPPARD. When the Senator speaks of $2.50 silk yarn he is evidently referring to the artificial silk.

Mr. McLEAN. Oh, no; not artificial silk.

Mr. SHEPPARD. The Senator did not allow me to conclude. I make the statement that the price of raw reeled silk to-day is around $8 per pound.

Mr. McLEAN. Yes; the reeled silk.

Mr. SHEPPARD. The raw reeled silk. Winding it on spools and tubes and bringing it in under the proposed paragraph would not lessen its value.

Mr. McLEAN. The very fine silk which is reeled comes from perfect cocoons and is $6 per pound. A very large percentage of the material is from the waste silk, and that, it will be seen, runs from $2 a pound up.

Mr. SHEPPARD. But this paragraph professes to include yarns made from raw reeled silk as well as the threads from waste silk.

Mr. McLEAN. The importations are all from the waste silk, or nearly all. The importations are from the cheaper grades of waste silk, because they know how to handle them over there so much better than we do.

Mr. SHEPPARD. That is true, but if any of the reeled raw silk should come in on spools or tubes it would surely be worth as much as the reeled raw silk itself, to wit, about $8 at present.

Mr. McLEAN. It is only the waste silk that comes in, I will say to the Senator.

Mr. SHEPPARD. I am entirely willing to argue the matter on that basis also.

Mr. McLEAN. If the Senator will pardon me, I would like to make a brief statement with regard to that matter.

The material represented in paragraph 1201 is the first step toward manufacturing spun silk yarn from the various wastes produced in the reeling industry, the chief materials being pierced cocoons and frisons, which are the waste of reeling establishments. In the usual form in which it is likely to appear is combed silk, otherwise known as peignee. The appearance of the material is somewhat similar in condition to the wool top. There is a great deal of capital involved in the development of the article. In chemical research alone large sums have been expended.

Inasmuch as this is only a partly manufactured article, there would naturally, under normal circumstances, be no importations on the part of a person regularly engaged in the business who had a complete plant for producing the finished article. The only condition upon which it might become an important factor would be the establishment of a spinning plant in this country having a foreign connection which might manufacture its combed silk and its finished yarns in this country. Mr. President, there is such a plant already in existence, recently established by the European combination of spinners, and for that reason this paragraph may have a greater bearing in the future upon the course of the domestic industry. It should be remembered that its value is very difficult to determine. The committee did the best it could to get accurate estimates of the value of peignee. We took our estimates from the Reynolds report and from reports received from three or four of the leading manufacturers.

The statement which I am about to read is a statement of the approximate averages and the duty required to cover the cost of production in this country and abroad:

The cost of manufacturing in the United States averages approximately $2.85 per pound, of which 99 cents is conversion cost. Japan has recently developed a very large facility for its manufacture. It claims to be now in a position to manufacture all the wastes produced in China and Japan. The average cost of the product in Japan is $1.89, of which 33 cents is cost of conversion. The European cost per pound averages approximately $2.23, of which 50 cents per pound is conversion cost. Japanese and European spinners use materials of less value than those used in the United States. Originally the spinners in this country asked for specific duty of 65 cents per pound. The duty finally determined upon by the Finance Committee—

Which has now been stricken out—

was 55 cents per pound; the differential ranges from 96 cents per pound to 62 cents per pound.

The average value of this material reported by the Reynolds investigation was $2.04, on which basis a differential of 81 cents would exist. The ad valorem equivalent of the average differential is about 40 per cent.

The committee recommended 35 per cent ad valorem.

It should be borne in mind that peignee is a prime necessity in time of war, as the Senator from Texas suggested in his remarks. The Senator from Texas also suggested that for that reason it should have a protective duty. If it is to be protected at all, the rate must reasonably cover the difference in the conversion cost. Your committee has done the best it could to ascertain that cost. As Senators know, it furnishes the cartridge casings, and it is very important that this industry should be maintained.

In the hearings before the Committee on Finance considerable testimony was taken with regard to this schedule. I shall not take time to read that testimony, but Mr. M. C. Migel quoted an extract from the survey of the Tariff Commission, which I wish to read to the Senate and which it seems to me clearly implies the necessity for an adequate duty upon this product. I quote:

It has been reported from time to time that leading European spun-silk producers are considering the establishment of spinning plants in the United States to work up into yarn peignee produced by them abroad. So far, however, no such plants have been established.

That is not true to-day, for a plant has been established. I continue to quote:

Should such plants be constructed here, they would suffer no disadvantage in being dependent upon imported peignee, for they would not only possess an assured supply but would know the exact character of the waste used. In that case, unless peignee production by domestic spinners is sufficiently efficient, or the duty on peignee sufficiently high to make the cost of producing it in the United States as low as the cost of the imported article, plus duty, they would, despite their disinclination, probably be forced to use imported peignee in order to make spun silk cheap enough to sell in competition with the new concerns.

Mr. SHEPPARD. Mr. President, accepting the statement of the Senator from Connecticut that the minimum value of the yarn from silk waste covered in this paragraph is $2 a pound, the existing rate of 20 cents a pound will be equal to 10 per cent ad valorem. This paragraph proposes a rate of 35 per cent ad valorem—an increase, therefore, of about 250 per cent. I have already shown that importations of threads or yarn made from waste silk, namely, peignees, bear so small a proportion to home production that any advance in duty is beyond excuse. The proposed increase of 250 per cent should not be tolerated. If Senators wish to vote for an increase of that kind, they may do so; but not without entire knowledge of the facts.

Mr. McLEAN. I want to state——

Mr. SHEPPARD. Let me conclude. Raw reeled silk wound on spools or tubes would be dutiable under this amendment, would be subjected to a duty of 35 per cent on a value of about $8 per pound. The present rate is 20 cents a pound, about 3 per cent ad valorem. The increase, therefore, on this form of silk yarn would be about 1,000 per cent. The Senate evidently thinks that such a form exists, because it voted down my motion to strike out the words in the amendment describing it. On yarn made from waste silk, namely, on peignees, the proposed increase is at least 250 per cent. I am willing to concede that this is practically the only type of yarn dutiable under the amendment in any substantial amount.

Mr. McLEAN. If the raw material came in free and we put on a 10 per cent ad valorem, what would be the percentage of increase?

Mr. SHEPPARD. Is the Senator asking a mathematical question?

Mr. McLEAN. Yes. If on an article which formerly came in free we imposed a duty of 10 per cent or 15 per cent, what would be the percentage of increase?

Mr. SHEPPARD. Where an article is on the free list and a duty is placed upon it, there is no way of telling what the percentage of increase is. The Senator attempted a while ago to show that I had voted for a certain percentage of increase when I voted to take wool from the free list, but there is no earthly way of estimating the percentage of increase when an article is so treated. That, however, is not the situation which is presented in this paragraph.

Mr. McLEAN. It is just as easy to estimate the increase upon the proposition which I made as it is to make the estimate suggested by the Senator from Texas. Suppose we have a duty of 10 per cent and we increase it to 20 per cent, the Senator insists that we are increasing it 100 per cent; that is his proposition. I am tired of that kind of mathematics. The increase

would be 10 per cent, and that is all, if I know anything about arithmetic.

Mr. SHEPPARD. I know the Senator from Connecticut is weary of that kind of mathematics, the mathematics of truth; but Senators must realize that they are voting for an increase of at least 250 per cent when they vote for this proposed rate.

Mr. McLEAN. We are not doing that.

Mr. SHEPPARD. I ask for the yeas and nays on my amendment.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Texas to the amendment reported by the committee.

Mr. HEFLIN. Mr. President, the Senator from Connecticut says that he is getting tired of this sort of mathematics. There will be a good many things to contribute to the tired feeling of the Senator from Connecticut before he gets through with this robber tariff bill and some other measures pending in the Senate.

I hold in my hand, Mr. President, an editorial from the North American, a Republican newspaper published in Philadelphia. As I heard the Senator from Texas [Mr. SHEPPARD] talking about the Republicans in this body increasing these tariff rates from 100 per cent to 400 and 1,000 per cent, I recalled the fate of the Payne-Aldrich tariff law which provided no such high rates as are proposed by the bill now under consideration. This Republican newspaper, appealing to this Republican Congress, says:

> There is at the present time an unexcelled opportunity for some Republican or Democratic Member of Congress possessing the necessary courage and ability to perform a great public service and achieve high place as a statesman. Honor will be his and enduring fame if he will but tell the American people the truth about the tariff and pending legislation thereon.

Continuing, the editorial says:

> Truth telling about the tariff is not an unattainable ideal. It is not an unheard-of achievement. A Member of Congress once reached this height of statesmanship, and the Nation rang with his praises—and followed his farseeing advice. Jonathan P. Dolliver, United States Senator from Iowa, performed an historic service when he led the fight against the betrayal of the Republican Party and the country in the Payne-Aldrich bill of 1909. He did not prevent its passage, but he revealed its evils and its falsities with such clearness that it was discredited long before it was signed by President Taft, who himself had confessed that some features of it were "indefensible."
>
> Day after day during that summer Senator Dolliver met all comers in debate, analyzing the schedules, exposing the special interests which had dictated them, and showing how party and presidential pledges of revision downward were being dishonored. Nor did he quit the fight after he was beaten, for in June, 1910, he delivered in the Senate a speech which was a masterpiece of powerful oratory—a merciless revelation of how the President had been used by unscrupulous interests and how the public had been wronged in the manipulated legislation.
>
> Dolliver was a stanch believer in tariff protection. He stood for a tariff framed to offset the difference between foreign and American production costs and to preserve the American workers' standard of living. But he was implacably against those who, disguised as champions of honest protection, sought to put the rates so high that they could wring tribute from the American people. "It is going to be very difficult," he said—

Referring to Senator Dolliver—

> "to get me out of the old Republican Party. It can not be done by lying about me, by calling me names calculated to prejudice me in a Republican community. But I do not propose that the remaining years of my life shall be given up to a dull consent to the success of these tariff conspirators, who do not hesitate to use the lawmaking power of the United States to multiply their own wealth and to fill the market places with evidences of their avarice."

That is what a great Republican statesman did and said here, Mr. President, when the tariff barons were using the taxing power against the American people to enrich themselves. He was opposing a bill far less objectionable and monstrous than the pending tariff measure; and here is a Republican newspaper reminding this Congress of just what occurred in the other Republican Congress when the bill which Dolliver denounced, although less objectionable than the bill now before us, was forced through that Congress, and praising his name long after he is dead for the fight that he made then, telling what happened to those who voted for that bill, and reminding the Republicans now attempting to pass a worse bill that the same fate awaits them. But "none of these things" move the old standpatter, who has his instructions from the tariff conspirators of whom Dolliver spoke. These tariff barons feel that through big campaign contributions to the last Republican campaign fund they bought the right to tax the American people for their own special benefit. It remains to be seen whether the people will approve such misuse and abuse of the taxing power. The Senator from Connecticut and his party here advocate tariff rates ranging from 100 to 1,000 per cent on cheap silk. This is the only kind of silk that the poor can ever buy. The editor of the North American seems to be in search of a speech that strongly and eloquently points out some of the iniquities of the present monstrous tariff measure, and I commend to his careful consideration the able and unanswerable argument of the Senator from Texas [Mr. SHEPPARD].

The PRESIDENT pro tempore. The question is upon the amendment of the Senator from Texas to the amendment reported by the committee.

Mr. SHEPPARD. Upon that I ask for the yeas and nays.

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

Mr. DIAL (when his name was called). Making the same announcement of my pair as on the former ballot, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Montana [Mr. MYERS] and will vote. I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before of the transfer of my pair, I vote "nay."

Mr. McCUMBER ((when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote as to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Transferring my pair as on the last roll call, I vote "nay."

Mr. WILLIS (when his name was called). I transfer my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the senior Senator from Maryland [Mr. FRANCE] and will vote. I vote "nay."

The roll call was concluded.

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. TRAMMELL. Making the same transfer of my pair as on the previous ballot, I vote "yea."

Mr. JONES of Washington (after having voted in the negative). Has the Senator from Virginia [Mr. SWANSON] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. JONES of Washington. I have a pair with that Senator for the afternoon, which I find I can transfer to the Senator from Oklahoma [Mr. HARRELD]. I do so, and will allow my vote to stand.

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

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The roll call resulted—yeas 15, nays 33, as follows:

YEAS—15.

Ashurst	Harris	Overman	Simmons
Caraway	Harrison	Ransdell	Trammell
Dial	Heflin	Robinson	Walsh, Mass.
Fletcher	Jones, N. Mex.	Sheppard	

NAYS—33.

Brandegee	Frelinghuysen	McKinley	Smoot
Broussard	Gooding	McLean	Spencer
Bursum	Jones, Wash.	McNary	Sterling
Calder	Kellogg	Moses	Warren
Cameron	Kendrick	Nelson	Watson, Ind.
Capper	Keyes	New	Willis
Cummins	Lenroot	Newberry	
Curtis	Lodge	Oddie	
Ernst	McCumber	Phipps	

NOT VOTING—48.

Ball	Glass	Norbeck	Smith
Borah	Hale	Norris	Stanfield
Colt	Harreld	Owen	Stanley
Crow	Hitchcock	Page	Sutherland
Culberson	Johnson	Pepper	Swanson
Dillingham	King	Pittman	Townsend
du Pont	Ladd	Poindexter	Underwood
Edge	La Follette	Pomerene	Wadsworth
Elkins	McCormick	Rawson	Walsh, Mont.
Fernald	McKellar	Reed	Watson, Ga.
France	Myers	Shields	Weller
Gerry	Nicholson	Shortridge	Williams

The PRESIDENT pro tempore. On this question the yeas are 15, the nays are 33. A quorum has not voted. The Secretary will call the roll.

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

Ashurst	Capper	Fletcher	Heflin
Brandegee	Caraway	Frelinghuysen	Hitchcock
Broussard	Cummins	Gooding	Jones, N. Mex.
Bursum	Curtis	Harreld	Jones, Wash.
Calder	Dial	Harris	Kellogg
Cameron	Ernst	Harrison	Kendrick

Keyes	Nelson	Robinson	Trammell
Lodge	New	Sheppard	Warren
McCumber	Newberry	Simmons	Watson, Ind.
McKinley	Oddie	Smoot	Willis
McLean	Overman	Spencer	
McNary	Phipps	Sterling	
Moses	Ransdell	Swanson	

The PRESIDENT pro tempore. Forty-nine Senators having answered to their names, there is a quorum present. The question is upon the amendment proposed by the Senator from Texas [Mr. SHEPPARD] to the amendment of the committee, upon which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "yea."

Mr. ERNST (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to my pair and its transfer as on the former vote, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], I vote "yea."

Mr. STERLING (when his name was called). On this question I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH], and vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous ballot as to the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIS (when his name was called). Repeating the announcement made on the last vote as to my pair and its transfer, I vote "nay."

The roll call having been concluded, the result was announced—yeas 17, nays 34, as follows:

YEAS—17.

Ashurst	Harrison	Ransdell	Trammell
Caraway	Heflin	Robinson	Walsh, Mass.
Dial	Hitchcock	Sheppard	
Fletcher	Jones, N. Mex.	Simmons	
Harris	Overman	Swanson	

NAYS—34.

Brandegee	Frelinghuysen	McCumber	Phipps
Broussard	Gooding	McKinley	Smoot
Bursum	Harreld	McLean	Spencer
Calder	Jones, Wash.	McNary	Sterling
Cameron	Kellogg	Moses	Warren
Capper	Kendrick	Nelson	Watson, Ind.
Cummins	Keyes	New	Willis
Curtis	Lenroot	Newberry	
Ernst	Lodge	Oddie	

NOT VOTING—45.

Ball	Glass	Owen	Stanley
Borah	Hale	Page	Sutherland
Colt	Johnson	Pepper	Townsend
Crow	King	Pittman	Underwood
Culberson	Ladd	Poindexter	Wadsworth
Dillingham	La Follette	Pomerene	Walsh, Mont.
du Pont	McCormick	Rawson	Watson, Ga.
Edge	McKellar	Reed	Weller
Elkins	Myers	Shields	Williams
Fernald	Nicholson	Shortridge	
France	Norbeck	Smith	
Gerry	Norris	Stanfield	

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the committee was, on page 154, lines 20 and 21, to strike out "silk yarn" and insert in lieu thereof "yarn of silk and artificial silk."

Mr. SHEPPARD. Mr. President, will the Senator from Connecticut tell us why those additional words are used?

Mr. McLEAN. If I understand the Senator, he refers to the amendment which includes the mixture of the artificial silk and the real silk.

Mr. SHEPPARD. I ask the Senator to explain why the words are changed.

Mr. McLEAN. You have to have the same duty on the artificial as you have on the real silk.

Mr. SHEPPARD. In paragraph 1201 the language "or silk and artificial silk" is used. The word "yarn" does not appear.

Mr. McLEAN. There is no yarn in that.

Mr. SHEPPARD. In this proposal the Senator wants to strike out the words "silk yarn" and substitute therefor the words "yarn of silk." What is the difference?

Mr. McLEAN. That was recommended by the experts as a better definition; that is all. It seems to me to be better English, and I think it defines the article better.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 154, line 23, after the word "of," to strike out "singles," and to insert "singles"; in line 24, after the word "yarns," to strike out "together" and insert "together,"; in line 25, after the word "per," to strike out "pound" and to insert "pound,"; on page 155, line 5, after the word "together," to strike out "at the" and to insert "the specific"; and in line 7, after the word "colored," to strike out "at the" and to insert "the specific"; in line 10, after the word "foregoing," to insert the word "specific," so as to read:

PAR. 1202. Spun silk or schappe silk yarn, or yarn of silk and artificial silk, and roving, in skeins, cops, or warps, if not bleached, dyed, colored, or advanced beyond the condition of singles by grouping or twisting two or more yarns together, on all numbers up to and including number 205, 45 cents per pound, and in addition thereto ten one-hundredths of 1 cent per number per pound; exceeding number 205, 45 cents per pound, and in addition thereto fifteen one-hundredths of 1 cent per number per pound; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, the specific rate on the single yarn and in addition thereto 5 cents per pound cumulative; if bleached, dyed, or colored, the specific rate on unbleached yarn and in addition thereto 10 cents per pound cumulative: *Provided*, That any of the foregoing on bobbins, spools, or beams shall pay the foregoing specific rates, according to the character of the yarn or roving, and in addition thereto 10 cents per pound.

The amendment was agreed to.

The next amendment was, on page 155, line 12, to strike out all of the matter beginning after the word "pound" and the colon, down to and including the words "ad valorem" in line 14, and insert in lieu thereof the following:

Provided further, That none of the foregoing single yarn or roving shall pay a less rate of duty than 40 per cent ad valorem: *And provided further*, That none of the foregoing two or more ply yarn shall pay a less rate of duty than 45 per cent ad valorem.

Mr. SHEPPARD. I move to strike out the figure "40" and insert "35."

The READING CLERK. On page 2, line 2, of the amendment the Senator from Texas proposes to strike out "40" and insert in lieu thereof "35."

Mr. SHEPPARD. I want to say that the rate of 35 per cent ad valorem is the rate applied to this entire branch of the silk industry under the present law. It is my intention to move to substitute the text and rate of existing law for this paragraph. Under the rule now governing the debate that can not be done until the committee amendments are completed. For the present, therefore, I shall content myself by moving to substitute the present rate where it is changed in this amendment. Therefore I move to strike out "40" and insert in lieu thereof "35."

The amendment to the amendment was rejected.

Mr. SHEPPARD. For the same reason I move to strike out the figures "45" and insert "35" in the last line of the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 2 of the amendment as printed, line 4, the Senator from Texas moves to strike out "45" and insert in lieu thereof "35."

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 155, line 15, after the word "yarn," to insert a comma and the words "or yarn of silk and artificial silk."

The amendment was agreed to.

The next amendment was, on page 155, to strike out all of the matter beginning with line 22 down to and including line 6 on page 156, in the following words:

PAR. 1203. Thrown silk in the gum, if singles, 50 cents per pound; if tram, 75 cents per pound; any of the foregoing containing more than 30 turns of twist per inch, and organzine, $1 per pound; if ungummed, wholly or in part, or if further advanced by any process of manufacture, in addition to the rates herein provided, 50 cents per pound: *Provided*, That none of the foregoing shall pay a less rate of duty than 12½ per cent ad valorem. In no case shall the duty be assessed on a less number of yards than is marked on the goods as imported.

And to insert in lieu thereof the following:

PAR. 1203. Thrown silk not more advanced than singles, tram, or organzine, 25 per cent ad valorem.

Mr. SHEPPARD. I will ask the Senator from North Dakota if it is his purpose to proceed with the debate on this paragraph to-night?

Mr. McCUMBER. I would be glad if we could finish the schedule to-night, but I do not know whether we can do so or not.

Mr. SHEPPARD. As we have made fairly good progress, I suggest that we recess until to-morrow.

Mr. McCUMBER. I understand that the Senator from Indiana [Mr. NEW] has a matter, to which there will be no objection, which he would like to have considered, and I will agree that the tariff bill may be temporarily laid aside for that purpose, to be followed by a short executive session, and then a recess in accordance with the unanimous-consent agreement.

COL. FREDERICK MEARS.

Mr. NEW. Mr. President, in accordance with the announcement made by the Senator from North Dakota there is a House joint resolution (H. J. Res. 316) authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission, which should have immediate consideration, for reasons which I shall explain.

Col. Frederick Mears, of the United States Army, is at present filling a detail as chief of the engineering commission which is building the railroad in Alaska. Previous to his having gone there, back in the days when he was a lieutenant of engineers, he was sent to the Panama Canal Zone, where, under Colonel Goethals, he superintended the work of digging the Panama Canal. Because of the record he made and what he did there he was sent by the last administration to Alaska to serve in the detail I have just described.

When the war came on Colonel Mears was taken away from that detail and went to France, where he served all the time the Army was there as colonel of the Thirty-first Engineers and in general command of the engineering operations of the First Army Corps, I think it was. At all events he had a long and very honorable career there.

The Comptroller General has recently rendered a decision to the effect that in accepting the detail to the work in Alaska Colonel Mears vacated his place in the Army. The purpose of the joint resolution is to restore him to the place he has occupied for years and to remedy the condition which the decision made by the Comptroller General has brought about.

Mr. ROBINSON. Mr. President——

Mr. NEW. If the Senator will pardon me just a moment, I shall then be glad to yield to him.

I have talked with the Secretary of War about the matter; I have talked with the Secretary of the Interior about it; and letters from both of them are in the report accompanying the joint resolution. I have also had a full conference with the chairman of the Committee on Military Affairs. All agree that this is a very meritorious measure and ought to pass. The reason for asking immediate consideration of it is in order that the status of Colonel Mears may be thoroughly established before the general board which has recently been appointed for promotions in and eliminations from the Army undertakes its work.

Now I yield to the Senator from Arkansas.

Mr. ROBINSON. I merely desire to say that a very great injustice will result to this officer if the joint resolution or a similar measure is not passed at a very early date. He did not seek the detail, but the services which he performed under it were efficient and highly satisfactory to his commanding officer. I think the joint resolution should be considered at this time and passed.

Mr. WARREN. Mr. President, if the Senator from Indiana will pardon me, I wish to say that I agree entirely with what the Senator from Arkansas has stated. I know the officer and I knew his father. Colonel Mears is one of the most brilliant officers in the United States service. As an engineer he has at every point where stationed distinguished himself. I hope the joint resolution will pass without delay.

The PRESIDENT pro tempore. The Senator from Indiana asks unanimous consent that the tariff bill may be temporarily laid aside and that the Senate proceed to the consideration of House Joint Resolution 316.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the President be, and he is hereby, authorized, in his discretion and by and with the advice and consent of the Senate, to reappoint Frederick Mears to the Regular Army in the grade and with the date of rank to which he would have been entitled at the time of such reappointment had he remained an officer of the Regular Army continuously from the time he first became an officer thereof: *Provided*, That after such reappointment said Frederick Mears shall be regarded as having in contemplation of law the same status, rights, and privileges as an officer of the Regular Army that he would have had if he had remained a commissioned officer of the Regular Army continuously, under the various commissions in the Regular Army, issued to and accepted by him from the date of his first appointment therein.

SEC. 2. That notwithstanding the provisions of sections 1222, 1224 (as amended by the act of February 28, 1877, 19th Stats., p. 243), 1763, 1764, and 1765, Revised Statutes, the provisions of section 2 of the act of July 31, 1894 (28th Stats., p. 205), and the provisions of section 6 of the act of May 10, 1916 (39th Stats., p. 120), as amended by the act of August 29, 1916 (39th Stats., p. 582), or the provisions of other existing statutes of like import, the said Frederick Mears may, after having been reappointed an officer of the Regular Army under the provisions of the preceding section, continue in office under an existing commission as chairman and chief engineer of the Alaskan Engineering Commission or accept a new appointment as such, and may exercise the functions of said civil office without prejudice to his commission as an officer of the Regular Army or to his standing as such, and may receive the compensation duly prescribed from time to time for the incumbent of said civil office, less the pay and allowances to which he may be entitled as an officer of the Regular Army.

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

FEDERAL RESERVE BANK BUILDING IN DETROIT.

Mr. NEWBERRY. Mr. President, I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 229) authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich. I think it will cause no debate. It is a joint resolution which provides that the Federal reserve bank in Chicago may proceed with the construction of its building at Detroit, Mich., upon the land which was previously purchased. The measure is approved by the Treasury officials and unanimously reported by the Committee on Banking and Currency.

Mr. ROBINSON. Let the joint resolution be read.

The reading clerk read the joint resolution; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration, as follows:

Whereas the act of Congress approved June 3, 1922, abridged the right of Federal reserve banks to enter into contracts by providing that no Federal reserve bank should have authority thereafter to enter into any contract or contracts for the erection of any building of any kind or character or to authorize the erection of any building in excess of $250,000 without the consent of Congress having previously been given therefor in express terms, which, however, did not apply to buildings under construction on June 3, 1922; and

Whereas many of the Federal reserve banks were not affected by this provision, since they had already completed or commenced construction of buildings for their head offices and branches; and

Whereas the Federal Reserve Bank of Chicago had not on June 3, 1922, actually commenced the construction of any building for its branch at Detroit, Mich., but had acquired the site therefor; and

Whereas the act of June 3, 1922, operates inequitably on said Federal Reserve Bank of Chicago: Now, therefore, be it

Resolved, etc., That the Federal Reserve Bank of Chicago be, and it is hereby, authorized to enter into contracts for the erection of a building for its branch bank at Detroit, Mich., on a lot previously acquired: *Provided*, That the total investment in such building shall not exceed an amount equal to 2½ per cent of its paid-in capital stock and surplus.

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

The preamble was agreed to.

Mr. NEWBERRY. Mr. President, I ask that there be printed in the RECORD, in 8-point type, certain correspondence in relation to the matter covered by the measure just passed.

There being no objection, the letters were ordered to be printed in the RECORD in 8-point type, as follows:

FEDERAL RESERVE BOARD,
Washington, July 18, 1922.

MY DEAR SIR: Referring to our conversation over the telephone this morning I beg to confirm my statement that I have been requested by officers of the Federal Reserve Bank of Chicago to discuss with you the matter of erecting a building for the branch of that bank at Detroit.

As you may know, the Federal Reserve Bank of Chicago purchased some time ago a lot opposite the post office in Detroit, known as the Couzens lot, for $850,000, and immediately sold to the National Bank of Commerce one-fourth of the property for $200,000, retaining 9,750 square feet on the corner at a cost of $650,000. It had been contemplated to erect a building on this lot at a cost of about $800,000, but before plans could be made and contracts let the law was amended by the act of June 3, 1922, which prohibits the Federal reserve banks from erecting any buildings costing more than $250,000 without the consent of Congress having been given therefor in express terms.

A joint resolution was passed by the Senate a few days ago authorizing the Federal Reserve Bank of St. Louis to erect a

building for its own use at St. Louis and buildings for its branches, which was amended at the instance of Senator SMOOT to provide also for the erection of a building for the use of the Salt Lake City branch of the Federal Reserve Bank of San Francisco. In the form in which this resolution passed the Senate it seemed doubtful whether it would be of any effect as far as the Salt Lake City branch was concerned, and Senator SMOOT introduced the resolution in another form on July 11, 1922, a copy of which (S. J. Res. 222) is inclosed herewith. Unless you would prefer to introduce a separate resolution, I would suggest that you might ask for the further amendment of Senate Joint Resolution 222 as indicated in the inclosed copy.

The capital and surplus of the Federal Reserve Bank of Chicago is something over $43,000,000, and if that bank is authorized to invest an amount not exceeding 2½ per cent of the paid-in capital and surplus in a building for its branch bank at Detroit, on the lot previously acquired, the amount, something over $1,000,000, would in the judgment of those who have looked into the matter be ample.

It may be said for the proposed joint resolution that Congress is not appropriating any money out of the Public Treasury, but is merely authorizing the Federal reserve banks to invest a portion of their own capital and surplus in the buildings described.

I have a telegram to-day from Chicago stating that the governor of the Federal Reserve Bank of Chicago expects to be in Washington Friday or Saturday, and that he is anxious to lay before you complete information regarding the proposed building for the branch bank at Detroit.

Very truly yours,

W. P. G. HARDING, *Governor.*

Hon. TRUMAN H. NEWBERRY,
United States Senate.

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DETROIT CLEARING HOUSE ASSOCIATION,
Detroit, Mich., July 22, 1922.

Hon. TRUMAN H. NEWBERRY,
United States Senate Chamber, Washington, D. C.

MY DEAR SIR: The banks of Detroit, at their Clearing House Association meeting to-day, took into consideration a bill now pending in the United States Senate, which by title, rider, or amendment contemplates an appropriation for the construction of a building for the use of the Detroit branch of the Federal reserve bank, seventh district, and we, the undersigned, were appointed as a committee to ask your earnest support of the measure.

The rented quarters temporarily occupied by the Detroit branch is grossly inadequate for the accommodation of its business and can not be safely guarded or constructively protected as it should be to serve as custodian of the millions of bank reserves and Government funds deposited in that bank. When we consider that the business transacted through the Detroit branch of the Federal reserve is greater in volume and amount than that handled by any other branch in the Federal reserve system and that the Detroit district is rapidly growing and expanding in commercial and financial importance and that it has very good prospects in the near future of further expansion through direct waterway connection with the seaports of the world, the necessity of a suitable building in which to adequately carry on this vast and growing business is most apparent.

In our humble opinion the construction and equipment of a suitable building would justify the expenditure of $1,500,000 and is recommended by all financial interests of this city as a great public necessity.

J. T. KEINA,
WM. J. GRAY,
Committee.
J. H. LANGDON,
Secretary.

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FEDERAL RESERVE BANK OF CHICAGO,
July 21, 1922.

Hon. TRUMAN H. NEWBERRY,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR NEWBERRY: Governor McDougal has just telephoned me that he has had a very satisfactory and pleasant interview with you in regard to the branch of the Federal Reserve Bank of Chicago located at Detroit and the desirability of a building for the branch. He has asked me to furnish you certain data, as follows:

The capital stock of the Federal Reserve Bank of Chicago is at this date $14,622,900. Of this capital the banks in Detroit and what we call "Detroit territory" contribute $2,472,850, or 16.91 of the total capital. The surplus of the Federal Reserve Bank of Chicago at the present time is $29,025,000, or a trifle over that figure.

The reserve deposits of the Federal Reserve Bank of Chicago, figured as of June 30, 1922, were, in round numbers, $265,000,000. Of this the reserve deposits contributed by the Detroit banks and those in Detroit territory were a little over $39,000,000, or 14.32 per cent.

You will notice that I speak of Detroit and Detroit territory. I do so for the reason that when the branch was opened certain counties in Michigan were set apart to be served directly from the branch, rather than the home office in Chicago. The inclosed map of the southern peninsula of Michigan—the only part of Michigan in the seventh Federal reserve district—shows the counties included in Detroit territory. However, this division is an arbitrary one, and there is no question but that a goodly part of Michigan outside of the territory which we have allotted to Detroit relies on Detroit rather than Chicago for the major part of its banking service. I presume that the First and Old Detroit National Bank, the People's State Bank, and perhaps a number of other large banking institutions in Detroit carry much of the reserves and supply a large part of the business demands in the territory in that part of the State which is marked on the map as Chicago territory.

Detroit is, I understand, the fourth city in population in the United States. It is one of the great industrial centers, is constantly growing in financial, commercial, and industrial importance, and serves likewise as one of the main gateways to Canada, and it appears from the map that the railway systems of Michigan have been largely planned with Detroit as a center, and, therefore, bring the whole State largely tributary to and dependent upon Detroit.

The seventh (or Chicago) Federal reserve district is the second in importance in the country and contains within its bounds the second and fourth cities in population—namely, Chicago and Detroit. The Detroit branch is the only one operated, or contemplated, by the Federal Reserve Bank of Chicago.

I am to-day informed by Mr. John Ballantyne, of Detroit, that the Detroit clearing house, or the clearing house committee, at a meeting held this morning adopted a memorial to you requesting that you prepare a bill, or rider to an already existing bill, authorizing the Federal Reserve Bank of Chicago to construct a building for the use of its branch at Detroit, at a cost not to exceed $1,400,000. You are, of course, aware that we have already purchased a building site at Detroit, the net cost of which to us is in the neighborhood of $650,000. If the building, equipped and furnished, should cost as much as $1,400,000, the total cost for the Detroit building and ground would be a little over $2,000,000. Governor McDougal informs me that Governor Harding is of the opinion that 2½ per cent of our capital and surplus would, perhaps, take care of the present and probable future needs of the Detroit branch, and that he (McDougal) after consultation with you had expressed himself that probably the 2½ per cent, instead of the 3 per cent asked for by the Detroit clearing house, might see us through.

I discussed this matter informally with such members of our executive committee as were present at the regular meeting this morning, and after further consultation with our architects we are inclined to the belief that a total of 2½ per cent of our total capital and surplus may be found sufficient to supply the reasonable needs for the Detroit branch building. Therefore, if you prepare and present your bill or rider at the suggestion of the Detroit clearing house, I think that we, as well as the board of the Detroit branch, will be fairly well satisfied that the 2½ per cent, or $1,090,000, may be practically sufficient.

If there is any other data which I can furnish you in connection with this matter I shall be only too happy to do it.

You are probably aware that the Detroit branch of the Federal Reserve Bank of Chicago is inadequately housed in an out-of-date building, with out-of-date vaults, and that the major part of its cash and securities now has to be carried in the vaults of the Wayne County and Home Savings Bank for the reason that there is neither room nor proper protection for these in the vaults of the building now occupied, and that there is a constant danger through daily transportation of cash and securities between the branch and the vaults where said cash and securities are kept.

Very truly yours,

W. A. HEATH, *Chairman.*

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After eight minutes spent

in executive session the doors were reopened and (at 6 o'clock and 15 minutes) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, August 1, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 31 (legislative day of April 20), 1922.

COLLECTORS OF INTERNAL REVENUE.

Arnold J. Hellmich, of St. Louis, Mo., to be collector of internal revenue for the first district of Missouri in place of George H. Moore, resigned.

POSTMASTERS.

CALIFORNIA.

Hazel B. Hough to be postmaster at Arrowhead Springs, Calif. Office became presidential July 1, 1922.

Otto B. Liersch to be postmaster at Corning, Calif., in place of R. C. Hannan, resigned.

Thomas D. Walker to be postmaster at Walnut Creek, Calif., in place of E. B. Bradley, resigned.

COLORADO.

Sylvester E. Hobart to be postmaster at Nunn, Colo. Office became presidential July 1, 1922.

CONNECTICUT.

Joseph H. Derenthal to be postmaster at Madison, Conn., in place of J. H. Derenthal. Incumbent's commission expired April 6, 1922.

ILLINOIS.

Ulysses G. Stutzman to be postmaster at Carlock, Ill. Office became presidential July 1, 1922.

Daisy A. Nieman to be postmaster at Philo, Ill. Office became presidential April 1, 1921.

Lester Cromwell to be postmaster at Momence, Ill., in place of I. W. Metcalf. Incumbent's commission expired January 24, 1922.

INDIANA.

George W. Shively to be postmaster at Winona Lake, Ind., in place of G. P. De Hoff, resigned.

IOWA.

Arthur Ingraham to be postmaster at Conesville, Iowa. Office became presidential July 1, 1922.

Ralph K. Russell to be postmaster at Cushing, Iowa. Office became presidential January 1, 1921.

Arvin C. Sands to be postmaster at Mallard, Iowa. Office became presidential April 1, 1920.

Ferdinand J. Ruff to be postmaster at South Amana, Iowa. Office became presidential July 1, 1922.

Blinn N. Smith to be postmaster at Coon Rapids, Iowa, in place of Patrick Doran, resigned.

KANSAS.

Joseph B. Dick to be postmaster at Ellinwood, Kans., in place of Robert Shouse. Incumbent's commission expired July 15, 1920.

Charles I. Zirkle to be postmaster at Garden City, Kans., in place of R. E. Stotts. Incumbent's commission expired February 4, 1922.

KENTUCKY.

Newell R. Downing to be postmaster at Ways Lick, Ky. Office became presidential July 1, 1922.

MAINE.

Lloyd A. Harmon to be postmaster at Clinton, Me., in place of L. A. Burns, resigned.

MASSACHUSETTS.

Annie E. Cronin to be postmaster at North Wilmington, Mass. Office became presidential July 1, 1920.

Mabel Holt to be postmaster at Wilmington, Mass. Office became presidential October 1, 1920.

MICHIGAN.

Helen B. Martin to be postmaster at Indian River, Mich. Office became presidential July 1, 1922.

Flora Van Zinderen to be postmaster at Grandville, Mich., in place of H. R. Bouma, resigned.

Grace M. Miller to be postmaster at Union City, Mich., in place of L. L. Johnson, resigned.

MISSISSIPPI.

Carl J. Carpenter to be postmaster at Scott, Miss. Office became presidential October 1, 1920.

NEW JERSEY.

Henry R. Parvin to be postmaster at Ramsey, N. J., in place of Henry Bell, resigned.

NEW YORK.

Samuel K. Seybolt to be postmaster at Pine Bush, N. Y., in place of Edward Crawford. Incumbent's commission expired January 24, 1922.

NORTH CAROLINA.

John L. Dixon to be postmaster at Oriental, N. C., in place of G. L. Griffin. Incumbent's commission expired July 21, 1921.

NORTH DAKOTA.

Anfin Qualey to be postmaster at Aneta, N. Dak., in place of Nicholas Johnston. Incumbent's commission expired January 24, 1922.

OHIO.

Joseph Jameson to be postmaster at Lorain, Ohio, in place of Custer Snyder. Incumbent's commission expired January 31, 1922.

OKLAHOMA.

Charles M. Henry to be postmaster at Carmen, Okla., in place of A. R. Duncan. Incumbent's commission expired February 4, 1922.

Simpson B. Richards to be postmaster at Waynoka, Okla., in place of R. L. Floyd. Incumbent's commission expired June 6, 1922.

OREGON.

George D. Wood to be postmaster at Brookings, Oreg. Office became presidential October 1, 1920.

Grant L. Grant to be postmaster at Riddle, Oreg. Office became presidential October 1, 1920.

Henry E. Grim to be postmaster at Scappoose, Oreg. Office became presidential July 1, 1920.

PENNSYLVANIA.

Warren F. Leister to be postmaster at Curtisville, Pa. Office became presidential April 1, 1921.

Luna J. Sturdevant to be postmaster at North Warren, Pa. Office became presidential April 1, 1922.

Edward D. Hannum to be postmaster at Rosedale, Pa. Office became presidential April 1, 1922.

Beula E. Giesy to be postmaster at Russelton, Pa. Office became presidential January 1, 1921.

Ralph P. Holloway to be postmaster at Pottstown, Pa., in place of R. M. Root. Incumbent's commission expired January 25, 1919.

Milton W. Lowry to be postmaster at Scranton, Pa., in place of J. J. Durkin, removed.

SOUTH CAROLINA.

Dan K. Dukes to be postmaster at Orangeburg, S. C., in place of A. C. Ligon. Incumbent's commission expired January 19, 1920.

TEXAS.

Eddie C. Slaughter to be postmaster at Goose Creek, Tex., in place of E. C. Slaughter. Incumbent's commission expired January 24, 1922.

Oscar B. Acton to be postmaster at Jasper, Tex., in place of W. C. Blake. Incumbent's commission expired April 20, 1922.

John R. Ratcliff to be postmaster at Wallis, Tex., in place of T. W. Johnston, removed.

VIRGINIA.

Elihu T. Kiser to be postmaster at Roaringfork, Va. Office became presidential July 1, 1922.

Grace C. Collins to be postmaster at Drakes Branch, Va., in place of D. W. Berger. Incumbent's commission expired January 24, 1922.

Della L. Fuller to be postmaster at Honaker, Va., in place of A. B. Dye, resigned.

Charles E. Fulgham to be postmaster at Windsor, Va., in place of J. W. Roberts. Incumbent's commission expired December 20, 1920.

WASHINGTON.

Frank Morris to be postmaster at Bordeaux, Wash. Office became presidential July 1, 1922.

WEST VIRGINIA.

Claude W. Harris to be postmaster at Kimball, W. Va., in place of H. W. Early. Incumbent's commission expired July 21, 1921.

WISCONSIN.

Frank G. Johnson to be postmaster at Dallas, Wis. Office became presidential July 1, 1920.

Emil Klentz to be postmaster at Reeseville, Wis. Office became presidential April 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 31 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Samuel H. Thompson to be collector of customs, district No. 12, Pittsburgh, Pa.

POSTMASTERS.

CALIFORNIA.

Oliver N. Thornton, Brea.
Roscoe E. Watts, Rialto.
James E. Pharr, Scotai.

COLORADO.

Arthur I. Weaver, Creede.

ILLINOIS.

Frank C. Krans, Altona.
Edward A. Catour, Atkinson.
Lulu L. Meyer, Deerfield.
Sherman G. Jackson, Forest City.
Leo H. Borgelt, Havana.
Hugo L. Schneider, Highland Park.
Charles W. Russell, Hurst.
Bert R. Johnson, Kewanee.
Samuel J. Davis, Mooseheart.
Allie M. Reineke, Perry.
Ella L. Widicus, St. Jacob.
Raymond W. Peters, St. Joseph.
Ida C. Revell, Stillman Valley.
Ulysses G. Dennison, Winnebago.

MICHIGAN.

Andrew W. Reinhard, Brimley.

MONTANA.

T. Lester Morris, Corvallis.
Frank D. Worcester, Geyser.

NEW JERSEY.

Israel C. Harris, Alloway.
Clair McFarland, Monroeville.
Harry J. Corwin, Paterson.

NORTH CAROLINA.

Claud S. Rowland, Pinetown.
Walter F. Long, jr., Rockingham.
Calvin Y. Holden, Wake Forest.

OKLAHOMA.

Richard H. Everett, Broken Bow.

OREGON.

George C. Peterson, Bay City.
Amanda E. Bones, Carlton.
James Henderson, Cascade Locks.
Lucius L. Hurd, Glendale.
James D. Fay, Gold Beach.
Flora B. Thompson, Jacksonville.
Bernhard L. Hagemann, Milwaukie.
Etta M. Davidson, Oswego.
Henrietta Sandry, Rogue River.
Glenn D. Withrow, Talent.
Charles H. Watzek, Wauna.

TENNESSEE.

Carrie L. Waters, Goodlettsville.

TEXAS.

George Rice, Jayton.

WASHINGTON.

Thurston B. Stidham, Doty.

WEST VIRGINIA.

Hallie A. Overholt, Thurmond.

WITHDRAWAL.

Executive nomination withdrawn from the Senate July 31 (legislative day of April 20), 1922.

POSTMASTER.

Gertrude H. Ashley to be postmaster at Bay City in the State of Oregon.

SENATE.

TUESDAY, *August 1, 1922.*

(Legislative day of Thursday, April 20, 1922.)

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

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Ashurst	Frelinghuysen	McCumber	Robinson
Ball	Gooding	McLean	Sheppard
Borah	Hale	McNary	Simmons
Brandegee	Harreld	Moses	Smoot
Bursum	Harris	Nelson	Spencer
Calder	Harrison	New	Stanfield
Cameron	Heflin	Newberry	Sterling
Capper	Hitchcock	Nicholson	Trammell
Caraway	Jones, N. Mex.	Norbeck	Walsh, Mass.
Culberson	Jones, Wash.	Oddie	Walsh, Mont.
Cummins	Kellogg	Overman	Warren
Curtis	Kendrick	Pepper	Watson, Ind.
Dial	Keyes	Phipps	Willis
du Pont	Ladd	Pittman	
Ernst	Lenroot	Pomerene	
Fernald	Lodge	Ransdell	

Mr. CURTIS. I was requested to announce that the junior Senator from Illinois [Mr. MCKINLEY] is detained at a committee hearing.

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

PROMOTION OF WORLD PEACE.

Mr. HITCHCOCK. Mr. President, I present for reference to the Committee on Foreign Relations and printing in the RECORD, with the names attached, resolutions adopted by the League of Women Voters at Hastings, Nebr., signed by Mrs. Margretta S. Dietrich, wife of the former Senator, and some hundred others, praying the United States to keep its leadership asserted recently in the matter of limitation of naval armament and to continue its efforts and stand against war.

There being no objection, the resolutions, with the names attached, were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

HASTINGS, NEBR., *July 12, 1922.*

Whereas it has been called to our attention that 10 countries of the civilized world have set July 29 and 30 for demonstrations demanding no more wars for the settlement of international differences, we, the undersigned, gathered at a luncheon of the League of Women Voters in Hastings, Nebr., rejoicing that our country took the lead in the limitation of navies, respectfully urge the President and Congress of the United States to continue the leadership in an effort to outlaw war, and we affirm our approval of the resolution adopted by the National League of Women Voters in convention assembled at Baltimore, April, 1922, a copy of which is attached.

Mrs. R. S. McIntire, Mrs. B. J. Hilsabeck, Mrs. H. M. Russell, Mrs. R. E. Bryant, Mrs. E. Uden, Mrs. Jack Kelly, Miss Matilda McClelland, Mrs. S. B. Sorensen, Karl D. Beghtol, Mrs. J. M. Ferguson, Mrs. Cora M. Bartlett, Mrs. John Slaker, Mrs. Nellie I. Zinn, Mrs. W. A. Dilworth, Mrs. Hettie J. Martin, Mrs. Wm. Keal, Mrs. W. S. Holmes, Mrs. H. B. Whitney, Mrs. J. H. Lohmann, Mrs. W. S. Watson, G. B. Durkee, Mrs. George Schafer, Mrs. G. W. Buckner, jr., Mrs. Wm. Madgett, Mrs. Jennie Woodworth, Mrs. C. W. Wilson, Mrs. E. R. Erway, Mrs. L. L. Brandt, Mrs. J. H. Lantz, Mrs. A. G. Matter, Mrs. A. H. Brooke, S. B. Sorensen, Mrs. B. J. Thomas, E. A. St. John, John W. Shaw, Mabel Cramer, Mrs. P. B. Woodworth, Caroline M. Smith, Mrs. S. V. Byrne, Mrs. W. A. Graham, Margretta S. Dietrich, Mary J. Nowers, Mrs. N. W. Coleman, Mrs. Geo. W. Kimball, sr., Mrs. Martha H. Schultz, Mary Hill Landsrath, Patracia A. Johnson, Mrs. Ella Wiltrout, Mrs. Hilda Bruninger, Rena Gartner, Dorothy N. Stewart, Helen S. Fuller, P. B. Woodworth, Mrs. Lee Gauvreau, Abigail M. Kernan, Alice L. Paris, Neal J. Wyne, Raymond L. Crosson, Mrs. J. K. Sherman, Mrs. E. E. Danly, H. R. Alexander, Mrs. Nettie Sims, Mrs. John W. Brown, Helen K. Dutton, Marie Herrin, Mrs. W. G. Hay, Mrs. W. M. Whelan, Mrs. T. H. Goodwin, Susie Farmer, Mrs. Fannie Pyle, D. B. Marti, Bess Rippeteau, Mrs. M. S. Davis, Anne Stull, L. N. Button, Mrs. G. E. Isaman, Mrs. W. M. Dutton.

HASTINGS, NEBR.

I hereby certify that the above is a correct and true copy of the original resolution and signatures.

[SEAL.] A. M. LINNEMANN,
Notary Public, Adams County, Nebr.

Whereas in establishing justice and amity between human beings men have defined and repudiated crimes of individuals against the public welfare; and

Whereas the greatest crime against the public welfare is war; and

Whereas we applaud the progress toward peace in the recent reduction of naval armaments and the curb on naval competition; and