SENATE.

FRIDAY, *May 12, 1922.*

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

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

PETITIONS AND MEMORIALS.

Mr. McCUMBER. I ask to have printed in the RECORD and appropriately referred a telegram, in the nature of a memorial, signed by A. L. Martin, protesting against a certain amendment to the packers and stockyards act.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

SENTINEL BUTTE, N. DAK., *May 4, 1922.*

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.:

Stockgrowers of North Dakota object strenuously to Kellogg amendment to packers and stockyards act (S. 3298). Secretary of Agriculture should have complete control in all things at South St. Paul, putting that market on a par with other markets.

A. L. MARTIN.

Mr. McCUMBER presented resolutions adopted by members of the North Dakota Cooperative Marketing Agencies, favoring extension of the agricultural credit powers of the War Finance Corporation for one year, and also the imposition of an adequate tariff duty on linseed oil, which were referred to the Committee on Finance.

He also presented resolutions of the Devils Lake (N. Dak.) Rotary Club, favoring a 10-year holiday in the enactment of legislation adverse to the railroads, which was referred to the Committee on Interstate Commerce.

He also presented resolutions of the Kiwanis Club and the Rotary Club of Minot, both in the State of North Dakota, protesting against repeal or amendment of the transportation act of 1920, and in general against adverse railroad legislation, which were referred to the Committee on Interstate Commerce.

Mr. ROBINSON presented a letter, in the nature of a petition, from O. J. Hawkins, of Fort Smith, Ark., praying for more drastic restriction of immigration, which was referred to the Committee on Immigration.

He also presented an additional paper, to accompany the bill (S. 3183) granting renewal and extension of certain patents to I. H. Larr, which was referred to the Committee on Patents.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. SHEPPARD presented a petition of sundry citizens of Dallas, Tex., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. WILLIS presented petitions of S. E. Brandenburg, of Latty, and sundry other citizens of Latty, Haviland, Payne, and Scott; Guy Yeagley and sundry other citizens of Ney, and Charles T. Dunn and sundry other citizens of Curtice, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. TOWNSEND presented a resolution adopted by the Presbytery of Detroit, at Detroit, Mich., favoring an amendment to the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry wholesale grocers and food dealers in Detroit, Mich., remonstrating against the imposition of a tariff duty of 55 per cent ad valorem on mushrooms as being excessive and prohibitive, which was ordered to lie on the table.

He also presented a resolution adopted by the Presbytery of Detroit, at Detroit, Mich., favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Mt. Pleasant, Shepherd, St. Louis, Detroit, Bay City, Highland Park, Saginaw, Freeland, Swan Creek, Hemlock, Gratiot, Clifford, Caro, Fairgrove, Vassar, Reese, Charlevoix, Ironton, Clio, Montrose, Marion, Owendale, Sebewaing, Bach, Gagetown, Colling, Alma, Edwell, Sandusky, Gilford, Coleman, Clare, Rosebush, Weidman, Cass City, Brown City, Yale, Melvin, and Carsonville, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. JONES of Washington presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring an amendment to the Constitution prohibiting polygamy, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring the enactment of legislation to regulate Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. SHEPPARD. I ask to have inserted in the RECORD a memorial from Greek-American ex-service men of Houston, Tex., protesting against the violation of the allied nations' solemn pledges given to President Wilson in 1916, and asking for my "support to champion the cause of those unfortunate Greeks and Armenians who are sold to Turkey by the allied nations merely for commercial and political reasons." I will say that I join in the protest, and I ask that the memorial with the signatures be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the memorial was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, with the names, as follows:

HOUSTON, TEX.

Senator MORRIS SHEPPARD,
Washington, D. C.

HONORABLE SIR: We, the undersigned Greek-American ex-service men, who fought in the World War under the colors of this our adopted land for the liberation of small nations, beg to inform your excellency that our mothers, fathers, brothers, and sisters in Asia Minor and Thrace are about to be turned over to Turkish misrule.

The bloody history of the invasion and conquest of the southwestern Europe by these Asiatic hordes several centuries ago is no doubt well known to you, the still bloody history of recent years, of the barbarities and massacres committed on all Christian races, left to their tender mercies has been shocking the entire world.

We, only a very small part of the 63,000 Greek-American veterans, strongly protest against the violation of the allied nations' solemn pledges given our former President Wilson in 1916, and ask for your support to champion the cause of those unfortunate Greeks and Armenians who are sold to Turkey by the allied nations merely for commercial and political reasons.

Shall America, the greatest champion and exponent of international justice, not even raise her powerful and just voice as a protest against this decision of the allied nations, which is tantamount to a "sentence to death," appointing Turkey executor?

After all, what was the use for America, who so generously spent several millions of dollars feeding and clothing those unfortunate Christian refugees of Asia Minor and Thrace, if this was going to be the outcome?

Will you, without protest, let Turkey return and execute the sentence to death? We can not believe.

Theo. D. Pappas, Fifty-third Ammunition Train, Coast Artillery Corps; Stergios Pappas; Mrs. Panagiota Vlachos, mother of Leonidas Vlachos, who was killed in action; Emanuel Vanveris; Aristitelis Grinjos; Alexandros Kanakis; Spiros Martylos; Panagiotis Mpaikuis; George Vallas; George Spillios; Evangelos Profitis; Guss Lazaros; Angelos Lambos; Sam Gianoukos; Sam Kourmadas; Panagiotis Vassiliou; George Kostas; John Sinathis; George Samios; Christ Catehis.

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. McCUMBER:

A bill (S. 3587) granting a pension to Ole Anderson (with an accompanying paper); to the Committee on Pensions.

By Mr. KING:

A bill (S. 3588) granting certain lands to the city of Ogden, Utah, to protect the watershed of the water-supply system of said city; to the Committee on Public Lands and Surveys.

By Mr. BURSUM:

A bill (S. 3589) granting a pension to Nellie Thornton; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3590) authorizing the erection of an addition to the Federal building, Brooklyn, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. McKELLAR:

A bill (S. 3591) for the relief of Katherine Southerland (with accompanying papers); to the Committee on Claims.

By Mr. MYERS:

A bill (S. 3592) to authorize repayment in certain cases; to the Committee on Public Lands and Surveys.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

By Mr. McCUMBER:

A joint resolution (S. J. Res. 196) authorizing and directing the accounting officers of the General Accounting Office to allow credit to the disbursing clerk of the United States Veterans' Bureau in certain cases; to the Committee on Finance.

TARIFF BILL AMENDMENT.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. BURSUM submitted an amendment, in the nature of a substitute, intended to be proposed by him to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. McCUMBER submitted an amendment proposing to appropriate $65,000, or so much thereof as may be necessary, to be immediately available, for the purchase of additional land for the Wahpeton (N. Dak.) Indian School, intended to be proposed by him to the deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolutions:

On May 8, 1922:

S. 2186. An act granting certain lands in Hot Springs, Ark., to the Leo N. Levi Memorial Hospital Association.

On May 9, 1922:

S. 2440. An act extending the period for homestead entries on the south half of the Diminished Colville Indian Reservation.

On May 11, 1922:

S. J. Res. 132. Joint resolution to authorize the printing of journals, magazines, periodicals, and similar publications, and for other purposes; and

S. J. Res. 186. Joint resolution authorizing the transfer to the jurisdiction of the Joint Committee on the Library certain reservations in the District of Columbia for use in connection with the Botanic Garden.

REPORT OF ALIEN PROPERTY CUSTODIAN.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act, I transmit herewith for the information of the Congress a communication from the Alien Property Custodian, and a copy of Senate Document No. 181, Sixty-seventh Congress, which document contains a report of all proceedings had under the trading with the enemy act by the office of the Alien Property Custodian during the present administration as well as proceedings under the previous administration from the passage of the trading with the enemy act October 6, 1917.

WARREN G. HARDING.

THE WHITE HOUSE,
May 12, 1922.

The VICE PRESIDENT. The Chair is in doubt as to the committee to which the message and accompanying papers should be referred. Unless the Senate has some suggestion to offer, the Chair will refer it to the Committee on Finance.

Mr. SMOOT. It should go to the Committee on Finance.

The VICE PRESIDENT. It will be so referred.

VISIT OF 1881 NAVAL CLASS TO JAPAN.

Mr. McCORMICK. Mr. President, I would like to invite the attention of the Senate to the report that the great transport *Henderson* is to proceed from the United States to Japan for the sole purpose of conveying thither the Annapolis classmates of Admiral Uriu.

It is an excellent idea that the classmates of the admiral, including the Secretary of War and the Secretary of the Navy of the United States, should go to Japan in the interest of comity between the nations, but inasmuch as the Navy complains of a shortage of fuel, I venture to suggest to the Committee on Commerce, the Committee on Naval Affairs, and the Committee on Appropriations that possibly there is a vessel operating under charter from the Shipping Board which could find 27 berths for the 27 classmates of Admiral Uriu, to carry them to Japan without the great expenditure involved in the navigation of the *Henderson* from this country across the Pacific.

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

Mr. McCORMICK. Certainly.

Mr. ROBINSON. Does the Senator state that it is the purpose of the authorities of this Government to provide transportation and the expenses incidental to the same for the purpose of transporting students, who are Japanese, and citizens of the United States——

Mr. McCORMICK. Oh, no, Mr. President; these are American naval officers, retired or in active service, who were classmates of Admiral Uriu when he was at Annapolis in 1881. I note in the press that the *Henderson* is going to Japan for the purpose of affording that transportation, and in view of the shortage of coal available for the Navy, I merely suggest that, as vessels are crossing the Pacific under charter from the Shipping Board, they might travel comfortably as first-class passengers on a Shipping Board vessel.

Mr. ROBINSON. Has the Senator investigated the press report to ascertain its accuracy or reliability? I will say in connection with the question I have just submitted to him that it seems astonishing to a degree almost unreasonable if such a purpose is in the mind of any agency of the Government. I can not comprehend it.

Mr. McCORMICK. I have not made inquiry of the department, but let me say to the Senator that before I read the report in the press I had heard it remarked by Senators who know some of the officers who are likely to make the voyage that it was to be made under these conditions. I want the matter called to the attention of the committees responsible for the maintenance of the Navy and the merchant marine and the appropriations therefor.

Mr. ROBINSON. I am very glad the Senator has made the statement, and I may say, since he has done it, that the course which he says is in contemplation will not be taken.

Mr. WATSON of Georgia. Mr. President, I would like to say, in connection with what has been said by the Senator from Illinois, that this is no time to be extending a special courtesy to Japan. Japan broke her word with us and with Korea. Her course of perfidy in regard to Korea is unparalleled in history.

Japan broke her word with us, in that she has not taken her troops out of Siberia. She was under her word of honor to withdraw her troops when the American troops were withdrawn. The American troops were withdrawn some two years ago, and Japan has not only not withdrawn her troops but has recently reinforced them.

Japan has not abandoned to Russia that part of the island of Sakhalin which belongs to Russia. She is now exploiting the natural resources of that vast island. She stands before the world dishonored, and it is not a time for this Government to be going out of its way to pay a special compliment to Japan.

CALL OF THE ROLL.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Gerry	McCumber	Shortridge
Ball	Hale	McKellar	Simmons
Borah	Harreld	McKinley	Smoot
Brandegee	Harris	McLean	Spencer
Bursum	Harrison	McNary	Sutherland
Calder	Hitchcock	Moses	Swanson
Capper	Johnson	Nelson	Townsend
Caraway	Jones, Wash.	Newberry	Underwood
Colt	Kellogg	Nicholson	Wadsworth
Culberson	Kendrick	Oddie	Walsh, Mass.
Curtis	Keyes	Overman	Watson, Ga.
Dial	King	Pittman	Watson, Ind.
Dillingham	Ladd	Rawson	Weller
Elkins	La Follette	Robinson	Willis
Fletcher	McCormick	Sheppard	

Mr. McKINLEY. I wish to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Kansas [Mr. CAPPER], and the Senator from South Dakota [Mr. NORBECK] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. SHEPPARD. The Senator from Montana [Mr. WALSH] is detained on official business.

Mr. DIAL. I desire to state that my colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

The VICE PRESIDENT. Fifty-nine Senators have answered to their names. A quorum is present.

MERGER OF STEEL COMPANIES.

Mr. LA FOLLETTE. Mr. President, on the 8th day of May I introduced Senate Resolution 286, which I now read:

Whereas definite reports in the daily press and in financial journals state that there is about to be consummated a merger of seven of the largest iron and steel corporations, namely, Midvale Steel & Ordnance Co., Republic Iron & Steel Co., Lackawanna Steel Co., Inland Steel Co., Youngstown Sheet & Tube Co., Steel & Tube Co. of America, and Brier

Hill Steel Co., having a total annual capacity of more than 10,000,000 tons of steel; and

Whereas it is also reported that the Bethlehem Steel Corporation, while not a part of the present merger, will join the combination when it has been successfully accomplished; and

Whereas the complete consummation of this plan will result in the creation of a billion dollar corporation, controlling substantially all of the steel-producing capacity of the country which is not now controlled by the United States Steel Corporation; and

Whereas this will create a complete monopoly of the steel industry in the hands of two gigantic corporations, resulting inevitably in the suppression of such competition as now exists in the manufacture and sale of this essential product and in the restraint of trade and commerce among the several States and the District of Columbia and with foreign nations; and

Whereas experience has shown the impossibility of dealing effectively with such combinations and mergers after they have been consummated, regardless of the damage which they may inflict upon competitors and of the injury to the public welfare; and

Whereas section 4 of the Sherman antitrust law (act of July 2, 1890) specifically provides:

"The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations";

Resolved, That the Attorney General of the United States and the Federal Trade Commission be requested to inform the Senate as soon as possible what steps they have taken or propose to take to ascertain the purposes and probable effects of the proposed merger; what have been the results of any investigations which they may have conducted; and what actions they have instituted to protect the public interest;

Resolved further, That the Attorney General be further requested to inform the Senate whether or not it is advisable, in his opinion, to proceed under the appropriate provisions of the Sherman law and the Clayton law to prevent and restrain this impending combination.

Mr. President, I am constrained to press this resolution for consideration at this time, for the reason that the impending merger of seven or more of the largest iron and steel corporations is now upon the point of being consummated. I should not ask the Senate to divert its attention from the pending legislation if I did not sincerely believe that only by prompt action at this ttime can the Nation be saved from irreparable injury. Immediate action is necessary.

The New York Times of Thursday, May 11, 1922, carries the following authoritative interview with the counsel for the merger, indicating that its consummation is now only a matter of days and hours:

STEEL MERGER NOW SEEN AS NEAR FACT—PLANS EXPECTED TO BE AGREED TO AT CONFERENCES THAT BEGIN HERE TUESDAY—RETURN FROM INSPECTION—OFFICERS OF SEVEN COMPANIES AND LEGAL ADVISER BACK AFTER TEN-DAY TRIP AMONG MILLS.

The chances for consummation of the plan calling for the consolidation of seven of the largest independent steel companies in the United States are now "2 to 1 in favor of," as against "10 to 1 against it" two months ago, according to Thomas L. Chadbourne, of the law firm of Chadbourne, Babbitt & Wallace. Mr. Chadbourne returned to this city yesterday on "the steel merger special," which left New York a week ago Sunday, carrying officials of the various companies on an inspection trip of the plants and properties in the proposed combination.

Mr. Chadbourne said he was almost sure the merger would be accomplished soon and that a company second in size only to the United States Steel Corporation would be formed. "Six months ago the chances were ten to one against us," Mr. Chadbourne said; "now I believe they are two to one in our favor. Do I think there is no doubt about it going through? No; but I am reasonably certain that it will go through."

A meeting will be held next Tuesday, Mr. Chadbourne said, at the offices of Kuhn, Loeb & Co., who have been acting in this deal in the capacity in which J. P. Morgan acted in the formation of the Steel Corporation. Officers of the various companies concerned will be present. Details of the arrangement will be gone over in preparation for a final settlement. After that, Mr. Chadbourne intimated, there would be little time lost in putting the merger into effect, although the legal formalities and physical labor of the task would take from 60 to 90 days.

In order that the Senate may be informed as to the details of the pending merger, I desire to read a brief summary published in the Christian Science Monitor of May 1, 1922, and to ask the permission of the Senate to insert at the end of my remarks, in 8-point type, a somewhat longer and more detailed account published in the New York World of April 28, 1922.

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

Mr. LA FOLLETTE. The statement in the Christian Science Monitor, which is confirmed by numerous articles in various financial journals, is as follows:

BIG MERGER UNDER WAY.

The big development of the week was the apparent progress made toward the merger of the seven steel companies, namely, the Midvale Steel & Ordnance Co., the Lackawanna Steel Co., the Republic Iron & Steel Co., Brier Hill Steel Co., Inland Steel Co., Youngstown Sheet & Tube Co., and Steel & Tube Co. These companies produce in the aggregate about half the total of the output of the United States Steel Corporation. The annual production figures are 14,000,000 tons of ore, 10,000,000 tons of ingots, and 7,000,000 tons of finished products. They employ more than 100,000 workers. Officers of the companies, engineers, attorneys, and bankers are now making an inspection tour of the seven companies. Kuhn, Loeb & Co. are intrusted with the financing. Thomas L. Chadbourne, of Chadbourne, Babbitt & Wallace, New York, has direct supervision of the plans. Definite announcement is expected within the next fortnight. There has been talk of such a merger for the last 10 years. The war interrupted active negotiations, because each plant was concentrating on maximum production. The United States Steel Corporation produces half of the country's steel. These merging companies turn out one-quarter. It is hinted that the Bethlehem Steel Co. may join if the merger of the original seven companies goes through.

In this morning's Baltimore Sun I find the following dispatch, headed:

Lackawanna Co. and Bethlehem Steel to unite. Pennsylvania corporation soon will absorb New York concern. Cuts independent merger firms to six. Consolidation will create organization with nearly $300,000,000 capital.

I judge, Mr. President, that since the active movement for this merger was resumed some two weeks ago the plans have changed and that the merger is to be consummated on the installment plan, perhaps as tending to provoke or excite less opposition on the part of the public if made in that way than as though made by all of the independent steel companies at one time.

NEW YORK, May 11 (Special).—One step ahead of the "seven-company" steel merger that was to include the Lackawanna Steel Co., announcement was made to-night of the practical completion of a deal by which that property will be merged into the Bethlehem Steel Corporation. The official statement is as follows:

Mr. E. G. Grace, president of the Bethlehem Steel Corporation, Mr. Moses Taylor, chairman of the board of directors of the Lackawanna Steel Co., and the committee appointed by it to deal with the matter, have reached an agreement as to terms to recommend to their respective boards of directors and stockholders for the purchase by Bethlehem of the Lackawanna properties.

The transaction involves the use of Bethlehem 7 per cent preferred and class B common stocks in payment for the properties.

The details are being prepared for prompt presentation to the stockholders of the respective companies.

SIX LEFT TO MERGE.

This reduces to six the number of properties that are lined up for merger at this time as the result of the recent negotiations carried on through Kuhn, Loeb & Co. The list as it stands now includes the Midvale Steel and Ordnance Co., Yougstown Sheet and Tube Co., Republic Iron and Steel Co., Brier Hill Steel Co., Steel and Tube Co., America and Inland Steel Co.

The directors of both Bethlehem and Lackawanna will meet next Tuesday and are expected then to make definite statements for their respective companies, naming the exact terms agreed upon.

Controlling interests in the Lackawanna Steel Co., it is understood, include the estate of Cornelius Vanderbilt, Pickands, Mather & Co., and the Ogden Mills party. If any financing is carried out in connection with the merger it will be done through the Guaranty Co. of New York and the Bankers' Trust Co.

This financial institution is the clearing house for the big financial interests.

INGOT CAPACITY 5,000,000 TONS.

Mr. Grace, in commenting on the merger, stated that it will bring up the total ingot capacity of the Bethlehem plants to 5,000,000 tons, capacity supplied by the Lackawanna being 1,800,000. The United States Steel Corporation has a total ingot capacity of 22,000,000 tons.

The president of the Bethlehem Steel explained also that the deal will give that company certain lines which are supplementary to its present output. Lackawanna has a large business in what are known as "commercial ordinary bars" and certain special forms of steel plates.

There will still be lacking a wire-producing unit, and it is rumored that some property of this type may be taken over at a fairly early date.

It was stated emphatically that the deal between Bethlehem and Lackawanna has nothing to do with the seven-company or, at present, six-company merger under negotiation. There appears, however, to be nothing in the situation to prevent the enlarged Bethlehem Steel Corporation from joining forces with any other consolidation later on.

SCHWAB VISITED INLAND PLANT.

A development of interest in connection with to-day's announcement was the statement that Charles M. Schwab, chairman of Bethlehem Steel, some time ago looked over the Inland Steel plant, at Indiana Harbor, with a view to acquiring it, but owing to freight rates and geographical conditions, such a decision was not reached. The acquisition of Lackawanna is the outcome of eastern markets. The Lackawanna plant is near Buffalo and has an important business in New England.

The Bethlehem Steel Corporation has now outstanding $30,000,000 of 8 per cent cumulative nonvoting preferred stock, $14,908,000 class A 7 per cent noncumulative preferred, $14,862,000 voting common stock, and $45,000,000 class B common, which is nonvoting. There is also $30,000,000 of unissued class B common stock reserved for conversion of 8 per cent cumulative preferred.

ISSUES TO BE INCREASED.

The issues to be increased by the Lackawanna acquisition are the 7 per cent noncumulative preferred and the class B, or nonvoting, common. Funded debt of the company, at last report, is $137,508,000, making total outstanding capitalization $242,508,000.

Capital stock of the Lackawanna Steel Co. is outstanding to the amount of $35,108,000, all common, though the company has an authorized issue of $10,000,000 preferred. Bonded debt of the company and subsidiaries is $21,174,000, bringing total capitalization to $56,282,000.

In this connection, Mr. President, I read also a brief excerpt from a dispatch sent out by the International News Service:

NEW YORK, N. Y., May 12.—The stock of the Lackawanna Steel Co. leaped from $65 per share to $75 on the stock exchange early to-day, while Wall Street excitedly discussed the bomb-shell announcement of the merger of that great concern with the Bethlehem Steel Co., the young giant constructed through the force of Charles M. Schwab, following his retirement from the United States Steel Corporation 19 years ago.

It is seldom that Wall Street is called upon to absorb such important news as that of this merger without advance rumors, and the market was rather sensationally influenced.

Lackawanna had been supposed to be one of the prime movers in a merger of seven independent steel corporations.

Apprehension existed to-day in some quarters that the sudden absorption of the Lackawanna Co. by the Schwab interests would have an unfavorable effect on the proposed general independent merger. Thomas L. Chadbourne, organizer of the independent combine, however, was emphatic in his statement that the withdrawal of the Lackawanna—

That is, from his announced list of companies that would combine—

That the withdrawal of the Lackawanna would in no way affect the merger of the other companies, which would now be on a six-company basis.

But, Mr. President, I venture the prediction that after these two mergers are consummated, and the public has recovered from its first shock and is in a state of mind to be further imposed upon, these two new combinations will be united in one.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield.

Mr. HITCHCOCK. A little while ago the Senator estimated that the proposed combination being engineered by Mr. Chadbourne represented an output of about one-quarter of the steel product of the United States. Did he include the Lackawanna in that estimate?

Mr. LA FOLLETTE. Yes; that included the Lackawanna, but did not include the Bethlehem.

Mr. HITCHCOCK. Can the Senator state what the Bethlehem output was?

Mr. LA FOLLETTE. With the Bethlehem included, the new combination would have an output of about 15,000,000 tons.

The total output of all the steel plants of the country is in round numbers 40,000,000 tons.

Of this amount, the United States Steel Corporation produces 20,000,000 tons.

The seven-company merger would produce, on the present basis of the output of the seven companies, 10,000,000 tons. Adding the output of the Bethlehem, which is 5,000,000 tons, would make a total output of the new merger 15,000,000 tons. And this 15,000,000 tons, added to the 20,000,000 tons produced by the United States Steel Corporation, would make a total of 35,000,000 tons which the two big monopolies would produce. This practically covers the entire field of the steel production of the country, there being but 5,000,000 additional steel tonnage, which is produced by the small plants scattered over the country.

Mr. HITCHCOCK. The Senator's view is that unless some effort is made in advance to stop this proposed consolidation, it will be too late after it is formed to act?

Mr. LA FOLLETTE. That is exactly my view, as I shall develop it in the few moments that I am going to speak to the Senate—that under the decision of the Supreme Court in the United States Steel Corporation case we shall be told, after this thing is done and this new merger is in operation, that it is too late to deal with it. What I am asking and what I am hoping is that the Department of Justice may be sufficiently aroused at this time, by the passage of this resolution calling upon it for information, to take speedy action under section 4 of the Sherman Act and enjoin this merger before it shall be consummated.

Mr. HITCHCOCK. May I ask the Senator whether he has been able to connect to any extent the existing effort to increase the tax upon the products of these companies by the pending tariff bill with this proposed effort substantially to create a monopoly in the production of steel and iron products in the United States?

Mr. LA FOLLETTE. I have not gone into that; but, Mr. President, in the consideration of the pending tariff bill, as we come to the metal schedule, special point may be made in the discussion of the activity of these great interests in bringing about such a combination of their various organizations as to altogether eliminate competition in the field of steel production.

Mr. HITCHCOCK. It certainly has been very significant in the past that as legislation has created a wall around the country to exclude foreign competition, the formation of trusts inside of the wall has accomplished the purpose of creating a monopoly under the protection of the tariff legislation.

Mr. LA FOLLETTE. Yes, Mr. President; and that is the fault, I find, with the excessive rates of the pending bill. They can not be defended on the basic principle laid down by Hamilton, Clay, and McKinley, that competition between protected industries will protect the consumer against monopoly. Trusts and combinations now destroy competition and leave the consumers at the mercy of monopoly. The situation has radically changed since McKinley said that "the spur of competition pricking the sides of the competing industries in the different States will always operate in the end to reduce the cost to the consumer and protect him against the effects of monopoly." But, Mr. President, I must confine myself strictly to the subject in hand.

Mr. HITCHCOCK. One more word. Certainly the political organization which steps forward and demands the exclusion of foreign competition ought to be the party to take the lead in insuring domestic competition.

Mr. LA FOLLETTE. I quite agree with that statement. I say now that the only way the protective system can be maintained and live is by equalizing the difference between the cost of producing here and abroad by maintaining domestic competition among the beneficiaries of the protective tariff.

Mr. SIMMONS. Mr. President——

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

Mr. LA FOLLETTE. I yield.

Mr. SIMMONS. May I supplement what has just been said with this thought: Of course, we all know, and it does not require any statement with reference to it, the extent to which the products of the country have come under the control of the trusts, and that these trusts do dominate the market, fix prices, and stifle competition. They are now proceeding unmolested in the accomplishment of that purpose. They have accomplished that purpose; and, in violation of the law of the land, in violation of the public policy of the land, they have stifled competition, destroyed the operation of the law of supply and demand in the domestic markets; and the people have no protection against this combination and this stifling of competition except through the importation of foreign competitive products. That is the only remedy the people have left to them.

This condition has been created by the trusts in violation of the statute law of the United States and in violation of the public policy of the country. If we shall, under those conditions, further aid these trusts—and I think it can be and has been shown that the pending tariff bill extends special favors to the trust-controlled products—if we shall, as provided in this bill, lend aid to the trusts in their scheme of suppressing competition by removing the only remaining obstacle in their way, namely, the importation of foreign competitive products, will we not, by that legislative act, by removing the only remaining competition, put the people absolutely at the mercy of the trusts, and will we not by that act aid these trusts in carrying out this conspiracy against the law of the land and against the public policy of the land? Are we, the representatives of the people, here for the purpose of helping these unlawful combinations to make effective and carry out their conspiracies in restraint of trade—in violation of the public policy and statute law of the land? I simply wanted to contribute that thought to this discussion.

Mr. LA FOLLETTE. Mr. President, I think it is sufficient for me to say upon that point at this time that the pending tariff bill furnishes another reason why action should be taken at once by the Senate upon the resolution which I have presented, the effect of which I trust will be to awaken the Department of Justice to prompt action, since the only action which can be taken for the protection of the public must be taken before this merger is consummated.

The press reports indicated that for diplomatic reasons the Bethlehem Steel Co. was not to be taken into the seven-company merger as first planned, but that it would come in later. The press reports of this morning inform us that this plan has been changed and that the Bethlehem and Lackawanna will first be merged and the other six corporations will then be taken in. The result is the same. The new merger will include the eight great corporations as finally consummated.

When this has been accomplished, every so-called independent steel corporation of any consequence in the United States will have been merged into one gigantic combination and almost the entire output of iron and steel products will then be under the control either of the United States Steel Corporation or of its twin brother, which is yet unnamed.

The purpose of this merger is clear. It is the elimination of whatever competition now exists in the steel industry and the creation of a situation where prices may be fixed on a monopoly basis without fear of detection. The Wall Street Journal of May 4, 1922, states:

I invite the attention of Senators to this paragraph, because it is the view of the organ of the Wall Street interests as to the effect of this merger. I quote:

The United States Steel Corporation, according to steel manufacturers, will not look with disfavor on a merger of seven or more independent steel companies. A combination would tend to stabilize the in-

dustry and benefit shareholders as well as employees. * * * Chairman Gary, of the United States Steel Corporation, has always adhered to his original policy of what he terms reasonable prices and reasonable wages. He realized that without fair prices there would be unemployment and low wages. When the depression began, certain of the independents entered into a cut-throat price war, and steel was sold far below cost of production. The industry needed a stabilizer, but with a dozen or more big companies competing against each other demoralization was in order, not only for the companies but for the employees as well. * * * With two big steel combinations in the field prices should be more uniform.

It would appear from this account that during the past year there has actually been some competition in the steel industry, and that this strange phenomenon, which had been unknown since the formation of the Steel Trust and the inauguration of the Gary dinners, has greatly discommoded the steel magnates. Believing that the Sherman Antitrust Act is a dead letter, they have determined to eliminate this competition by bringing all the so-called independents together in one great combination, where they will no longer be tempted to cut prices in order to keep their plants in operation.

Of course, the United States Steel Corporation does not object to this merger. Why should it? As a matter of fact, there are strong indications in what is already known about this proposed merger that the same financial forces which formed and now control the United States Steel Corporation are also in charge of the creation of this new merger. I call your attention to the fact that the financing of this new Steel Trust is in the hands of Kuhn, Loeb & Co. The Committee on the Concentration of Control of Money and Credit, generally known as the Pujo Committee, reported in 1913 that the most active agents in forwarding and bringing about the concentration of control of money, credit, and industry are J. P. Morgan & Co., First National Bank of New York, National City Bank of New York, Lee, Higginson & Co., of Boston and New York, Kidder, Peabody Co., of Boston and New York, and Kuhn, Loeb & Co.

The report showed that these great financial groups never acted alone on any large transaction, but invariably acted in combination and shared the spoils. This was admitted by Mr. George F. Baker in his testimony before the committee, under the examination of Mr. Samuel Untermyer, as shown by the following excerpt from the testimony:

Q. (Mr. UNTERMYER.) But among these banking houses that we have named, is there not a strong and continuous community of interest in the purchase and sale of securities?—A. (Mr. BAKER.) I think there is. We have always tried to deal with our friends rather than with people we do not know.

There is every reason to believe, therefore, that, while Kuhn, Loeb & Co. is the nominal financial agent in the creation of this consolidation, they are acting in concert with the financial interests which control the United States Steel Corporation. Reports in the financial journals demonstrate that the merger has already proceeded far enough to result in the elimination of competition and the fixing of prices upon a monopoly basis. The Wall Street Journal of April 28, 1922, says:

While actual business placed with steel companies has shown some falling off in the past 10 days, prices continue strong, with some companies getting higher prices daily. * * * Carnegie Steel advancing plates to $1.60 a hundred pounds will fix minimum price at this figure, compared with $1.50 a week ago. Other mills for the past week have not been willing to take new business under $1.60, not only on plates but on all other heavy rolled products as well.

Here we have concrete evidence of the fixing of prices on a monopoly basis. "Actual business," says the Wall Street Journal, "has shown some falling off in the past 10 days," but prices are advancing. Every business man, every child, in fact, knows that when business is falling off prices can not be advanced except by combination and conspiracy. Thus we see that even before the merger is completed a mere understanding between the different groups is sufficient to eliminate the competition which had been stimulated during the industrial depression and to bring about on a small scale the exploitation of the public through monopoly prices, which will be continued on a huge scale as soon as the merger is actually perfected.

Wall Street knows that this will be the result, for the prices of the stocks of the corporations which are to be absorbed have been steadily rising ever since the merger was announced. The New York Times of April 29, 1922, says:

The stocks traded in on the New York Stock Exchange of the independent steel companies which are to be included in the "seven-company merger" advanced sharply yesterday in connection with reports in Wall Street that the deal might be consummated by the middle of May. Republic Iron and Steel, which is expected to take a leading part in the merger, jumped 3¾ points net in yesterday's market on fairly active dealings and at 61½ registered a new high price for the year. Lackawanna Steel rose 1¾ points and Midvale Steel 1⅛. Stock of other steel companies not included in the proposed merger rose in sympathy.

The consummation of this merger must be prevented, I say to the Senate. This is the age of steel. Iron and steel to-day lie at the base of every human activity. Without steel our farms can not be cultivated, our railroads would cease to operate, our industries would be prostrated, and our very homes could not be built. The men who control this basic commodity control the Nation. A little more than 20 years ago they secured complete control of one-half the industry by the formation of a corporation so great that it staggered the Nation. They could control the other half of the industry only by agreements and understandings with the so-called independent companies. These agreements, arrived at through the medium of the Gary dinners, worked well during the periods of prosperity; but they were inconvenient and, like all these gentlemen's agreements, were apt to be broken when in periods of depression there was a scramble for business. To-day they are proposing to bring the other half of the industry under one consolidated control; so that in future, instead of operating through the medium of understandings to which there were a dozen or more parties, they will be able to make firm and binding agreements between the two great corporations which will dominate the industry. Gary dinners will no longer be necessary. Instead, the heads of the two great corporations will be able to sit down at a lunch table and without fear of detection fix the price of every pound of steel sold in the United States. On this point the New York Commercial of May 10, 1922, says:

The effect would be to place the steel business of the country in the hands of two large concerns in the ratio of about 60 and 40.

Mr. President, at this point I wish to read an extract from a letter received this morning from a prominent banker. I regret that I have not permission to use his name in that connection, at least not at this time, because I am certain that it would strongly impress the Senate and the country. In this letter, dated May 11, 1922, he says:

DEAR SENATOR LA FOLLETTE: I have read with much interest in the CONGRESSIONAL RECORD of May 8 the resolution offered by you in regard to proposed plans for the further consolidation of leading steel and iron corporations, and in the interest of the country I earnestly hope that ways and means may be found to prevent this further stride toward complete monopoly of the steel and iron interests of the United States.

In my opinion the object aimed at by the promoters of this consolidation is not the securing of a higher efficiency in the production of steel and iron through the use of more modern processes and improved machinery, but the prime object is, I believe, to place in the hands of a small executive committee or a few men the power, first, to control the selling price of these essentials of life, and, second, to control more effectively the wages to be paid to the workingman.

If this scheme goes through it will be very much easier for the head of the United States Steel Corporation and the head of a new trust about to be formed to control the prices of steel and iron and the wages of labor than it would be if the boards of directors and executive officers of half a dozen or more corporations had to be consulted. I have had practical experience with steel and iron manufacturers, and I know whereof I speak.

Mr. WATSON of Georgia. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Has the Senator investigated the labor situation to ascertain whether or not the Steel Trust still works its men on Sunday?

Mr. LA FOLLETTE. I have no information on that subject of later date than the report of the interchurch investigation which was issued something like a year or a year and a half ago. At that time it is my recollection that they found that something more than one-third, possibly it was as much as one-half, of the total number of the employees of the corporation were required to work 12 hours a day, 7 days in the week, and at a wage which the investigators found to be below the standard fixed by the Labor Department of the Federal Government as necessary to maintain a family in health and decency.

Mr. BORAH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Idaho.

Mr. BORAH. In view of the question asked by the Senator from Georgia, I will say that within the last two or three days I have had a letter, in the form of a petition, from the employees of some of the steel companies, asking the Committee on Education and Labor to investigate conditions of working hours and of labor in steel plants. They stated in this letter or petition that they were now working 12 hours a day. I do not know what the real facts are. I only state what the petition or letter stated. I was greatly surprised to find they were working 12 hours a day. I never had understood it had been limited, but the letter stated that they are now required to work 12 hours a day.

Mr. LA FOLLETTE. I think the practice has been continued. I think if an investigation is conducted by the committee of which the distinguished Senator from Idaho is chairman it will be found that the United States Steel Corporation now enforces and for many years has required thousands of its employees to work 12 hours a day and 7 days a week. Where labor has been able to secure better conditions under which to work and a more near approach to a sufficient wage upon which to maintain a family in health and decency, it has

not been through the willing concessions of the employer but it has been secured in all cases by collective bargaining through organization which the employees have maintained that they have been able to force or exact these improved conditions and shorter hours.

I think I will say right at this time and in this connection that the same thing is true whether the employees are working in protected or nonprotected industries.

Mr. WATSON of Georgia. Mr. President——

Mr. LA FOLLETTE. I yield with pleasure to the Senator from Georgia.

Mr. WATSON of Georgia. I wish to ask the Senator if his investigation has developed this fact, which is alleged to be true, that under the administration of Judge Gary there has been from time to time something like a special reward offered for special efforts, for the purpose of seeing how much the men could do if they speeded up on a certain day, and after that extra exertion in the hope of that extra reward, when they had speeded up all day the product of that day was fixed as the standard of what they must produce thereafter, because of the fact that they had proven they could produce that much?

Mr. LA FOLLETTE. It is my recollection that the testimony taken in a number of investigations and the reports based thereon furnish ample confirmation of the suggestion made by the distinguished Senator from Georgia.

Mr. President, the formation of the United States Steel Corporation was illegal, and should have been prevented when it was first announced 20 years ago. This is not merely my opinion. It is an inescapable inference from the opinion which the Supreme Court of the United States rendered on March 1, 1920, dismissing the suit against the United States Steel Corporation, one of the most remarkable and, to my mind, indefensible decisions ever rendered by any judicial tribunal. The majority opinion of the court is too long to be quoted, but I ask leave to print in the RECORD, in 8-point type, as an appendix to my remarks, the majority and dissenting opinions in this case.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Appendix B.)

Mr. LA FOLLETTE. It will be sufficient for present purposes to quote the summary of the majority decision contained in the dissenting opinion of Justice Day, concurred in by Justices Pitney and Clarke. Justices Brandeis and McReynolds did not participate in this case. Justice Day, in summing up the majority opinion, used the following words:

> As I understand the conclusions of the court affirming the decree directing dismissal of the bill, they amount to this: That these combinations, both the holding company and the subsidiaries which comprise it, although organized in plain violation and bold defiance of the provisions of the act, nevertheless are immune from a decree effectually ending the combinations and putting it out of their power to attain the unlawful purposes sought, because of some reasons of public policy requiring such conclusion.

I digress just to say, parenthetically, Mr. President, that this is not my interpretation of the decision of the Supreme Court; it is the interpretation of the dissenting judges, and I am quoting the language of Mr. Justice Day. I quote further, and ask Senators to listen to this:

> I know of no public policy which sanctions a violation of the law, nor of any inconvenience to trade, domestic or foreign, which should have the effect of placing combinations, which have been able to thus organize one of the greatest industries of the country in defiance of law, in an impregnable position above the control of the law forbidding such combinations. Such a conclusion does violence to the policy which the law was intended to enforce, runs counter to the decisions of the court, and necessarily results in a practical nullification of the act itself.

That is the end of the comment of Mr. Justice Day and his associates who concurred in the dissenting opinion as to the meaning of the decision of the court in the United States Steel Corporation case.

Justice Day, in this admirable summary of the majority decision, has omitted what is, to my mind, a most important and startling feature of the majority decision. As a matter of fact, the majority of the court not only held that the United States Steel Corporation was formed for the illegal purpose of achieving a monopoly but that it was operated in defiance of law and for the suppression of competition and the fixing of prices down almost to the very day when the suit for its dissolution was filed. I quote from page 7 of the opinion of the majority of the Supreme Court, delivered by Justice McKenna:

> Monopoly, therefore, was not achieved, and competitors had to be persuaded by pools, associations, trade meetings, and through the social form of dinners, all of them, it may be, violations of the law, but transient in their purpose and effect. They were scattered through the years from 1901—the year of the formation of the corporation—until 1911, but after instances of success and failure were abandoned nine months before this suit was brought.

Mr. Justice McKenna had reference, of course, to the Gary dinners.

Combining this passage from the majority opinion with Justice Day's summarization, we find in substance that although the Supreme Court held that the United States Steel Corporation was "conceived in sin" and operated for the purpose of completely controlling prices down almost to the very day when it was dragged before the court, nevertheless the court held that it had grown so large and its ramifications were so extensive that its dissolution could not be contemplated.

I will not pause to comment upon this decision. No man can read it without being convinced that the remarkable doctrines which it advances, if consistently applied, would not only annihilate the Sherman Act, as Justice Day says in his dissenting opinion, but would destroy the very foundations of justice and reduce the Nation to a condition of anarchy, in which the only law would be the law of might.

I am quoting the decision now only to prove to you the necessity of acting to prevent the consummation of this new merger and to forestall the creation of an institution which the courts may be unwilling to dissolve on grounds of alleged public policy after the deed is accomplished.

For a generation the Department of Justice in its administration of the Sherman Antitrust Act has proceeded upon the theory of locking the barn door after the horse has been stolen. They have permitted great trusts and combinations to be formed and become a part of the commercial life of the Nation, and have then sought at rare intervals by ineffectual processes to secure their dissolution. Even where the courts have ordered dissolution, this method has been ineffective. Even if the processes of dissolution had been drastically applied by the courts, it would have been, in all probability, without avail, for when competition has once been suppressed in an industry it is almost impossible effectively to restore it.

I will digress for a moment to say, sir, that there never was a more perfect statute drawn by the hands of the statesmen of this Government than the Sherman antitrust law. I supplement that statement with this—and I invite contradiction—that since the law was written upon the statute books there never has been an honest attempt upon the part of any administration to enforce it.

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

Mr. LA FOLLETTE. I yield.

Mr. KING. There are records now in the Department of Justice, as I am advised, showing flagrant violations of the Sherman antitrust law, which call not only for civil suits but for criminal indictments. When those indictments will be brought, when injunction proceedings will be instituted for the purpose of dissolving these criminal organizations I can not say. I have offered a resolution asking the Attorney General to tell us how much money he has received for this purpose, whom he has employed, their names, what he is paying them, and what steps are being taken to enforce the Sherman antitrust law against criminal organizations that are throttling competition and imposing their dominant and cruel will upon the people.

Mr. LA FOLLETTE. Mr. President, I have gone into this matter heretofore in the Senate; I have laid before the Senate the list of prosecutions under each administration since the enactment of the law, and fully analyzed the proceedings taken in the several cases, and I arrived long ago at the conclusion, which I have previously asserted and now assert again, that there never has been an honest, sincere attempt on the part of any administration, Republican or Democratic, since the enactment of the Sherman antitrust law to enforce it.

I say now, Mr. President, the procedure intended by John Sherman and his colleagues in Congress when they enacted the Sherman Antitrust Act in an attempt to protect the Nation from the growing power of monopoly was that action should be taken in advance of the complete formation of trusts and combinations. At least, that was one of the strongest provisions of the law, and, from some familiarity with the debates which took place at the time that law was enacted, I assert that it was strongly in the minds of the statesmen who framed and wrote that law upon the statute books that section 4 would be probably the most useful section of the statute.

They prescribed a simple and effective method of procedure. They well knew that an ounce of prevention is worth a pound of cure, so they wrote into section 4 of the act a specific authorization and direction for the Department of Justice to prevent and restrain monopolies and restraints of trade. Let me read this section to you:

> The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations.

It will be noted that this section of the law does not merely empower the district attorneys to institute proceedings to pre-

vent combinations in restraint of trade but specifically provides that it is their duty so to do.

In this connection it may be called to the attention of the Senate that it is not necessary for the Department of Justice in seeking the prevention of such a combination in restraint of trade to prove the commission of specific acts in violation of the statute. The Supreme Court itself has held in dealing with the packers' combination in Swift & Co. *v.* United States (196 U. S. 396) that where an intent to achieve monopoly exists it is not necessary to wait for the commission of specific illegal acts. In the words of the court—

> When that intent and the consequent dangerous probability exist, this statute—Sherman Act—like many others, and like the common law in some cases, directs itself against that dangerous probability as well as against the completed result.

The intent to suppress competition in this case is clear and the dangerous probability of irretrievable injury to the Nation through the restraint of trade and commerce is imminent.

It is with this sense of the dangerous probability of immense and inescapable injury to the Nation that I have drafted a resolution calling upon the Federal Trade Commission and the Department of Justice, the two branches of the Government which have jurisdiction in this field, to inform the Senate what action they have taken, or do now propose to take, with reference to this matter. I have been careful in drafting this resolution to avoid any encroachment by the Congress upon the functions of the executive department. The resolution calls merely for information and for the opinion of the Attorney General as to the preventive line of action which I have outlined above.

I feel that I can not too strongly urge the importance of the immediate passage of this resolution. The people of the United States are fast losing their faith in the efficacy of law and their confidence in our governmental institutions. If we fail to pass this resolution, it will be a notice to the people of the United States that their Representatives are not concerned to protect them from the encroachments of monopoly and are indifferent to their interests.

I ask, therefore, at this time, Mr. President, unanimous consent for the present consideration of the resolution. I am certain that it will not provoke debate and that it can be disposed of in a few moments.

Mr. McCUMBER. Mr. President, with that understanding I will make no objection. I hope the resolution will be passed, and passed immediately.

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

The resolution was considered by unanimous consent and agreed to.

APPENDIX A.

[From New York World of April 28, 1922.]

MERGER OF SEVEN BIG STEEL COMPANIES NEAR COMPLETION—BILLION-DOLLAR COMBINE OF INDEPENDENTS EXPECTED WHEN 14 OFFICERS END INSPECTION TRIP—THEY AND ENGINEERS GO ON SPECIAL TRAIN SUNDAY—NEW COMPANY WOULD RIVAL UNITED STATES STEEL—KUHN, LOEB & CO. WILL DIRECT FINANCING OF IT.

Fourteen of the biggest independent steel manufacturers in the country, representing, through their companies, aggregate wealth of from $800,000,000 to $1,000,000,000, will leave here in a private train Sunday night for personal inspection of the plants and properties of seven companies.

When the "billion-dollar special" gets back to New York, 10 days later, it is practically certain that the formation of a steel-producing organization second only to the Steel Trust itself will be officially announced.

The financing of the operation, which is one of the most important in recent years, is being handled by Kuhn, Loeb & Co.

MERGER LONG CONSIDERED.

The movement toward the combination of independent companies, dictated by the "big-business" urge for efficiency and reduced overhead expense, has been under way in one form or another for a decade. Merger talk almost ceased during the prosperous war years, when the independents had as much business as could be handled, but revived with the coming of lean times.

This "seven-company" merger began to be considered seriously following the organization of the Midvale Steel & Ordnance Co., a combination of several properties. It remained for Thomas L. Chadbourne, however, to bring the idea to a successful issue.

Mr. Chadbourne is a member of the law firm of Chadbourne, Babbitt & Wallace, No. 14 Wall Street, and has been prominently identified with the formation of several successful industrial combinations. He was designated by the various steel independents interested in the combination to complete negotiations. The seven-company combination was his idea originally, and he has been responsible for putting it into execution.

THE SEVEN COMPANIES.

The companies whose properties will make a formidable rival for the United States Steel Corporation are Midvale Steel & Ordnance Co., Youngstown Sheet & Tube Co., Republic Iron & Steel Co., Brier Hill Steel Co., Lackawanna Steel Co., Steel & Tube Co. of America, and the Inland Steel Co.

The 14 executives who will make the trip, all of whom have made millions for themselves and their communities in the production of steel, are: William Ellis Corey, chairman, and A. C. Dinkey, president, of Midvale; John A. Topping, chairman, and Thomas Bray, president, of Republic; J. A. Campbell, president, and C. A. Robinson, vice president, of Youngstown Sheet & Tube; Moses Taylor, chairman, and George F. Downs, president, of Lackawanna; F. B. Kennedy, chairman, and James H. Grose, president, of Brier Hill; Clayton Mark, chairman, and Clarence Mark, vice president, of Steel & Tube; and L. E. Block, chairman, and P. D. Block, president, of Inland Steel.

ENGINEERS TO ACCOMPANY THEM.

The representatives of each of the seven companies will be accompanied by their own engineering staffs. Mr. Chadbourne, active sponsor of the entire plan, will also make the trip.

The special train will be made up of two compartment cars, a dining car and baggage car. The first stop will be at Buffalo, where the Lackawanna plant is. Then the party will go to Youngstown, Ohio, to look over the properties of the Republic Iron & Steel Co., Youngstown Steel & Tube Co., and Brier Hill Steel Co.

From Youngstown the special will go to Johnstown, Pa., and Coatesville, Pa., at both of which places the Midvale Co. has plants. Chicago will be the next stop, the plants of Inland Steel and Steel & Tube being there. Then will come along a jump to Birmingham, Ala., where the Republic Iron & Steel has a plant.

HITCH WAS OVER VALUATIONS.

The chief stumbling block in the way of effecting the combination heretofore has been difficulty in coming to agreement regarding the valuation of the various properties. It is understood that this obstacle has been practically surmounted. Valuation and financing have been considered at meetings held almost daily for several months. Although no official announcement has been made, it is known that Mortimer L. Schiff has been active in the plan.

No name has yet been selected for the new organization, although several have been suggested. It may be called the North American Steel Co. or the Federated Steel Companies. Organization is still far from complete and officers have not been selected. Headquarters will be in this city.

EMPLOY MORE THAN 100,000.

The companies making up the group produce 14,000,000 tons of ore annually, 10,000,000 tons of ingots, and 7,000,000 tons of finished products. More than 100,000 workers are employed in the various mills. Estimated annual business of the companies is more than $500,000,000, with estimated profits $50,000,000.

In recent conferences on the merger the name of the Bethlehem Steel Corporation has been mentioned. This corporation will not be a part of the combination at this time, but it is said that the way is open for Bethlehem to come in later, if the seven-company plan is carried through successfully. The Bethlehem valuation runs into several hundred millions. Should Bethlehem come in, the organization would closely approach the United States Steel Corporation in size and importance.

The combination is held in general favor, since it would undoubtedly increase production and sales efficiency. The United States Steel Corporation has the advantage of mills situated all over the country, while its independent competitors have had to confine themselves to territories within reasonable distance from their respective mills. In this way the United States Steel Corporation has been able to bid anywhere for business. The independents have had to take freight rates and problems of traffic into consideration in submitting estimates.

Supreme Court of the United States.

No. 6.—OCTOBER TERM, 1919.

The United States of America, appellant, *v.* United States Steel Corporation et al. Appeal from the District Court of the United States for the District of New Jersey.

[March 1, 1920.]

Mr. Justice McKenna delivered the opinion of the court.

Suit against the Steel Corporation and certain other companies which it directs and controls by reason of the ownership of their stock, it and they being separately and collectively charged as violators of the Sherman Antitrust Act.

It is prayed that it and they be dissolved because engaged in illegal restraint of trade and the exercise of monopoly.

Special charges of illegality and monopoly are made and special redresses and remedies are prayed, among others, that there be a prohibition of stock ownership and exercise of rights under such ownership, and that there shall be such orders and distribution of the stock and other properties as shall be in accordance with equity and good conscience and "shall effectuate the purpose of the antitrust act." General relief is also prayed.

The Steel Corporation is a holding company only; the other companies are the operating ones, manufacturers in the iron and steel industry, 12 in number. There are, besides, other corporations and individuals more or less connected in the activities of the other defendants that are alleged to be instruments or accomplices in their activities and offendings; and that these activities and offendings (speaking in general terms) extend from 1901 to 1911, when the bill was filed, and have illustrative periods of significant and demonstrated illegality.

Issue is taken upon all these charges, and we see at a glance what detail of circumstances may be demanded, and we may find ourselves puzzled to compress them into an opinion that will not be of fatiguing prolixity.

The case was heard in the district court by four judges. They agreed that the bill should be dismissed; they disagreed as to the reasons for it. (223 Fed. 55.) One opinion (written by Judge Buffington and concurred in by Judge McPherson) expressed the view that the Steel Corporation was not formed with the intention or purpose to monopolize or restrain trade and did not have the motive or effect "to prejudice the public interest by unduly restricting competition or unduly obstructing the course of trade." The corporation, in view of the opinion, was an evolution, a natural consummation of the tendencies of the industry on account of changing conditions, practically a compulsion from "the metallurgical method of making steel and the physical method of handling it," this method and the conditions consequent upon it tending to combinations of capital and energies rather than diffusion in independent action. And the concentration of powers (we are still representing the opinion) was only such as was deemed necessary, and immediately manifested itself in improved methods and products and in an increase of domestic and foreign trade. Indeed, an important purpose of the organization of the corporation was the building up of the export trade in steel and iron, which at that time was sporadic, the mere dumping of the products upon foreign markets.

Not monopoly, therefore, was the purpose of the organization of the corporation but concentration of efforts with resultant economies and benefits.

The tendency of the industry and the purpose of the corporation in yielding to it was expressed in comprehensive condensation by the word "integration," which signifies continuity in the processes of the industry from ore mines to the finished product.

All considerations deemed pertinent were expressed and their influence was attempted to be assigned, and, while conceding that the Steel Corporation after its formation in times of financial disturbance, entered into informal agreements or understandings with its competitors to maintain prices, they terminated with their occasions, and, as they had ceased to exist, the court was not justified in dissolving the corporation.

The other opinion (by Judge Woolley and concurred in by Judge Hunt, 223 Fed. 161) was in some particulars in antithesis to Judge Buffington's. The view was expressed that neither the Steel Corporation nor the preceding combinations, which were in a sense its antetypes, had the justification of industrial conditions, nor were they or it impelled by the necessity for integration, or compelled to unite in comprehensive enterprise because such had become a condition of success under the new order of things.

On the contrary, that the organizers of the corporation and the preceding companies had illegal purpose from the very beginning, and the corporation became "a combination of combinations by which, directly or indirectly, approximately 180 independent concerns were brought under one business control," which, measured by the amount of production, extended to 80 or 90 per cent of the entire output of the country, and that its purpose was to secure great profits which were thought possible in the light of the history of its constituent combinations, and to accomplish permanently what those combinations had demonstrated could be accomplished temporarily, and thereby monopolize and restrain trade.[1]

The organizers, however (we are still representing the opinion), underestimated the opposing conditions, and at the very beginning the corporation, instead of relying upon its own power, sought and obtained the assistance and the cooperation of its competitors (the independent companies). In other words, the view was expressed that the testimony did "not show that the corporation in and of itself ever possessed or exerted sufficient power when acting alone to control prices of the products of the industry." Its power was efficient only when in cooperation with its competitors, and hence it concerted with them in the expedients of pools, associations, trade meetings, and finally in a system of dinners inaugurated in 1907 by the president of the company, E. H. Gary, and called "the Gary dinners." The dinners were congregations of producers and "were nothing but trade meetings," successors of the other means of associated action and control through such action. They were instituted first in "stress of panic," but their potency being demonstrated, they were afterwards called to control prices "in periods of industrial calm." "They were pools without penalties" and more efficient in stabilizing prices. But it was the further declaration that "when joint action was either refused or withdrawn the corporation's prices were controlled by competition."

The corporation, it was said, did not at any time abuse the power or ascendency it possessed. It resorted to none of the brutalities or tyrannies that the cases illustrate of other combinations. It did not secure freight rebates; it did not increase its profits by reducing the wages of its employees—whatever it did was not at the expense of labor; it did not increase its profits by lowering the quality of its products, nor create an artificial scarcity of them; it did not oppress or coerce its competitors—its competition, though vigorous, was fair; it did not undersell its competitors in some localities by reducing its prices there below those maintained elsewhere, or require its customers to enter into contracts limiting their purchases or restricting them in resale prices; it did not obtain customers by secret rebates or departures from its published prices; there was no evidence that it attempted to crush its competitors or drive them out of the market, nor did it take customers from is competitors by unfair means, and in its competition it seemed to make no difference between large and small competitors. Indeed, it is said in many ways and illustrated that "instead of relying upon its own power to fix and maintain prices, the corporation, at its very beginning, sought and obtained the assistance of others." It combined its power with that of its competitors. It did not have power in and of itself, and the control it exerted was only in and by association with its competitors. Its offense, therefore, such as it was, was not different from theirs and was distinguished from "theirs only in the leadership it assumed in promulgating and perfecting the policy." This leadership it gave up and it had ceased to offend against the law before this suit was brought. It was hence concluded that it should be distinguished from its organizers and that their intent and unsuccessful attempt should not be attributed to it, that it "in and of itself is not now and has never been a monopoly or a combination in restraint of trade," and a decree of dissolution should not be entered against it.

This summary of the opinions, given necessarily in paraphrase, does not adequately represent their ability and strength, but it has value as indicating the contentions of the parties and

[1] As bearing upon the power obtained and what the corporation did we give other citations from Judge Woolley's opinion as follows:

"The ore reserves acquired by the corporation at and subsequent to its organization, the relation which such reserves bear to ore bodies then existing and subsequently discovered, and their bearing upon the question of monopoly of raw materials, are matters which have been discussed in the preceding opinion, and with the reasoning as well as with the conclusion that the corporation has not a monopoly of the raw materials of the steel industry, I am in entire accord.

"Further inquiring whether the corporation inherently possesses monopolistic power attention is next given to its proportion of the manufacture and sale of finished iron and steel products of the industry. Upon this subject there is a great volume of testimony, a detailed consideration of which in an opinion would be quite inexcusable. As a last analysis of this testimony, it is sufficient to say it shows that, large as was the corporation, and substantial as was its proportion of the business of the industry, the corporation was not able in the first 10 years of its history to maintain its position in the increase trade. During that period its proportion of the domestic business decreased from 50.1 per cent to 40.9 per cent, and its increase of business during that period was but 40.6 per cent of its original volume. Its increase of business, measured by percentage, was exceeded by eight of its competitors, whose increase of business, likewise measured by percentage, ranged from 63 to 3,779. This disparity in the increase of production indicates that the power of the corporation is not commensurate with its size, and that the size and the consequent power of the corporation are not sufficient to retard prosperous growth of efficient competitors.

"From the vast amount of testimony it is conclusively shown that the Steel Corporation did not attempt to exert a power, if such it possessed, to oppress and destroy its competitors, and it is likewise disclosed by the history of the industry subsequent to the organization of the corporation that if it had made such an attempt it would have failed. It is also shown by the testimony that, acting independently and relying alone upon its power and wealth, great as they were, the corporation has never been able to dominate the steel industry by controlling the supply of raw materials, restraining production of finished products, or enhancing and maintaining the prices of either."

the ultimate propositions to which the contentions are addressed. The opinions indicate that the evidence admits of different deductions as to the genesis of the corporation and the purpose of its organizers, but only of a single deduction as to the power it attained and could exercise. Both opinions were clear and confident that the power of the corporation never did and does not now reach to monopoly, and their review of the evidence and our independent examination of it enables us to elect between their respective estimates of it, and we concur in the main with that of Judges Woolley and Hunt. And we add no comment, except it may be that they underestimated the influence of the tendency and movement to integration, the appreciation of the necessity or value of the continuity of manufacture from the ore to the finished product. And there was such a tendency, and though it can not be asserted it had become a necessity, it had certainly become a facility of industrial progress. There was, therefore, much to urge it and give incentive to conduct that could accomplish it. From the nature and properties of the industry the processes of production were something more than the stage and setting of the human activities. They determined to an extent those activities, furnished their motives, and gave test of their quality, not, of course, that the activities could get any immunity from size or resources, or energies, whether exerted in integrated plants or diversified ones.

The contentions of the case, therefore, must be judged by the requirements of the law, not by accidental or adventitious circumstances. But what are such circumstances? We have seen that it was the view of the district court that size was such a circumstance and had no accusing or excusing influence. The contention of the Government is to the contrary. Its assertion is that the size of the corporation being the result of a "combination of powerful and able competitors" had become "substantially dominant" in the industry and illegal. And that this was determined. The companies combined, is the further assertion, had already reached a high degree of efficiency, and in their independence were factors in production and competition, ceased to be such when brought under the regulating control of the corporation, which by uniting them offended the law, and that the organizers of the corporation "had in mind the specific purposes of the restraint of trade and the enormous profits resulting from that restraint."

It is the contention of the corporation opposing those of the Government and denying the illegal purposes charged against it, that the industry demanded qualities and an enterprise that lesser industries do not demand, and must have a corresponding latitude and facility. Indeed, it is insisted that the industry had practically, to quote the words of Judge Buffington, he quoting those of a witness, "'reached the limit, or nearly, at which economies from a metallurgical or mechanical standpoint could be made effective,'" and "'that instead, as was then the practice, of having one mill make 10 or 20 or 50 products, the greatest economy would result from one mill making one product and making that product continuously.'" In other words, there was a necessity for integration and rescue from the old conditions—from their improvidence and waste of effort—and that in redress of the conditions the corporation was formed, its purpose and effect being "salvage, not monopoly," to quote the words of counsel. It was, is the insistence, the conception of ability, "a vision of a great business which should embrace all lines of steel and all processes of manufacture, from the ore to the finished product, and which by reason of the economies thus to be effected and the diversity of products it would be able to offer could successfully compete in all the markets of the world." It is urged further that to the discernment of that great possibility was added a courage that dared attempt its accomplishment, and the conception and the courage made the formation of the corporation notable but did not make it illegal.

We state the contentions; we do not have to discuss them or review the arguments advanced for their acceptance or repulsion. That is done, in the opinions of the district judges, and we may well despair to supplement the force of their representation of the conditions antecedent to the formation of the corporation and in what respect and extent its formation changed them.

Of course, in that representation and its details there is guidance to decision, but they must be rightly estimated to judge of what they persuade. Our present purpose is not retrospect for itself, however instructive, but practical decision upon existing conditions that we may not by their disturbance, produce, or even risk, consequences of a concern that can not now be computed. In other words, our consideration should be of not what the corporation had power to do or did, but what it has now power to do and is doing, and what judgment shall be now pronounced—whether its dissolution as the Government prays, or the dismissal of the suit as the corporation insists?

The alternatives are perplexing, involve conflicting considerations, which, regarded in isolation, have diverse tendencies. We have seen that the judges of the district court unanimously concurred in the view that the corporation did not achieve monopoly, and such is our deduction, and it is against monopoly that the statute is directed, not against an expectation of it, but against its realization, and it is certain that it was not realized. The opposing conditions were underestimated. The power attained was much greater than that possessed by any one competitor—it was not greater than that possessed by all of them. Monopoly, therefore, was not achieved, and competitors had to be persuaded by pools, associations, trade meetings, and through the social form of dinners, all of them, it may be, violations of the law, but transient in their purpose and effect. They were scattered through the years from 1901—the year of the formation of the corporation—until 1911, but, after instances of success and failure, were abandoned nine months before this suit was brought.

There is no evidence that the abandonment was in prophecy of or dread of suit; and the illegal practices have not been resumed, nor is there any evidence of an intention to resume them, and certainly no "dangerous probability" of their resumption, the test for which Swift & Co. *v.* United States (196 U. S. 396) is cited. It is our conclusion, therefore, as it was that of the judges below, that the practices were abandoned from a conviction of their futility, from the operation of forces that were not understood or were underestimated, and the case is not peculiar. And we may say in passing that the Government can not fear their resumption, for it did not avail itself of the offer of the district court to retain jurisdiction of the cause in order that if illegal acts should be attempted they could be restrained.

What, then, can now be urged against the corporation? Can comparisons in other regards be made with its competitors and by such comparisons, guilty or innocent, existence be assigned it? It is greater in size and productive power than any of its competitors, equal or nearly equal to them all, but its power over prices was not and is not commensurate with its power to produce.

It is true there is some testimony tending to show that the corporation had such power, but there was also testimony and a course of action tending strongly to the contrary. The conflict was by the judges of the district court unanimously resolved against the existence of that power, and in doing so they but gave effect to the greater weight of the evidence. It is certain that no such power was exerted. On the contrary, the only attempt at a fixation of prices was, as early said, through an appeal to and confederation with competitors, and the record shows, besides that, when competition occurred it was not in pretence, and the corporation declined in productive powers—the competitors growing either against or in consequence of the competition. If against the competition, we have an instance of movement against what the Government insists was an irresistible force; if in consequence of competition, we have an illustration of the adage that "competition is the life of trade" and is not easily repressed. The power of monopoly in the corporation under either illustration is an untenable accusation.

We may pause here for a moment to notice illustrations of the Government of the purpose of the corporation, instancing its acquisition after its formation of control over the Shelby Steel Tube Co., the Union Steel Co., and, subsequently, the Tennessee Co. There is dispute over the reasons for these acquisitions which we shall not detail. There is, however, an important circumstance in connection with that of the Tennessee Co., which is worthy to be noted. It was submitted to President Roosevelt and he gave it his approval. His approval, of course, did not make it legal, but it gives assurance of its legality, and we know from his earnestness in the public welfare he would have approved of nothing that had even a tendency to its detriment. And he testified he was not deceived and that he believed that "the Tennessee coal and iron people had a property which was almost worthless in their hands, nearly worthless to them, nearly worthless to the communities in which it was situated, and entirely worthless to any financial institution that had the securities the minute that any panic came, and that the only way to give value to it was to put it in the hands of people whose possession of it would be a guaranty that there was value to it." Such being the emergency it seems like an extreme accusation to say that the corporation which relieved it, and, perhaps, rescued the company and the communities dependent upon it from disaster, was urged by

unworthy motives. Did illegality attach afterwards and how? And what was the corporation to do with the property? Let it decay in desuetude or develop its capabilities and resources? In the development, of course, there would be profit to the corporation, but there would be profit as well to the world. For this reason President Roosevelt sanctioned the purchase, and it would seem a distempered view of purchase and result to regard them as violations of law.

From this digression we return to the consideration of the conduct of the corporation to its competitors. Besides the circumstances which we have mentioned there are others of probative strength. The company's officers, and, as well, its competitors and customers, testified that its competition was genuine, direct, and vigorous, and was reflected in prices and production. No practical witness was produced by the Government in opposition. Its contention is based on the asserted size and dominance of the corporation—alleged power for evil, not the exertion of the power in evil. Or, as counsel put it, "a combination may be illegal because of its purpose; it may be illegal because it acquires a dominating power, not as a result of normal growth and development, but as a result of a combination of competitors." Such composition and its resulting power constitute, in the view of the Government, the offense against the law, and yet it is admitted "no competitor came forward and said he had to accept the Steel Corporation's prices." But this absence of complaint counsel urge against the corporation. Competitors, it is said, followed the corporation's prices because they made money by the imitation. Indeed, the imitation is urged as an evidence of the corporation's power. "Universal imitation," counsel assert, "is an evidence of power." In this concord of action, the contention is, there is the sinister dominance of the corporation—"its extensive control of the industry is such that the others—independent companies—follow." Counsel, however, admit that there was "occasionally" some competition, but rejects the suggestion that it extended practically to a war between the corporation and the independents. Counsel say, "They—the corporation is made a plural—called a few; they called 200 witnesses out of some 40,000 customers, and they expect with that customer evidence to overcome the whole train of price movement shown since the corporation was formed." And by "movement of prices," counsel explained, "as shown by the published prices * * * they were the ones that the competitors were maintaining all during the interval."

It would seem that "200 witnesses" would be fairly representative. Besides, the balance of the "40,000 customers" was open to the Government to draw upon. Not having done so, is it not permissible to infer that none would testify to the existence of the influence that the Government asserts? At any rate, not one was called, but instead the opinion of an editor of a trade journal is adduced and that of an author and teacher of economics, whose philosophical deductions had, perhaps, fortification from experience as deputy commissioner of corporations and as an employee in the bureau of corporations. His deduction was that when prices are constant through a definite period an artificial influence is indicated; if they vary during such a period, it is a consequence of competitive conditions. It has become an aphorism that there is danger of deception in generalities, and in a case of this importance we should have something surer for judgment than speculation, something more than a deduction equivocal of itself even though the facts it rests on or asserts were not contradicted. If the phenomena of production and prices were as easily resolved as the witness implied much discussion and much literature have been wasted, and some of the problems that are now distracting the world would be given composing solution. Of course, competition affects prices, but it is only one among other influences and does not more than they, register itself in definite and legible effect.

We magnify the testimony by its consideration. Against it competitors, dealers, and customers of the corporation testify in multitude that no adventitious interference was employed to either fix or maintain prices, and that they were constant or varied according to natural conditions. Can this testimony be minimized or dismissed by inferring that, as intimated, it is an evidence of power not of weakness and power exerted not only to suppress competition but to compel testimony, is the necessary inference, shading into perjury to deny its exertion? The situation is indeed singular, and we may wonder at it, wonder that the despotism of the corporation, so baneful to the world in the representation of the Government, did not produce protesting victims.

But there are other paradoxes. The Government does not hesitate to present contradictions, though only one can be true, such being, we were told in our school books, the "principle of contradiction." In one competitors—the independents—are represented as oppressed by the superior power of the corporation; in the other they are represented as ascending to opulence by imitating that power's prices, which they could not do if at disadvantage from the other conditions of competition; and yet confederated action is not asserted. If it were this suit would take on another cast.

The competitors would cease to be the victims of the corporation and would become its accomplices. And there is no other alternative. The suggestion that lurks in the Government's contention that the acceptance of the corporation's prices is the submission of impotence to irresistible power is, in view of the testimony of the competitors, untenable. They, as we have seen, deny restraint in any measure or illegal influence of any kind. The Government, therefore, is reduced to the assertion that the size of the corporation, the power it may have—not the exertion of the power—is an abhorrence to the law, or, as the Government says, "The combination embodied in the corporation unduly restrains competition by its *necessary effect* [the italics is the emphasis of the Government], and therefore is unlawful regardless of purpose." "A wrongful purpose," the Government adds, "is matter of aggravation." The illegality is statical, purpose or movement of any kind only its emphasis. To assent to that, to what extremes would we be led? Competition consists of business activities and ability—they make its life; but there may be fatalities in it. Are the activities to be encouraged when militant and suppressed or regulated when triumphant because of the dominance attained? To such paternalism the Government's contention, which regards power rather than its use the determining consideration, seems to conduct. Certainly conducts, we may say, for it is the inevitable logic of the Government's contention that competition must not only be free but that it must not be pressed to the ascendency of a competitor, for in ascendency there is the menace of monopoly.

We have pointed out that there are several of the Government's contentions which are difficult to represent or measure, and the one we are now considering—that is, the power is "unlawful regardless of purpose"—is another of them. It seems to us that it has for its ultimate principle and justification that strength in any producer or seller is a menace to the public interest and illegal because there is potency in it for mischief. The regression is extreme, but short of it the Government can not stop. The fallacy it conveys is manifest.

The corporation was formed in 1901; no act of aggression upon its competitors is charged against it; it confederated with them at times in offense against the law, but abandoned that before this suit was brought, and since 1911 no act in violation of law can be established against it except its existence be such an act. This is urged, as we have seen, and that the interest of the public is involved and that such interest is paramount to corporation or competitors. Granted—though it is difficult to see how there can be restraint of trade when there is no restraint of competitors in the trade nor complaints by customers—how can it be worked out of the situation and through what proposition of law? Of course, it calls for nothing other than a right application of the law, and, to repeat what we have said above, shall we declare the law to be that size is an offense even though it minds its own business, because what it does is imitated? The corporation is undoubtedly of impressive size, and it takes an effort of resolution not to be affected by it or to exaggerate its influence. But we must adhere to the law, and the law does not make mere size an offense or the existence of unexerted power an offense. It, we repeat, requires overt acts and trusts to its prohibition of them and its power to repress or punish them. It does not compel competition nor require all that is possible.

Admitting, however, that there is pertinent strength in the propositions of the Government, and in connection with them, we recall the distinction we made in the Standard Oil case (221 U. S. 1, 77) between acts done in violation of the statute and a condition brought about which "in and of itself is not only a continued attempt to monopolize, but also a monopolization." In such case we declared, "The duty to enforce the statute" required "the application of broader and more controlling" remedies than the other. And the remedies applied conformed to the declaration; there was prohibition of future acts, and there was dissolution of "the combination found to exist in violation of the statute" in order to "neutralize the extension and continually operating force which the possession of the power unlawfully obtained" had "brought" and would "continue to bring about."

Are the case and its precepts applicable here? The Steel Corporation by its formation united under one control competing companies, and thus, it is urged, a condition was brought about in violation of the statute, and therefore illegal, and

became a "continually operating force" with the "possession of power unlawfully obtained."

But there are countervailing considerations. We have seen whatever there was of wrong intent could not be executed, whatever there was of evil effect was discontinued before this suit was brought, and this, we think, determines the decree. We say this in full realization of the requirements of the law.

It is clear in its denunciation of monopolies and equally clear in its direction that the courts of the Nation shall prevent and restrain them (its language is "to prevent and restrain violations of" the act), but the command is necessarily submissive to the conditions which may exist and the usual powers of a court of equity to adapt its remedies to those conditions. In other words, it is not expected to enforce abstractions and do injury thereby, it may be, to the purpose of the law. It is this flexibility of discretion—indeed, essential function—that makes its value in our jurisprudence—value in this case as in others. We do not mean to say that the law is not its own measure and that it can be disregarded, but only that the appropriate relief in each instance is remitted to a court of equity to determine, not—and let us be explicit in this—to advance a policy contrary to that of the law but in submission to the law and its policy and in execution of both. And it is certainly a matter for consideration that there was no legal attack on the corporation until 1911, 10 years after its formation and the commencement of its career. We do not, however, speak of the delay simply as to its time or that there is estoppel in it because of its time, but on account of what was done during that time—the many millions of dollars spent, the development made, and the enterprises undertaken, the investments by the public that had been invited and are not to be ignored. And what of the foreign trade that has been developed and exists? The Government, with some inconsistency, it seems to us, would remove this from the decree of dissolution. Indeed, it is pointed out that under congressional legislation in the Webb Act the foreign trade of the corporation is reserved to it. And, further, it is said that the corporation has constructed a company called the Products Co., which can be "very easily preserved as a medium through which the steel business might reach the balance of the world," and that in the decree of "dissolution that could be provided." This is supplemented by the suggestion that not only the Steel Corporation "but other steel makers of the country could function through an instrumentality created under the Webb Act."

The propositions and suggestions do not commend themselves. We do not see how the Steel Corporation can be such a beneficial instrumentality in the trade of the world and its beneficence preserved and yet be such an evil instrumentality in the trade of the United States that it must be destroyed. And by whom and how shall all the adjustments of preservation or destruction be made? How can the corporation be sustained and its power of control over its subsidiary companies be retained and exercised in the foreign trade and given up in the domestic trade? The Government presents no solution of the problem. Counsel realize the difficulty and seem to think that its solution or its evasion is in the suggestion that the Steel Corporation and "other steel makers could function through an instrumentality created under the Webb Act." But we are confronted with the necessity of immediate judicial action under existing laws, not action under laws that have not been and may not be enacted. We must now decide, and we see no guide to decision in the propositions of the Government.

The Government, however, tentatively presents a proposition which has some tangibility. It submits that certain of the subsidiary companies are so mechanically equipped and so officially directed as to be released and remitted to independent action and individual interests and the competition to which such interests prompt without any disturbance to business. The companies are enumerated. They are the Carnegie Steel Co. (a combination of the old Carnegie Co., the National Steel Co., and the American Steel Co.), the Federal Steel Co., the Tennessee Co., and the Union Steel Co. (a combination of the Union Steel Co., of Donora, Pa., Sharon Steel Co., of Sharon, Pa., and Sharon Tin Plate Co.). They are fully integrated, it is said, possess their own supplies, facilities of transportation, and distribution. They are subject only to the Steel Corporation, is in effect the declaration, in nothing but its control of their prices. We may say parenthetically that they are defendants in the suit and charged as offenders, and we have the strange circumstance of violators of the law being urged to be used as expedients of the law.

But let us see what guide to a procedure of dissolution of the corporation and the dispersion as well of its subsidiary companies—for they are asserted to be illegal combinations—is prayed. And the fact must not be overlooked or underestimated. The prayer of the Government calls for not only a disruption of present conditions but the restoration of the conditions of 20 years ago, if not literally, substantially. Is there guidance to this in the Standard Oil case and the Tobacco case? As an element in determining the answer we shall have to compare the cases with that at bar, but this can only be done in a general way. And the law necessarily must be kept in mind. No other comment of it is necessary. It has received so much exposition that it and all it prescribes and proscribes should be considered as a consciously directing presence.

The Standard Oil Co. had its origin in 1882, and through successive forms of combinations and agencies it progressed in illegal power to the day of the decree, even attempting to circumvent by one of its forms the decision of a court against it. And its methods in using its power was of the kind that Judge Woolley described as "brutal," and of which practices he said the Steel Corporation was absolutely guiltless. We have enumerated them, and this reference to them is enough. And of the practices this court said no disinterested mind could doubt that the purpose was "to drive others from the field and to exclude them from their right to trade and thus accomplish the mastery which was the end in view." It was further said that what was done and the final culmination "in the plan of the New Jersey corporation" made "manifest the continued existence of the intent * * * and impelled the expansion of the New Jersey corporation." It was to this corporation, which represented the power and purpose of all that preceded, that the suit was addressed and the decree of the court was to apply. What we have quoted contrasts that case with this. The contrast is further emphasized by pointing out how, in the case of the New Jersey corporation, the original wrong was reflected in and manifested by the acts which followed the organization, as described by the court. It said: "The exercise of the power which resulted from that organization fortifies the foregoing conclusions (as to monopoly, etc.), since the development which came, the acquisition here and there which ensued of every efficient means by which competition could have been asserted, the slow but resistless methods which followed by which means of transportation were absorbed and brought under control, the system of marketing which was adopted, by which the country was divided into districts and the trade in each district in oil was turned over to the designated corporation within the combination and all others were excluded, all lead the mind up to a conviction of a purpose and intent which we think is so certain as practically to cause the subject not to be within the domain of reasonable contention."

The Tobacco Co. case has the same bad distinctions as the Standard Oil case. The illegality in which it was formed [there were two American Tobacco Cos., but we use the name as designating the new company as representing the combinations of the suit] continued, indeed progressed in intensity and defiance to the moment of decree. And it is the intimation of the opinion, if not its direct assertion, that the formation of the company (the word "combination" is used) was preceded by the intimidation of a trade war "inspired by one or more of the minds which brought about and became parties to that combination." In other words the purpose of the combination was signaled to competitors and the choice presented to them was submission or ruin, to become parties to the illegal enterprise or be driven "out of the business." This was the purpose and the achievement, and the processes by which achieved this court enumerated to be the formation of new companies, taking stock in others to "obscure the result actually attained, but always to monopolize and retain power in the hands of the few and mastery of the trade; putting control in the hands of seemingly independent corporations as barriers to the entry of others into the trade; the expenditure of millions upon millions in buying out plants, not to utilize them, but to close them; by constantly recurring stipulations by which numbers of persons, whether manufacturers, stockholders, or employees, were required to bind themselves, generally for long periods, not to compete in the future. In the Tobacco case, therefore, as in the Standard Oil case, the court had to deal with a persistent and systematic lawbreaker masquerading under legal forms, and which not only had to be stripped of its disguises but arrested in its illegality. A decree of dissolution was the manifest instrumentality and inevitable. We think it would be a work of sheer supererogation to point out that a decree in that case or in the Standard Oil case furnishes no example for a decree in this.

In conclusion, we are unable to see that the public interest will be served by yielding to the contention of the Government

respecting the dissolution of the company or the separation from it of some of its subsidiaries, and we do see in a contrary conclusion a risk of injury to the public interest, including a material disturbance of, and it may be serious detriment to, the foreign trade. And in submission to the policy of the law and its fortifying prohibitions the public interest is of paramount regard.

We think, therefore, that the decree of the district court should be affirmed.

So ordered.

Mr. Justice McReynolds and Mr. Justice Brandeis took no part in the consideration or decision of the case.

APPENDIX B.

Supreme Court of the United States.

No. 6.—OCTOBER TERM, 1919.

The United States of America, appellant, *v.* United States Steel Corporation et al. Appeal from the District Court of the United States for the District of New Jersey.

[March 1, 1920.]

Mr. Justice Day, dissenting.

This record seems to me to leave no fair room for a doubt that the defendants, the United States Steel Corporation and the several subsidiary corporations which make up that organization, were formed in violation of the Sherman Act. I am unable to accept the conclusion which directs a dismissal of the bill instead of following the well-settled practice, sanctioned by previous decisions of this court, requiring the dissolution of combinations made in direct violation of the law.

It appears to be thoroughly established that the formation of the corporations here under consideration constituted combinations between competitors, in violation of law, and intended to remove competition and to directly restrain trade. I agree with the conclusions of Judges Woolley and Hunt, expressed in the court below (223 Fed. Rep. 161, et seq.), that the combinations were not submissions to business conditions but were designed to control them for illegal purposes, regardless of other consequences, and "were made upon a scale that was huge and in a manner that was wild," and "properties were assembled and combined with less regard to their importance as integral parts of an integrated whole than to the advantages expected from the elimination of the competition which theretofore existed between them." Those judges found that the constituent companies of the United States Steel Corporation, nine in number, were themselves combinations of steel manufacturers, and the effect of the organization of these combinations was to give a control over the industry at least equal to that theretofore possessed by the constituent companies and their subsidiaries. That the Steel Corporation was a combination of combinations by which directly or indirectly 180 independent concerns were brought under one control, and in the language of Judge Woolley (p. 167):

"Without referring to the great mass of figures which bears upon this aspect of the case, it is clear to me that combinations were created by acquiring competing producing concerns at figures not based upon their physical or business values, as independent and separate producers, but upon their values in combination; that is, upon their values as manufacturing plants and business concerns with competition eliminated. In many instances capital stock was issued for amounts vastly in excess of the values of the properties purchased, thereby capitalizing the anticipated fruits of combination. The control acquired over the branches of the industry to which the combinations particularly related, measured by the amount of production, extended in some instances from 80 per cent to 95 per cent of the entire output of the country, resulting in the immediate increase in prices, in some cases double and in others treble what they were before, yielding large dividends upon greatly inflated capital.

"The immediate, as well as the normal, effect of such combinations was in all instances a complete elimination of competition between the concerns absorbed and a corresponding restraint of trade."

The enormous overcapitalization of companies and the appropriation of $100,000,000 in stock to promotion expenses were represented in the stock issues of the new organizations thus formed, and were the basis upon which large dividends have been declared from the profits of the business. This record shows that the power obtained by the corporation brought under its control large competing companies which were of themselves illegal combinations, and succeeded to their power; that some of the organizers of the Steel Corporation were parties to the preceding combinations, participated in their illegality, and by uniting them under a common direction intended to augment and perpetuate their power. It is the irresistible conclusion from these premises that great profits to be derived from unified control were the object of these organizations.

The contention must be rejected that the combination was an inevitable evolution of industrial tendencies compelling union of endeavor. Nothing could add to the vivid accuracy with which Judge Woolley, speaking for himself and Judge Hunt, has stated the illegality of the organization, and its purpose to combine in one great corporation the previous combinations by a direct violation of the purposes and terms of the Sherman Act.

For many years, as the record discloses, this unlawful organization exerted its power to control and maintain prices by pools, associations, trade meetings, and as the result of discussion and agreements at the so-called Gary dinners, where the assembled trade opponents secured cooperation and joint action through the machinery of special committees of competing concerns, and by prudent prevision took into account the possibility of defection and the means of controlling and perpetuating that industrial harmony which arose from the control and maintenance of prices.

It inevitably follows that the corporation violated the law in its formation and by its immediate practices. The power, thus obtained from the combination of resources almost unlimited in the aggregation of competing organizations, had within its control the domination of the trade and the ability to fix prices and restrain the free flow of commerce upon a scale heretofore unapproached in the history of corporate organization in this country.

These facts established, as it seems to me they are by the record, it follows that if the Sherman Act is to be given efficacy, there must be a decree undoing so far as is possible that which has been achieved in open, notorious, and continued violation of its provisions.

I agree that the act offers no objection to the mere size of a corporation, nor to the continued exertion of its lawful power, when that size and power have been obtained by lawful means and developed by natural growth, although its resources, capital, and strength may give to such corporation a dominating place in the business and industry with which it is concerned. It is entitled to maintain its size and the power that legitimately goes with it, provided no law has been transgressed in obtaining it. But I understand the reiterated decisions of this court construing the Sherman Act to hold that this power may not legally be derived from conspiracies, combinations, or contracts in restraint of trade. To permit this would be to practically annul the Sherman law by judicial decree. This principle has been so often declared by the decisions that it is only necessary to refer to some of them. It is the scope of such combinations and their power to suppress and stifle competition and create or tend to create monopolies which, as we have declared so often as to make its reiteration monotonous, it was the purpose of the Sherman Act to condemn, including all combinations and conspiracies to restrain the free and natural flow of trade in the channels of interstate commerce. (Pearsall *v.* Great Northern Railway Co., 161 U. S. 646, 676, 677; Trans-Missouri Freight Association Case, 166 U. S. 290, 324; Northern Securities Case, 193 U. S. 197; Addyston Pipe Co. *v.* United States, 175 U. S. 211, 238; Harriman *v.* Northern Securities Co., 197 U. S. 244, 291; Union Pacific Case, 226 U. S. 61, 88.) While it was not the purpose of the act to condemn normal and usual contracts to lawfully expand business and further legitimate trade, it did intend to effectively reach and control all conspiracies and combinations or contracts of whatever form which unduly restrain competition and unduly obstruct the natural course of trade, or which from their nature or effect have proved effectual to restrain interstate commerce. (Standard Oil Co. *v.* United States, 221 U. S. 1; United States *v.* American Tobacco Co., 221 U. S. 106; United States *v.* Reading Co., 226 U. S. 324; Straus *v.* American Publishers' Association, 231 U. S. 222; Eastern States Lumber Association *v.* United States, 234 U. S. 600.)

This statute has been in force for nearly 30 years. It has been frequently before this court for consideration, and the nature and character of the relief to be granted against combinations found guilty of violations of it have been the subject of much consideration. Its interpretation has become a part of the law itself, and if changes are to be made now in its construction or operation, it seems to me that the exertion of such authority rests with Congress and not with the courts.

The fourth section is intended to give to courts of equity of the United States the power to effectively control and restrain violations of the act. In none of the cases which have been before the courts was the character of the relief to be granted, where organizations were found to be within the condemnation of the act, more thoroughly considered than in the Standard Oil and Tobacco Co. cases reported in Two hundred and twenty-

first United States. In the former case, considering the measure of relief to be granted in the case of a combination, certainly not more obnoxious to the Sherman Act than the court now finds the one under consideration to be, this court declared that it must be twofold in character (221 U. S. 78), "First, to forbid the doing in the future of acts like those which we have found to have been done in the past which would be violative of the statute; second, the exertion of such measure of relief as will effectually dissolve the combination found to exist in violation of the statute, and thus neutralize the extension and continually operating force which the possession of the power unlawfully obtained has brought and will continue to bring about."

In the American Tobacco Co. case the nature of the relief to be granted was again given consideration, and it was there concluded that the only effectual remedy was to dissolve the combination and the companies comprising it, and for that purpose the cause was remanded to the district court to hear the parties and determine a method of dissolution and of recreating from the elements composing it "a new condition which should be in honest harmony with and not repugnant to the law." In that case the corporations dissolved had long been in existence, and the offending companies were organized years before the suit was brought and before the decree of dissolution was finally made. Such facts were considered no valid objection to the dissolution of these powerful organizations as the only effective means of enforcing the purposes of the Sherman Antitrust Act. These cases have been frequently followed in this court and in the lower Federal courts in determining the nature of the relief to be granted, and I see no occasion to depart from them now.

As I understand the conclusions of the court, affirming the decree directing dismissal of the bill, they amount to this: That these combinations, both the holding company and the subsidiaries which comprise it, although organized in plain violation and bold defiance of the provisions of the act, nevertheless are immune from a decree effectually ending the combinations and putting it out of their power to attain the unlawful purposes sought, because of some reasons of public policy requiring such conclusion. I know of no public policy which sanctions a violation of the law, nor of any inconvenience to trade, domestic or foreign, which should have the effect of placing combinations, which have been able to thus organize one of the greatest industries of the country in defiance of law, in an impregnable position above the control of the law forbidding such combinations. Such a conclusion does violence to the policy which the law was intended to enforce, runs counter to the decisions of the court, and necessarily results in a practical nullification of the act itself.

There is no mistaking the terms of the act as they have hitherto been interpreted by this court. It was not intended to merely suppress unfair practices, but, as its history and terms amply show, it was intended to make it criminal to form combinations or engage in conspiracies or contracts in restraint of interstate trade. The remedy by injunction, at the instance of the Attorney General, was given for the purpose of enabling the courts, as the statute states, to prohibit such conspiracies, combinations, and contracts, and this court interpreting its provisions has held that the proper enforcement of the act requires decrees to end combinations by dissolving them and restoring as far as possible the competitive conditions which the combinations have destroyed. I am unable to see force in the suggestion that public policy, or the assumed disastrous effect upon foreign trade of dissolving the unlawful combination, is sufficient to entitle it to immunity from the enforcement of the statute.

Nor can I yield assent to the proposition that this combination has not acquired a dominant position in the trade which enables it to control prices and production when it sees fit to exert its power. Its total assets on December 31, 1913, were in excess of $1,800,000,000; its outstanding capital stock was $868,583,600; its surplus $151,798,428. Its cash on hand ordinarily was $75,000,000. This sum alone exceeded the total capitalization of any of its competitors, and, with a single exception, the total capitalization and surplus of any one of them. That such an organization thus fortified and equipped could if it saw fit dominate the trade and control competition would seem to be a business proposition too plain to require extended argument to support it. Its resources, strength, and comprehensive ownership of the means of production enable it to adopt measures to do again as it has done in the past—that is, to effectually dominate and control the steel business of the country. From the earliest decisions of this court it has been declared that it was the effective power of such organizations to control and restrain competition and the freedom of trade that Congress intended to limit and control. That the exercise of the power may be withheld, or exerted with forbearing benevolence, does not place such combinations beyond the authority of the statute which was intended to prohibit their formation, and when formed to deprive them of the power unlawfully attained.

It is said that a complete monopolization of the steel business was never attained by the offending combinations. To insist upon such result would be beyond the requirements of the statute and in most cases practically impossible.

As we said in dealing with the packers' combination in Swift & Co. *v.* United States (196 U. S. 396):

"When acts are not sufficient in themselves to produce a result which the law seeks to prevent—for instance, the monopoly—but require further acts in addition to the mere forces of nature to bring that result to pass, an intent to bring it to pass is necessary in order to produce a dangerous probability that it will happen. (Commonwealth *v.* Peachie, 177 Mass. 267, 272.) But when that intent and the consequent dangerous probability exist, this statute [Sherman Act] like many others, and like the common law in some cases, directs itself against that dangerous probability as well as against the completed result."

It is affirmed that to grant the Government's request for a remand to the district court for a decree of dissolution would not result in a change in the conditions of the steel trade. Such is not the theory of the Sherman Act. That act was framed in the belief that attempted or accomplished monopolization or combinations which suppress free competition were hurtful to the public interest, and that a restoration of competitive conditions would benefit the public. We have here a combination in control of one-half of the steel business of the country. If the plan were followed, as in the American Tobacco case, of remanding the case to the district court, a decree might be framed restoring competitive conditions as far as practicable. See United States *v.* American Tobacco Co. (191 Fed. 371). In that case the subject of reconstruction so as to restore such conditions was elaborated and carefully considered. In my judgment the principles there laid down if followed now would make a very material difference in the steel industry. Instead of one dominating corporation, with scattered competitors, there would be competitive conditions throughout the whole trade which would carry into effect the policy of the law.

It seems to me that if this act is to be given effect the bill, under the findings of fact made by the court, should not be dismissed, and the cause should be remanded to the district court, where a plan of effective and final dissolution of the corporations should be enforced by a decree framed for that purpose.

Mr. Justice Pitney and Mr. Justice Clarke concur in this dissent.

ADDRESS BY JUDGE ALTON B. PARKER.

Mr. SHORTRIDGE. Mr. President, on January 14, 1922, Judge Alton B. Parker, former chief justice of the Court of Appeals of New York and one-time candidate for President of the United States, delivered a masterly address at the opening of the Marshall-Wythe School of Government and Citizenship at the College of William and Mary, at Williamsburg, Va. The high purpose of that school and the reasons for its establishment are very clearly set forth in this masterly address by Judge Parker. The subject matter of his address was "American Constitutional Government." It had been called to my attention as a splendid defense of our form of government, and I had intended weeks ago to present it here in the Senate in order that it might be further distributed and preserved for future days. Hon. W. W. Morrow, of California, one of the circuit judges of the ninth circuit, writes me suggesting that this scholarly and patriotic address be printed in the RECORD and be also printed as a public document.

Mr. SMOOT. The Senator should request that either course be taken—whichever he desires—but not both.

Mr. SHORTRIDGE. I will adopt whichever course may seem to Senators best adapted for the wide distribution of this splendid address.

Mr. SMOOT. If the Senator desires to have extra copies of it printed for distribution by Senators themselves, it would be very much better to have it printed as a public document; but if the Senator only wants it to go into the RECORD, to be read by the readers of the RECORD, it should be printed in the RECORD.

Mr. SHORTRIDGE. For the moment, then, I suggest that this address be printed in the RECORD. Perhaps hereafter other disposition may be made of it. I ask that it be printed in the RECORD in the regular RECORD type.

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

The address is as follows:

AMERICAN CONSTITUTIONAL GOVERNMENT.

[By Alton B. Parker, LL. D., former chief justice, Court of Appeals of New York.]

The Federal Constitution, the prize of every intelligent and patriotic American, and which Gladstone referred to as the greatest work ever struck off at a given time by the brain and purpose of man, had safe deliverance from the Philadelphia Convention of 1787. Over that convention the greatest American from the beginning of government to this day, George Washington, of Virginia, at one time a student of this college and later its chancellor, presided.

The Constitution was not popular with the majority of the people at its birth. Indeed, the Articles of Confederation, which constituted whatever of Federal Government there was in existence—a helpless apology for a government, which could not compel from any source the raising of money to support itself or pay the national debt—were in greater favor with the people than the proposed new Federal Government, which was given all needed power, as 134 years of experience under it demonstrates. The people, however, were suspicious of the Constitution before they ever saw it. For three months and a half the convention sat with locked doors. James Madison, afterwards President, kept the Journal, but agreeably to the wishes of the delegates it was not published until after his death, which occurred about 50 years later. Moreover, the resolution of Congress providing for a convention on the second Monday of May, 1787, recited that it was "for the sole and express purpose of revising the Articles of Confederation," whereas the convention in fact reported an entirely different plan of government, a government which could enforce the powers conferred upon it by the Constitution, whether the people of some State disliked the exercise of the power or not. That was alarming to the majority of the people of many, if not all, of the States that had been accustomed to raise moneys for Federal uses or not, as they chose, and quite frequently, it may be said, they did not choose. All that the Continental Congress could do was to make requisition for funds upon the thirteen members of the confederacy in proportion to the assessed value of their real estate, for it was without power to enforce these requisitions. Nor were these requisitions responded to as they should have been during the War of the Revolution, when the people of the States were struggling to secure their liberty. One of the results was that the troops who were fighting for the freedom of the country were poorly fed, ill clothed, and rarely paid the trifling compensation which was promised them. The shabby treatment of the Army was hard for General Washington to bear, who understood right well that their loyalty to him as well as to the cause induced them to suffer and still fight on.

The inability to finance the Government created by the Articles of Confederation was not the only illustration of its impotence to safeguard the interests of all the people. Most of the States issued at will paper currency, and the brokers and merchants of cities in other States charged such discount as they chose in receiving it for goods. The time came when the bills thus issued would be received, if at all, in other States at a very small percentage of their face value. In 1781, according to Jefferson, notes issued by Congress "fell to 1,000 for 1." The debts of the States and of the Confederation seemed large in that day, and, coupled with the chaotic financial condition, plus the indebtedness of individuals at home and abroad, led to demands by large numbers of the people for a repudiation of all debts, public and private. Moreover, the States passed tariff laws against one another as well as against foreign nations, and indeed, so far as commerce was concerned, each State treated the others as foreign nations.

It may be said in passing that the selfish spirit of that day, which prompted the people of one State to put up bars against the people of other States, still exists. As I write, there lies before me a paper of to-day's issue, referring to two contemporaneous decisions of the Supreme Court of the United States.

In the one the transportation of oil through an underground pipe line was taxed by West Virginia as a "privilege tax," thus attempting to impose a burden upon interstate commerce in oil and in gas going into other States, and for that reason it was held to be invalid under the interstate commerce clause of the Constitution. In the other a milling corporation made a contract with a citizen of Kentucky which he refused to perform. Being sued, his defense was that the milling company had not registered in Kentucky as required by the statute of that State, hence it could not sue the Kentuckian. The Kentucky court sustained his contention, but the Supreme Court of the United States reversed the judgment of the State court, holding in effect that the transaction was one in interstate commerce and the State statute as applied to it was void. Before the Federal Constitution came into existence, however, there was no redress. Now, the Federal courts can relieve the citizens of other States from attempted wrongful exactions by the people of sister States.

Fortunately, in the condition of public demoralization tending in the direction of dishonor and even anarchy in the year 1787, the 55 men who had been chosen to represent the several States assembled in Independence Hall. It was a wonderful body of men. Never since that day has a body of like numbers been their superiors in ability, courage, industry, and patriotism. I wish the occasion permitted a reference to each of them, and especially here where it would be most appropriate to speak of them. The convention adjourned on the 17th of September, 1787, and a draft of the new Constitution which it had created—the governmental masterpiece of the ages—was transmitted with a letter from Washington, the president of the convention, to the Continental Congress. Strong opposition was made to it by several of the members of the Continental Congress, but it was soon overborne, and eight days later Congress resolved that the new Constitution, together with a letter from Washington, should be "transmitted to the several legislatures in order that it might be submitted to a convention of delegates in each State chosen by the people thereof in conformity to the resolves of the convention."

Immediately there were born two parties, one supporting, the other opposing the adoption of the new Constitution by the conventions of the several States, and a fierce struggle was waged in several of the States, with brilliant men for the leaders of the antagonistic parties. Those opposing attacked the convention for holding its sessions in secret. Even the mighty press of that day was not permitted to have representatives present. Moreover, the members of the convention and each of them obligated themselves not to tell anyone what was going on within Independence Hall; and what is more, no one of them ever did tell. The question up for decision by the several State conventions, to be called after the Constitution was reported, was whether the proposed form of government was sound and therefore should be adopted—not who planned it, nor even how the votes stood in the first instance on the several propositions. Nevertheless, it is a fact that many of the demagogic orators of that day successfully aroused the passions of many of the people against the convention and all its works, because the secrecy of the deliberations was assumed to be due to an attempt to wrong the people and rob the States of their sovereignty.

The zeal of certain members of the Legislature of Pennsylvania in introducing a resolution for the election of delegates to a State convention to ratify the proposed Constitution before the Continental Congress had passed upon it, and thereafter seizing hostile absentee members and bringing them by force to the statehouse, thus creating a quorum, served, with the aid of eloquent debaters, to arouse public indignation and increase the popular tide which was running against the new plan of government. Nevertheless, the convention was called, and Pennsylvania ratified the Constitution on the 12th day of December, the State of Delaware having ratified six days earlier. New Jersey followed with ratification on the 18th, Georgia on the 2d day of January, 1788, and Connecticut one week later. The Massachusetts convention came next, and the outcome was very much feared by the constitutionalists, as those were called who favored the adoption of the Constitution. But those in charge of the effort to ratify comprised the strongest and most highly cultivated men of the State and they displayed tact throughout. One bit of evidence of that fact is to be found in the election of John Hancock, one of the most popular signers of the Declaration of Independence, for the presiding officer of the convention. And yet, out of 355 votes in the convention, the majority in favor of ratification was only 19. New Hampshire came next, and the constitutionalists, fearing the outcome, secured an adjournment until June.

Virginia's convention met June 2. No State was represented in its convention by so many delegates who had already achieved high station in the public service, nor by an equal number of delegates who were to serve the people in exalted positions in the future. But let Senator Beveridge speak of them, as he does in his masterly work entitled "The Life of John Marshall" (p. 322): "While the defense of the Constitution had been very able in Pennsylvania and Massachusetts, and later in New York was to be most brilliant, the attack upon it in the Virginia convention was nowhere equaled or approached in power, learning, and dignity. Extravagant as the assertion appears, it nevertheless is true that the Virginia contest was the only real debate over the whole Constitution. It far surpassed, especially in presenting the reasons against the Constitution, the discussion in the Federal convention itself,

in weight of argument and attractiveness of presentation, as well as in the ability and distinction of the debaters."

Virginia was in that day the greatest of the States. She had one-fifth of the population of all the States and at least one-fifth of the wealth. Moreover, only 18 years before her house of burgesses had passed an act prohibiting slavery, which failed to become a law only because of King George's direction to the colonial governor to withhold his signature from the enactment, which was obeyed. The letter of protest to the King from the house of burgesses was a brilliant paper, which at the same time bore a sad prophecy of that which later happened. I quote a single sentence from it: "We are sensible that some of Your Majesty's subjects in Great Britain may reap emoluments from this sort of traffic; but when we consider that it greatly retards the settlement of the colonies with more useful inhabitants, and may in time have the most destructive influence, we presume to hope that the interest of a few will be disregarded when placed in competition with the security and happiness of such numbers of Your Majesty's dutiful and loyal subjects." That letter in its entirety should be known to all men in our beloved country, to the end that they may realize that slavery in that State was not due to the majority of Virginians but to the King and the profiteers of that day, who were not at all different from our war profiteers.

Virginia's son, Thomas Jefferson, wrote the Declaration of Independence, and in it, as he first presented it to the convention, there was a stinging indictment of the King for enforcing slavery upon this country. That indictment was not accepted by the convention, and it was the only change of moment it made in the declaration as he proposed it. Jefferson was later to become governor of Virginia, minister to France, Vice President of the United States, and President for two terms. Another of Virginia's sons, George Washington, had been commander in chief of our armies. His great ability and popularity, plus the universal confidence in his ability to lead, commanded his selection as chairman of the Philadelphia convention. He was not a member of the Virginia convention chosen to pass upon the Constitution, for it was his act, in common with his associates, that was about to be considered by that convention. But his striking influence was there, for he had not hesitated to let people know how vital it was in his judgment that the new national government should be ratified by the several conventions.

In Virginia, as elsewhere, there were strong leaders of men and able debaters who were opposed to the new plan of government, and in considerable numbers they were present at the Virginia convention, for both parties strove with might and main to obtain mastery there. Let Senator Beveridge speak of the strength, ability, and character of members of the convention and their leaders. He said: "In Virginia's convention the array of ability, distinction, and character on both sides was notably brilliant and impressive. The strongest debaters in the land were there, the most powerful orators, and some of the most scholarly statesmen. Seldom in any land or age has so gifted and accomplished a group of men contended in argument and discussion at one time and place. And yet reasoning and eloquence were not the only or even the principal weapons used by those giant adversaries." (Vol. 1, p. 356.)

Patrick Henry, with his great eloquence, known to every schoolboy of the land from that day to this, was the leader in the mighty struggle against ratification. Edmund Randolph, then the governor of Virginia and afterwards President Washington's first Attorney General, a most popular man and an eloquent debater, was the flower of the speaking force favoring ratification. Chancellor Edmund Pendleton was chosen president of the convention and George Wythe, the first great teacher of law in this country, was made chairman of the committee of the whole. He, like many others in that convention of giants, was an alumnus of William and Mary, later her great law teacher and one-time chancellor of Virginia. James Madison, afterwards President of the United States, took a prominent part in the debate and in support of the Constitution. John Marshall was there, only 32 years of age, a former student and alumnus of the same college, and little dreaming that he was to be the greatest expounder of all time of the Constitution he was working to ratify, or that the thousands of great lawyers of this day, looking back over more than a century and a quarter, would all agree that his service to the country as Chief Justice of the Supreme Court of the United States has not been equaled by any other member of that wonderful court, of which every American citizen is justly proud. His participation in the debate came toward the close of the convention. But it was timely and, as we who have read his opinions would naturally expect, it was a clear and strong presentation of the merits of the proposed new plan of government. Indeed, his participation was especially strong on the judiciary feature.

But enough of the personnel of the convention, although it was so rich in master minds and the debate so strong on each side that it seems almost unfair not to mention all of the participants. The necessary brevity of this address makes that impossible. I should say in passing, however, that the constitutionalist leaders from other States, such as Hamilton, of New York, King, of Massachusetts, and others who believed that Virginia would settle the fate of the Constitution, were making appeals to their Virginia friends to save the day. And they did, but only by the narrow margin of 10 votes out of 168. Hamilton's assurance that a constitutionalist victory in Virginia would secure the adoption of the Constitution proved to be right. His brilliant arguments in that behalf were most persuasive in the New York convention, which gave a substantial majority in favor of the adoption of the Constitution.

The Continental Congress provided that presidential electors should be chosen the first Wednesday in January, 1789, and that the electors should meet and cast their votes for President on the first Wednesday in February, and that the Senate and House should assemble on the first Wednesday in March, which was in that year the 4th day of the month. Hence, Congress fixed upon the 4th of March for the beginning of each new administration thereafter.

The counting of the electoral votes took place on the 6th day of April, and each and every one of them was cast for George Washington, of Virginia. He wisely selected two great men of widely different political views to be the leaders of his Cabinet—Jefferson for Secretary of State and Hamilton for Secretary of the Treasury. The inauguration took place on the 30th day of April in Federal Hall, at the cornor of Wall and Nassau Streets, in New York City. The oath was administered by Chancellor Livingston, who, at the conclusion, shouted, "Long live George Washington, President of the United States!" Answering shouts came from all the vast assemblage. So, after a mighty travail, the National Government was born, amidst the execrations of the great uninformed majority of the people and the enthusiastic plaudits of the wiser minority.

No one, not even the wisest of the brilliant leaders among the constitutionalists, had the vision to see that before 134 years should pass away a fierce war would be fought between two sections of the country which should decide once for all that ours is a Union of States, one and inseparable; that the 13 States would be increased to 48; that our territory would be broadened so as to extend from the Atlantic to the Pacific and from the Great Lakes on the north to the Gulf of Mexico on the south; that the population of three and one-half millions would grow to over 100,000,000; that the wealth of the Nation at the outbreak of the World War in 1914 would exceed by far that of Great Britain and Germany put together; that we should enter that World War, raising 4,000,000 of troops, sending 2,000,000 of them across the ocean to fight Germany on French soil before the war was ended; that we should lend our allies in the war about ten and one-half billions of dollars in order to enable them successfully to prosecute the war; that during the war we should have a President who thought he saw at the close of the war an opportunity to bind the nations of the world together in a covenant to keep the peace of the world; that into that league, after it was drafted, would enter all the great States of the world with the exception of Russia, Germany, Mexico, and the United States, the Senate of the latter refusing to follow the President's leadership in that respect; further, that in this year of our Lord 1922 there would be gathered in our Capital City of Washington, upon the invitation of his successor President, delegates from several foreign States to consider ways and means of lightening the overpowering burdens of the people of the world by halting the building of warships of various kinds and striving incidentally for the ultimate peace of the world; nor that all the world would look longingly on this unique assemblage with hopeful hearts and prayerful lips. All that, and much more, we of this day know has happened. To the more our President hopes may be accomplished in the near future the people say "Amen," regardless of differing political beliefs and the less kindly treatment accorded by some people to his immediate predecessor, for, without regard to party, the people press on and on with him toward that day when international differences shall be settled as peacefully as are the differences between man and man in countries of high civilization.

Lord Bryce, at one time Great Britain's ambassador to the United States, and at all times our friend, as we were all his friends, nearly a century after the creation of the National Government, in his masterful work "The American Common-

wealth," paid this tribute to the Federal judiciary: "Few American institutions are better worth studying than this intricate judicial machinery, few deserve more admiration for the smoothness of their working, few have more contributed to the peace and well-being of the country." One of the serious objections made in several of the State conventions called to determine whether the requisite number of States would ratify the proposed Constitution was that it did not require the National Government to protect the people in the enjoyment of the great principles of English liberty, which had cost the people of England a struggle of nearly 500 years to secure. About 91 per cent of the population of the States were descended from Great Britain, and they treasured those principles of liberty and regarded them as essential to the comfort and happiness of the people. In their several State constitutions, therefore, the people had undertaken to protect themselves and those who should come after them in the enjoyment of those principles of liberty, together with the benefits of the English common law. To that end those States, and each subsequent State with one exception as it has come into the Union, have, through their several constitutions, made the common law of England the law of the State, subject to amendment by statute.

In the course of debate the assurance was given by more than one of the great leaders supporting the effort to adopt the proposed Constitution that appropriate amendments to accomplish that result should be promptly submitted to the people. At the very first session of Congress, in 1789, in pursuance of that promise, 12 proposed articles of amendment to the Constitution were submitted to the State legislatures by appropriate resolution of Congress. Only 10 of them were ratified by the requisite number of States. Thus was the fear entertained by many that the National Government might not regard itself as bound to follow the wishes of the people as expressed in their several State constitutions put at rest.

There were no precedents for the State and Federal Governments created. Each of the States had its own constitution, made it own laws, and provided for their due execution. Its powers within its boundaries were only limited by the new Federal Constitution. Should a State attempt to trespass upon the rights and powers which the States accorded to the Federal Government when they adopted the Constitution, the latter possessed the power to terminate the trespass, and exercised it.

The theory of the constitutional form of government which the fathers—of whom we are justly proud—created was that the National Constitution was created by the people and can be changed only by the people; that within that instrument must be found all the power that may be exercised by it, until and unless the people shall grant to that Government additional powers. And from time to time, since the adoption of the first 10 amendments, other amendments to the Constitution have been made, conferring powers upon the National Government which were not granted in the beginning. It is quite likely that other amendments may be made in the future, giving to the Federal Government still greater powers than it possesses to-day. But those powers can only be acquired by the Federal Government through the method the people have provided, which method finally results in having three-fourths of the States ratify the proposed amendment to the Constitution, either by the legislatures of such States or by a convention chosen by the people of those States.

But there are those in these later days who advocate the breaking down of the safeguards which the people secured by their constitutions. Some of them would strip the owners of property, secured by years and sometimes by generations of hard work, and divide it as the Soviet Government in Russia has attempted to do. One result of an effective attempt to take away from those who live economically, work hard, earn, and save, and divide it among people who do none of these things, is to be found in the starving millions in Russia, to whom we are sending free many millions of dollars' worth of food to save their lives. But that effort to serve the Russian people does not alter the ambition of the Soviet Government and of the hordes of sympathetic Russians who have come to this country for the purpose of helping to overthrow the best Government on earth from continuing their efforts. Nor does the fact of the great suffering and threatened death of many millions restrain the longings of those vast aggregations of enemies of work from seeking that which, according to their philosophy, is their proportionate share of the property, real and personal, of the world. A government which seeks to educate all of the youth of its country, stimulate all the people to work, and encourages thrift, is anathema to them.

As people of this class have been coming to us in large numbers from nearly every quarter of the globe, we must take up the task of so educating all classes of our vast population as that they shall fully understand the importance of maintaining in its integrity our constitutional plan of government. They should be taught in the first instance why it was that the people in the formative period of our Government were bound to have, and did at last secure, a Government which the people could control despite their legislatures, whether representing the States or the Federal Government. Vast powers are given to the executive, the legislative, and the judicial departments of the Government, but not all of the power possessed by the people, by any means. In that fact rests the ability of the people to hold in check each of the several departments of government which might on occasion wish to have it otherwise. Occasionally the legislative department of the State or Federal Government passes an act which upon its very face defies the Constitution which the people created and under which the legislative department of government acquires all the power it possesses. This has been done so often as to demonstrate that the legislative bodies can not always be trusted to obey the people's Constitution in times of popular stress. And, of course, at the same time it is proved that the plan of the fathers in saying in effect through a rigid Constitution, "Thus far and no farther can you go," is absolutely essential to the maintenance of our form of government.

Nevertheless in this time of selfishness, of agitation, and loose thinking, there are those who seek acclaim through a denunciation of the courts for judicially declaring that certain statutes offend against the people's Constitution. In other words, the courts say in such decisions that the legislative body has attempted to exercise a power denied to it by the people through their Constitution. Addresses have recently been made from purely selfish purposes with a view of creating the impression in the public mind that the courts have in the past and without warrant seized this power. The authors assert that such a thing as judgment of a court declaring an act void was unknown in Great Britain, from whence came our knowledge of the common law and of equity jurisprudence. But, as Lord Bryce points out with great clearness in his "American Commonwealth," the British constitution is not to be compared with ours. He says: "What are called in England constitutional statutes, such as Magna Charta, the Bill of Rights, the Act of Settlement, the Acts of Union with Scotland and Ireland, are mere ordinary laws, which could be repealed by Parliament at any moment in exactly the same way as it can repeal a highway act or lower the duty on tobacco."

Our National Constitution, on the contrary, was not created by Congress or by any legislative body, nor has Congress the power to amend or change a single word of it or to render its powers ineffective by either direct or indirect methods. A proposed amendment can only become effective to change the Constitution by the affirmative action of three-fourths of all the States.

The famous lawyers who drafted our Constitutions, State and National, knew that attempts by inferior magistrates to adjudicate upon matters over which authority had not been granted to them by statute were void, and if action was taken to enforce them, the courts would refuse their assistance to that end, because such adjudications, being without authority, were invalid. Again, municipal bodies having certain powers granted them by Parliament to enact local rules and regulations sometimes extended their attempts at making rules and regulations beyond the authority conferred upon them by the laws of Parliament, and they were in turn void, and so the courts held whenever attempt was made to enforce them against the protest of the citizen affected.

Such holdings were, as Lord Bryce points out, made by the courts in England, and the decisions of the courts there were followed here in the colonial days. Now, our acts of Congress are inferior in authority to that of the Constitution, and hence the draftsmen of the Constitution, as well as the people generally, knew that under the practice in England an act of Congress offending against a superior law would be void, and they further knew that in England it was the courts that held them to be invalid and unenforceable.

This general subject is very admirably discussed by William M. Meigs in his recently published book, "The Relation of the Judiciary to the Constitution." It appears from the instances which he cites that between the time of the adoption of the State constitutions and the National Constitution it was generally assumed that an enactment which violated the State consitution was not only void but that it was the duty of the courts in a proper case so to adjudicate. Among the cases was one in which Judge Wythe, chairman of the committee of the whole of the Virginia convention, which ratified the Federal Constitution (and whose name is to be coupled with that of Chief Justice Marshall in founding the chair of government in

this college), was a member of the court which considered a Virginia statute of 1776, which, it was claimed, though not so held by the court, infringed upon the State constitution of Virginia. Several members of the court announced their views upon the general question and were in agreement as to the power of the court and duty to hold a statute unconstitutional in a proper case. But Judge Wythe said in his opinion, among other things: "Nay, more, if the whole legislature, an event to be deprecated, did attempt to overleap the bounds prescribed to them by the people, I, in administering the public justice of the country, will meet the united powers at my seat in this tribunal, and, pointing to the Constitution, will say to them, 'Here is the limit of your authority, and hither shall you go, but no further.'"

After the close of the Revolutionary War States unmindful of the Central Government passed laws which offended against treaties with foreign nations. Countries thus wronged, and nearly all of them were, made protest which was indeed alarming, so much so as to lead Madison to say in the convention which drafted our National Constitution that unless it could be prevented it must involve us in the calamities of foreign wars. This situation contributed, doubtless, toward leading many of the strong men of the country to consider the method of getting rid in the future of these unfortunate State laws which were being passed without paying any heed to the Central Government or to the other State governments. Naturally, the fact that the judiciary was the instrument used in England to get rid of unauthorized acts of inferior municipal bodies and magistrates contributed in no small degree toward the plan ultimately adopted of making a central or national Constitution which should be the supreme law of the Nation with the executive, legislative, and judicial departments of government in subordination thereto. Following the precedents in England and in this country, so far as the State constitutions are concerned, there would devolve upon the judiciary the duty of declaring acts hostile to the commands of the Constitution, whether executive or legislative, to be void and of no effect.

In passing, let me say that the first decision of the Supreme Court of the United States holding an act of Congress to be unconstitutional was in Marbury *v.* Madison, although statements to the contrary by careful students may be found. The actual decision in that case is correctly stated in the syllabus as follows: "Congress have not power to give original jurisdiction to the Supreme Court in other cases than those described in the Constitution. An act of Congress repugnant to the Constitution can not become a law." It will thus be seen that the first decision of the Supreme Court of the United States declaring a statute unconstitutional concerned one which undertook to confer upon that court a larger original jurisdiction than it was authorized to enjoy by the language of the Constitution. Hence the effect of its decision was to refuse to exercise authority which the Congress without constitutional permit undertook to confer upon it. That opinion was written by a man who will be known as "the great Chief Justice Marshall, the expounder of the Constitution," as long as our Government shall live. It is fitting that the name of the foremost jurist in all our history shall stand at the head of the chair of governmental history in this college. It is most appropriate also that the name of another of William and Mary's students and jurists, the first great law teacher in this country, Judge Wythe, should be connected with that of Marshall in the naming of the chair.

The fact that assaults are being made upon the judiciary for deciding, as they are compelled to do now and then, that a statute is void because it violates either a State or the Federal Constitution, by an element of our population who are without roots in the revolutionary days and the formative period of our Government, makes it necessary that the colleges, and even the high schools, shall teach the youth of our land both to know and to cherish the history which inspired the fathers to build the most wonderful Government ever created by man—a Government of the people, by the people, and for the people. Such a Government, for continued success, must depend upon an educated electorate, who, because of their trained minds, can not be deceived by the ambitious and selfish leaders whose eloquent tongues seek to persuade the people to travel in dangerous paths. Never in the history of this country were there here so many descendants of non-English-speaking peoples, brought up to hate the Governments of which they were subjects, and who are wholly without knowledge of the principles upon which our Government was so wisely builded. If their children are made to understand by careful instruction the aims of the fathers, the principles which actuated them, and the wisdom which inspired their governmental building, they will come in time to be a helpful addition to our vast population. But if they are not thus educated it is quite likely that great numbers of them will be led by the anarchists, the I. W. W.'s, the Russian reds, and others of like character to join the forces which openly seek the overthrow of our Government that they may fatten upon the fruits of the people's labors.

Jefferson was the first, and through all generations down to now the foremost, of all our great statesmen in his efforts to bring about the education of all the people, to the end that they should intelligently perform their governmental duties. It is most fitting that William and Mary College is to found a school for that purpose, which is to bear the name, as I have already stated, of Marshall and Wythe. The purpose is to have the teaching of our governmental history so thoroughly done that the hundreds, and in a little while perhaps the thousands, who go out each year from this old college, famous for its long line of great Presidents and professors and its illustrious students, will in turn make the people understand the sources from which our leaders in the early days of our country's history drew the principles and the precedents which enabled them in their wisdom to build the best governmental system that the world ever saw.

AFFAIRS IN HAITI.

Mr. KING. Mr. President, reference was made by the Senator from North Dakota [Mr. McCUMBER] day before yesterday to our trade with the Latin American Republics, and he predicted with the great force and earnestness which characterizes his utterances that within a very short time we would be driven from the South American trade by Germany. I do not propose to discuss that matter at this time, but merely to impress the fact that our trade with South America will be strengthened and expanded if we pursue toward those nations a policy that will inspire confidence and good will. I apprehend that we are now dealing with Haiti and San Domingo, which do not belong to the United States, and with Porto Rico, which is a part of the territorial possessions of the United States, in a manner which tends to provoke misgiving, not to say resentment, on the part of those who would be our friends in those countries. On day before yesterday I offered a resolution, which is lying upon the table, by which I called attention to the committee which had been appointed by the Senate to investigate conditions in Haiti and in San Domingo. This committee, as recited in the resolution, has made an investigation and will soon make a report. I have suggested in that resolution that the Senate respectfully request the President of the United States to direct the financial adviser of the Haitian Government and the receiver of customs to withhold taking any action for the consummation of a new loan to the Haitian Government or the issue of Haitian bonds until the report of this committee shall have been submitted to the Senate.

Mr. President, I am not going to discuss the Haitian matter at this time, but shall offer some observations in regard to it. My investigations have led me to the conclusion that our treatment of San Domingo and Haiti has tended to cause suspicion in Latin America as to the ambitions and purposes of the United States in our Latin American relations.

We have declared that we entertain no designs for territorial conquest, that we are content with our national domain, that we have no desire to annex Haiti or Santo Domingo, or to take any territory of our neighbors, but unfortunately our position in Haiti and Santo Domingo is regarded as indicative of an imperialistic policy, and that view, which is widely entertained in South America, provokes suspicions which retard our trade and otherwise impair the relations of amity which should exist between ourselves and the southern Republics. If we want an expanding trade in South America, in Central America, and in Mexico, we must cultivate the good will of these countries.

I shall not inquire into the cause for our military occupation of Haiti and Santo Domingo, but I do aver that whatever excuse existed for our landing marines in those countries does not exist to-day, and can not justify the further military intervention in their affairs.

The United States should withdraw its marines from Haiti and from Santo Domingo. I do not regard it an excuse for the maintenance of our marines in those States that wrongs and cruelties may be perpetrated by revolutionary forces. That is their business, as it is the business of China and other nations to determine their own internal policy, and to make their own arrangement for public order.

We had a civil war in the United States. We resented, and many resent to this day, the suggestion that was made in Great Britain at that time, that there might be some intervention in the domestic affairs of the United States. We have not become the policemen of Latin America, nor can we assume to take care of these countries.

Only recently 24 of our marines came home as prisoners because of infractions either of the municipal law of Guatemala or of military or naval regulations.

Mr. President, the people of Haiti are opposed to our military occupation of the island. They are opposed to the authority exercised over them by those whom we have sent from the United States. They resent the President of the United States sending General Russell there, denominating him an ambassador extraordinary and minister plenipotentiary. They resent his assumption of power in respect to their internal and domestic affairs. They resent the efforts of the State Department and its representatives to impose a loan upon the Government the effect of which will be to perpetuate the control of Haiti for an indefinite period. It is true that Haiti owes a considerable sum of money, and that its bonds are outstanding for payment. The purpose is to refund some of the obligations of Haiti, including the French loan, and to use the residue of the loan for alleged internal improvements; but I repeat that the people of Haiti are opposed to this loan, and they resent the efforts of officials in Haiti to impose the loan upon the Government.

Recently President Dartiguenave refused to sanction the loan. Another man was elected President, and within a few days he will assume his office under the new constitution which was adopted after we occupied the country. The new President, as I have stated, has been elected under this new constitution, and I do not think he speaks the voice or the will of the people. It is represented that he will approve the loan; that it will be ratified by the de facto government, but that this Government does not represent the wishes of the majority of the Haitian people.

The Haitian newspapers are against the loan, the Haitian people are against it, and in mass meetings participated in by thousands of people resolutions have been adopted protesting against the loan and expressing disapproval of the policy adopted by the United States in dealing with Haiti.

In the testimony which was given before the Senate committee, the financial adviser stated that he had no authority to negotiate the loan, but my advices are that the new President has been placed there for the purpose of carrying through that loan.

I am advised, too, that the State Department is urging the Haitian Government to accept the loan, notwithstanding the protests of the people. They have already warned one or more banking houses of the United States that the loan is not desired, and that they will not recognize this loan which is being imposed upon them.

Mr. JONES of Washington. Has there been testimony before this committee showing that our State Department is urging this loan?

Mr. KING. I think the testimony is susceptible of that; but if it is not, I will state that, in my opinion, the State Department is advising the loan.

Mr. JONES of Washington. I asked that, having noted the Senator's statement, because I have been told that the testimony before the committee was clear and positive to the effect that the State Department is urging the loan, and I knew the Senator was a member of the committee.

Mr. KING. I am not a member now. I resigned from the committee because of press of duties.

Mr. JONES of Washington. I did not know that. Does the Senator know whether the committee has been taking testimony since he resigned?

Mr. KING. Oh, yes. I resigned early in the activities of the committee, but I have made some inquiry of the State Department, and I understand that the State Deparment is advising the loan, and that General Russell, who was sent there, is doing all he can to bring about the loan, and I know that Dartiguenave, the President, who was a candidate for reelection, opposed the loan, and for that reason, I have been advised, he was not reelected, and that Mr. Bobo, the new President, will put through the loan.

There is a council of state which claims to exercise the legislative functions of the Government, and that council of state and the President are largely in the hands of American representatives and do not express the will of the people.

Mr. President, I say that our conduct in Haiti and Santo Domingo is not consistent with the ideals of this Republic. We have no business in these countries. This island belongs to the people of Santo Domingo and to the people of Haiti. We have no right to keep our marines there, and I give notice now to the committee and to the Senate that when the naval appropriation bill comes before the Senate I shall offer an amendment that not one dollar of the appropriation shall be utilized for the purpose of maintaining our marines in Haiti or in Santo Domingo.

Mr. President, that is all I care to say at this time upon this matter, and I am now willing to permit the Senate to come to the subject which the Senator from North Dakota [Mr. McCUMBER] desires to bring to our attention.

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. McCUMBER. I ask now that we may return to paragraph 4, on page 3.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 4, line 14, after the word "butyl," the committee proposes to strike out "isopropyl, and," and to insert "and propyl, 3 cents per pound," so as to read:

Alcohol: Amyl, butyl, and propyl, 3 cents per pound.

Mr. KING. Mr. President, does the Senator from North Dakota desire now to make a final disposition of this paragraph?

Mr. McCUMBER. Yes; I should like to do so. I want to offer a further amendment a little farther down. We have reconsidered the matter this morning before the majority members of the committee and determined that we would make no change except to strike out the word "proof" in line 17.

Mr. KING. I shall be glad if the Senator will pass that for a few moments to give me a further opportunity to examine it. May I inquire what amendments the Senator desires to suggest to the text of the Senate bill?

Mr. McCUMBER. The only amendment that I ask is, on line 17, to strike out the word "proof." It should be "10 cents per gallon," and not "10 cents per proof gallon." The effect, of course, would be to reduce the rate.

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

Mr. KING. As I understand, the Senator desires to strike out the word "proof." Is that the only amendment?

The VICE PRESIDENT. That is not now the question.

Mr. McCUMBER. The present question is on the amendment on line 14.

Mr. PITTMAN. Mr. President, a parliamentary inquiry. What is the pending amendment?

The VICE PRESIDENT. The amendment of the committee on lines 14 and 15, page 3.

Mr. KING. Will the Senator consent to laying this aside temporarily to give me a little further opportunity to examine it, and permit the consideration now of the cyanide schedule, to which I called the Senator's attention this morning?

Mr. McCUMBER. I do not wish to have the cyanide schedule passed upon at this time.

Mr. KING. No; we do not, either; but there is to be some discussion of it.

Mr. McCUMBER. There can be discussion, of course, on any feature of the bill at any time, and if the Senator desires to discuss cyanide further there is nothing in the rules that prevents his doing so; but I want this to be the pending amendment.

Mr. ODDIE. Mr. President, I should like to ask that the vote be not taken this week on the cyanide amendment. Is there any objection to that course being pursued?

Mr. KING. I will join with the Senator from Nevada in asking that if we should reach the cyanide amendment this week a vote on it be postponed until next Monday or Tuesday.

Mr. McCUMBER. I will try to accommodate the Senators when we reach it. I do not know just what the condition may be at that time.

Mr. KING. There will be no trouble about it, I think I can assure the Senator.

Mr. McCUMBER. We are some distance from cyanide now.

The VICE PRESIDENT. The question is on the amendment of the committee on line 14, page 3.

Mr. KING. I suggest that we temporarily lay that aside. The Senator from Nevada [Mr. PITTMAN], I understand, desires to discuss cyanide.

Mr. McCUMBER. It is not necessary to lay it aside. The Senator can proceed.

Mr. PITTMAN obtained the floor.

Mr. KING. Mr. President, this cyanide matter is very important, and I suggest that we have a quorum in its discussion.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Harris	McLean	Smoot
Borah	Heflin	McNary	Spencer
Broussard	Hitchcock	Moses	Sutherland
Bursum	Johnson	Nelson	Swanson
Calder	Jones, Wash.	Newberry	Townsend
Capper	Kellogg	Nicholson	Underwood
Caraway	Kendrick	Norbeck	Wadsworth
Colt	Keyes	Oddie	Walsh, Mont.
Culberson	King	Overman	Watson, Ga.
Curtis	Ladd	Page	Watson, Ind.
Dillingham	La Follette	Pittman	Weller
Elkins	Lenroot	Rawson	Williams
Fletcher	McCormick	Robinson	Willis
Gerry	McCumber	Sheppard	
Gooding	McKellar	Shortridge	
Harreld	McKinley	Simmons	

Mr. HEFLIN. I desire to announce that the Senator from Nebraska [Mr. NORRIS] is in attendance upon a hearing before the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. PITTMAN. Mr. President, my colleague [Mr. ODDIE] just stated that he would like to have the cyanide item not voted on this week. I agree with him that it would be advisable not to have it voted upon this week, although I am ready to vote on it now. In fact, I expected that it would be voted on to-day, but I understand there are a number of Senators who did not believe the item could be reached to-day; and, in fact, I doubt if it can be reached to-day if it is taken up in its regular order. I would like to know from my colleague if he has any idea with regard to a date next week when it would be satisfactory to vote on this matter, or to take it up for final determination?

Mr. ODDIE. Mr. President, I feel that some time in the early part of the following week would be satisfactory, and I would suggest Tuesday morning, if that is satisfactory to my colleague and to the committee.

Mr. PITTMAN. That would be entirely satisfactory to me.

Mr. ODDIE. Not before Tuesday morning, I would suggest.

Mr. McCUMBER. If we reach it before Tuesday morning, then, I will say to these Senators, I will ask to have it passed over for their accommodation.

Mr. PITTMAN. Suppose, acting on that suggestion, we ask unanimous consent that the item be voted on at the convening of the Senate on Tuesday morning, or as soon thereafter as the chairman of the committee desires to have it voted on.

Mr. McCUMBER. That is satisfactory, but it is not necessary to have unanimous consent. If we are prepared to take it up Tuesday morning, we can do so, and if not, we can fix a time which will be satisfactory to the Senate.

Mr. PITTMAN. I withdraw the request. I was just trying to get it definitely fixed.

Mr. McCUMBER. Very well.

Mr. PITTMAN. Mr. President, this matter was discussed the other day, and there seemed to be only one defense to the imposition of the duty on this article. That defense was brought forward by the senior Senator from Utah [Mr. SMOOT]. He admited that there was only one institution in this country which manufactured cyanide. There never has been more than one institution in this country which manufactures cyanide. The Senator from Utah admits, and all those defending this duty admit, that there is a monopoly in the manufacture and sale of cyanide in the United States by this one concern, the Roessler & Hasslacher Chemical Co. The Senator from Utah says that while this Roessler & Hasslacher Co. were robbers during the war, he is afraid that this single institution in this country will be driven out of business by German competition, and therefore that we will be at the mercy of the German trust.

That is perfectly absurd; and I hesitate to denominate anything the Senator from Utah presents as being absurd, because he is rarely in that position. But this monopoly in this country is the monopoly also in Germany. It is inconceivable that there can be competition between the same people. It is inconceivable that one company is going to drive its subsidiary, which it established here, out of existence.

The whole history of this thing is plain. There is no denial of it in the record. There never has been more than one concern in Germany which sold or manufactured cyanide, and that is the parent of the Roessler & Hasslacher Chemical Co. in this country.

The hearings disclose the fact that there are just four concerns in the world which supply any substantial amount of this product, and those four concerns have divided the world between them. There is the old German concern, which has been in existence for a great many years. In 1895 the German Cyanide Trust decided that they would establish an agency in the United States. They sent over Roessler, who was joined by Hasslacher. Both of those gentlemen had been agents in the German concern. They were given the exclusive selling agency in the United States and Mexico of the German product.

After they had been here a few years the German house realized that unless they established a manufacturing institution here in the United States some other institution might do it under a high-protective tariff. Consequently, they incorporated a subsidiary in this country known as the Roessler & Hasslacher Chemical Co., and they took unto themselves the control of the stock of that company. They started to manufacture a part of the cyanide used in this country and in Mexico at their subsidiary here, making up the demand, however, by exporting from Germany.

Sometimes they export a part of the raw material from Germany and have it refined here. Whenever the tariff was high enough to make it unprofitable to ship the German product in, having the whole market here, they sold from this factory and when it was not high enough they sold from their German factory. That is the situation which always existed, and there never was any competition in this country against that concern, although it was established here in 1895.

The Government tried to establish competition against it during the war under what was known as the Bucher patent for making cyanide, but it did not work. It is not a successful process, and the Government now knows it.

This concern is protected in the United States by its patent. It is protected against any competition from the outside by contracts. What are those contracts? There is a big English concern which makes cyanide, and this big German concern which makes cyanide, and its subsidiary in the United States, which makes cyanide. Those are the three great cyanide producers of the world. They entered into an agreement, so it is charged in these hearings—and not denied anywhere—that the British concern should not sell in the United States or Mexico and that the German concern could not sell in South America. Therefore, there is no competition between them.

That was not all the combination did which controlled the cyanide of the world. They went further. When the Roessler & Hasslacher Chemical Co. started to build its chemical plants in this country they went to Niagara Falls, where they could get cheaper power. There they manufactured cyanogen. Through electricity they take the nitrogen out of the air and fix it with some substance, either potash or common salt. If it is fixed in potash it is called potassium cyanide; if it is fixed in common salt it is called sodium cyanide; but the active solvent agent in it is cyanogen.

They went further in the monopoly of the world, and the British concern said, "There is one thing we will insist on. We must have a third interest in this plant at Niagara Falls." So it was granted to them. What was the result? The British concern has a third interest in the Niagara Falls company, which was a subsidiary of the Roessler & Hasslacher Chemical Co. The German concern had a third interest in it and the Roessler & Hasslacher Chemical Co. had the other third; but the Roessler & Hasslacher Chemical Co. was absolutely controlled by the German concern. So we find here an interlocking control winding up in the German hands. How on earth the senior Senator from Utah or anyone else could fear that the German trust would attempt to run out of business its own subsidiary, which it deliberately established in this country, is beyond my comprehension.

Why should they run it out of business? It only makes as much as the German trust wants it to make. It sells it only when the German trust wants it to sell it. It was established here so that the parent company in Germany could use it in case we put the tariff wall up or use the German product through the subsidiary, the sales agency, if we take the wall down. It is their own possession. They had it running here for 15 or 20 years without any competition.

The control of the stock of the Roessler & Hasslacher Co. has been in the hands of the Alien Property Custodian practically ever since we went into the war. It is true that about two weeks before we went into the war they tried to disguise the German control of it.

But the Alien Property Custodian has letters in his possession which he has set forth in his report, which is now in the hearings, showing that to-day they only lack probably 80 shares of still having control, and that just before we went into the war they fraudulently conveyed enough shares to give German-

American citizens a bare control of the proposition. As is stated by the Alien Property Custodian, the evidence is clear that it was a fictitious sale and absolutely fraudulent.

It is admitted that there is not a raiser of citrus fruit in this country, or one who mines gold and silver, or one who does electroplating or casehardening who can get a pound of cyanide from Germany. The hearings disclosed the fact that the users of cyanide in this country have corresponded directly with the parent company in Germany and have been referred back to the firm of Roessler & Hasslacher, with the statement that that concern was the exclusive agency in the United States for the sale of that product.

In 1920 the Roessler & Hasslacher Chemical Co. imported five or six million pounds of cyanide from the German concern, although at that time they testified that they had the capacity to supply the United States. Why did they do it? They did it because the export value placed on it was 10 cents a pound, and they turned around and sold that to the consumer in this country at from 21 to 23 cents a pound. Of course, the German concern got their part of the profit in the difference between the 10 cents and the 23 cents a pound. They got it through the stock in the Roessler & Hasslacher Chemical Co., and they will continue to do it.

The only competition that has arisen in the world against this world trust on cyanide is the little company started at Niagara Falls, in Canada, called the Cyanamid Co. The Cyanamid Co. has a different process of fixing the cyanamid. It is a cheaper process, it is a better process, and there is no doubt about that. It is a new process. They started in 1917. It is an American concern from top to bottom, not only an American corporation, but the stockholders are American citizens. All of the coal they use for making coke and all of the coke they use in this process comes from the United States. The other materials come from the United States.

It is true that their plant is just across Niagara Falls, in Ontario, but why? Because the British Government controls its monopolies better than we do in the United States. There is no question about that. Wherever there is Government control in Canada it is better than any Government control we have in the United States. I speak from experience because I have lived in both places quite awhile. Their criminal law is better enforced in Canada than it is ever enforced in the United States. They punish people up there no matter how important they may be or how wealthy they may be.

When the agent and treasurer of the Roessler & Hasslacher Chemical Co. was here and was asked about the difference in cost of manufacture in Canada and the United States, he said that it was practically impossible to compare the difference in cost. That was his answer. The only fact he gave was that they could get power cheaper on the Canada side than on the American side. In the House hearings this was answered by Congressman GARNER, who said it looked like a question of legislation with regard to power rather than legislation to protect against the difference in the cost of production. The cost of labor on each side is the same, the cost of material is the same, but in the testimony here Mr. Rigner, who was down here as an expert for the Roessler & Hasslacher Chemical Co., said: "Yes; but they are imposing upon the people of the United States a cheap product."

There is no difference in cyanogen one place and another. You may have 50 per cent of cyanogen or you may have 96 per cent of cyanogen in salts, but it is sold on the basis of its cyanogen content, and Mr. Rigner was compelled to admit that. Not only that, but 50 per cent of cyanogen has proved just as effective in fumigation, in the treatment of scales on fruit trees, and in the reduction of gold and silver ore, as the 96 per cent. It does not make any difference at all. What the people buy is cyanogen, and the price is based upon the amount of cyanogen content.

These same people were down here in 1913 when the Underwood-Simmons bill was being considered in the House. They came here with the same proposition, that they were about to be run out of business by the German concern. That was in 1913. They said if they did not have a tariff the German concern would run them out of business, and the House gave them a duty. They came over to the Senate, and some of us here who knew something about the subject and who had known something about the Roessler & Hasslacher Chemical Co. for years, who knew that they were selling cyanide in the United States in 1913 for 4 cents a pound more than they were selling it in Mexico, brought that to the attention of the Finance Committee of the Senate with the result that they put it on the free list. The concern did not go out of business, and the German concern did not run them out of business. Run them out of business? No.

Mr. Rigner, before the House committee, said:

When the Payne-Aldrich Tariff Act passed the industry was very much encouraged in this country, because of the fact under that act sodium cyanide was dutiable at 25 per cent ad valorem, and under that protection the industry forged ahead—

That is, under the Payne-Aldrich tariff law—

and was almost in a position to meet foreign competition—

Mind you, almost in a position to meet foreign competition on account of the Payne-Aldrich tariff law—

on an equal footing, but when the present tariff act was passed and this commodity put on the free list the industry received a very serious setback. Had it not been for the intervention of the war, it is very hard for us to say just what would have become of the cyanide industry in this country.

Now, mind you, when we placed it on the free list in 1913 it was almost in a position to meet foreign competition on an equal footing. They only had one year of free trade to interrupt that growth, and six years of war embargo, and yet that infant concern, which has paid as high as 900 per cent profit, is still too weak to meet foreign competition.

A distinguished Senator the other day came to me and said:

The thing that disheartens me is this: I am getting letters from a number of consumers of cyanide who want this duty put on the product which they buy, and there must be some reason for it. They must think that it would help them.

He was a Senator who on the floor showed me a number of letters of that character. Now, here is a letter which explains that proposition perfectly. Here is a letter from a man who worked for these people and knows them, and he is also in the business of using cyanide. This is from one of the agents of the Thomas Buchanan Co., polishing and grinding machinery, at Cincinnati, Ohio. Here is what he says in this letter to me:

Our firm has already addressed a communication to Hon. P. J. McCUMBER, as well as other members of the Senate Finance Committee and the Senators from the State of Ohio, and attached hereto you will find a clipping from the Cincinnati Commercial Tribune of May 4 relative to the debate on the floor of the Senate.

The writer was connected with the Roessler & Hasslacher Chemical Co. for five years, severing his connections last November, and is rather familiar with the cyanide situation. As you know, the Roessler & Hasslacher Chemical Co. are selling agents for the German cartel, on cyanide, and it really makes little difference to them, so far as the sale of cyanide is concerned, whether there is a duty or not, since they will continue to practically hold the monopoly in this country. In fact, we understand that for some considerable time now they have been importing their cyanide from Germany and remelting the same at their Perth Amboy, N. J., plant and selling it to the trade as their own sodium cyanide, which they call cyanegg.

As far as citrus fruit growers and miners are concerned—

Here is the character of the propaganda. If Senators will grasp this point, they will see what happened.

As far as citrus fruit growers and miners are concerned, we understand that the company in question is selling their cyanide practically at cost, even at a slight loss, which they make up on the electroplating and casehardening industry, and they do this to fight the competition of the Canadian producers.

There is the way they get the propaganda. They are telling the electroplaters and casehardeners that the reason why they charge them so much for the product is because they have to sell it to the citrus fruit growers and miners at less than cost, and they say to them, "Just let us have a little duty on this proposition and we will be able to sell it to you cheaper." At the very time that they represented that state of facts to the electroplating people, they were selling to the miners at 23 cents a pound a product which was valued at 10 cents a pound when shipped from Germany to this agency. They were selling at 23 cents a pound a product which they then admitted only cost them 14½ cents a pound—that is, the imported product. They admitted they could make 6 cents a pound more by selling the imported stuff than they could by selling their own manufactured article, and did it. Yet they tell the electroplating people and the casehardeners that the reason why they had to charge them so much is that they are selling it to the miner and the fruit grower below cost.

The whole thing is a miserable, greedy, selfish fraud on the face of it. The company was conceived in fraud by the Germans a long time ago. The whole business is underlaid with fraud. It is not only a trust in the United States but it is a trust throughout the world, a combine between the British trust and the German trust. That is all there is to it.

They have made enormous profits, as is shown by the hearings, and has never been denied. Then they come in here and say that unless they get a tariff on this commodity they can not sell it at a profit. It is such a palpable fraud on its face that it is astonishing that Senators who know it is a fraud, who know the circumstances, are willing, for the purpose of helping two or three Senators who have these great trusts located in their States, boldly and deliberately to make a present of so much money to those trusts, and to take that money out of the pockets of the people who have got to buy the commodity.

I do not know whether or not the conditions surrounding this item also surround all of the other items in the chemical schedule. If they do, then all of those items should be placed on the free list. The Republican Members of the Senate will not dare to sustain the Finance Committee in the imposition of this duty.

The Republican members of the committee will have to vote for the duty, because they are pledged to vote for it, but there is no doubt that a majority of the Republican members of the committee were opposed to the imposition of the duty on this item. However, pressure was brought to bear. This concern is one of the great and powerful corporations in the State of New Jersey. There is not any doubt that it has been a very generous and patriotic contributor to the Republican Party in New Jersey. A Republican Senator will run for reelection in New Jersey in the approaching fall campaign, and, if reports may be believed, he will need help and will need it badly. So the majority of the Finance Committee, although they know the situation and understand the wrong which is involved in the proposed tariff duty on cyanide, have compromised with the minority of Republican members of the committee. They have stated, "This concern asks for a duty of 33⅓ per cent, but we only gave them 10 per cent." That is the whole influence which is back of the proposal.

Mr. WALSH of Montana. Let me inquire of the Senator from Nevada if he supposes a similar situation in the State of Pennsylvania induced the Committee on Finance to put manganese on the free list?

Mr. PITTMAN. It is very reasonable to suppose so. This is a year in which those who desire to elect Republican Senators have got to be very generous to those who elect them.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. I yield.

Mr. SMOOT. The Senator from Montana should not have stated that the Committee on Finance had put manganese on the free list, but that they had kept it on the free list.

Mr. WALSH of Montana. I meant to state that the committee had taken manganese off the dutiable list, where it was put by the other House, and had put it on the free list.

Mr. SMOOT. Manganese is now on the free list.

Mr. PITTMAN. Cyanide is a product which is used by the farmers, by the prospectors, and by the miners; it is used by people, particularly in the mining industry, who can not pass the duty on to the consumer, because there is a fixed price for their product. Cyanide is not used by the great steel corporations or by other great industrial institutions in Pennsylvania. However, manganese, which they do use, and which is the product of an industry that hardly existed in this country at all before the World War, but which was destroyed during that war for the purpose of meeting war conditions, goes on the free list.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Montana [Mr. WALSH] and also to the Senator from Navada [Mr. PITTMAN] that they will have an opportunity to vote on the question of the imposition of a duty upon manganese before the pending bill shall have been concluded, and we shall then see how they will vote.

Mr. PITTMAN. It is very generous of the Senator from Utah to allow us an opportunity to vote. That is very much more generous than the treatment of the Democratic members of the Finance Committee by the majority members of that committee. The Democratic members of the Committee on Finance never had an opportunity to vote on anything.

Mr. SMOOT. In that action the majority members of the Committee on Finance merely followed the example which had been set in the past when the Democrats were in the majority.

Mr. PITTMAN. I am afraid that it will not do us any good to vote on the question anyway.

I admire the Republican organization on the other side of the Chamber. It is a wonderful thing. It is improving all the time, too. It is in such shape now that it not only controls a Senator's prejudices, his conservatism, or his radicalism, as the case may be, but it also dominates his morals, his social life, and everything else connected with him. I know Senators on the other side of the Chamber who do not agree with their Republican colleagues at all. They are good friends of mine, and I am sorry for them. There is one Senator on the other side of the Chamber who every time he votes, following the leadership of the Senator from Utah [Mr. SMOOT] or the Senator from Massachusetts [Mr. LODGE], nearly has a paralytic stroke, and he comes out and explains to me for an hour why he voted as he did, although I am not a member of his party and have no interest whatever in the matter.

Let me read just a few conclusions from a witness on behalf of the Cyanamid Co. The extract is very brief, but it is pretty good; and the thing which is good about it is that after the brief was filed on behalf of the Cyanamid Co. the Roessler & Hasslacher Chemical Co. had two opportunities to deny it, but they could not do so. The statement to which I refer reads as follows:

"Aero Brand" cyanide is manufactured by the American Cyanamid Co., at Niagara Falls, Ontario.

Per pound of content, "Aero Brand" cyanide is cheaper than the "R. & H."—

That is, the Roessler & Hasslacher Co.—

cyanide manufactured by the Roessler & Hasslacher Chemical Co., at Perth Amboy, N. J.

The cheapness of "Aero Brand" cyanide has saved in 1920 (1) more than $250,000 to the citrus growers of California; (2) more than $100,000 to the American gold industry; (3) more than $125,000 to the American silver industry; and (4) in the years to come competitive cyanide will save many times these sums to these industries, and also to the casehardening industry, the electroplating industry, the Florida citrus industry, the work of disinfection and sanitation of foreign ships arriving in American ports, the extermination of the pink boll weevil, and other activities.

The industries represented employ directly 50,000 people and indirectly many thousands more. The cheapness with which these workers produce their results benefits the whole country.

The Roessler & Hasslacher Chemical Co. demand a tariff of 33⅓ per cent ad valorem on cyanide. This company is the only manufacturer of cyanide in the United States, and what it asks is a monopoly.

The wages paid labor in cyanide production at Niagara Falls, Ontario, are as high and sometimes higher than those paid labor in comparable industries at Niagara Falls, N. Y. Not more than 250 men in the United States are employed in cyanide production.

I will interject at this point that that shows the tremendous profit of this industry, when the labor of 250 men can produce a product which sells for millions upon millions of dollars in the United States.

Cyanide manufacture is a matter of machines and methods. Men play but little part, and by a cut in the price of cyanide thousands gain for every one who loses. The total pay roll of all American cyanide workers is a mere fraction of the saving to American consumers through the use of "Aero Brand" cyanide.

"Aero Brand" cyanide is not inferior to other cyanides. It sells on the basis of actual cyanide content, and on that basis costs less and is just as efficient. There has never been the slightest misrepresentation of "Aero Brand" cyanide by its manufacturers.

The cyanide process of the American Cyanamid Co. is simpler and more modern than that of the Roessler & Hasslacher Chemical Co., and it is for these reasons that it underbids the latter.

The raw materials in "Aero Brand" cyanide are plentiful and come mostly from the United States.

No tariff is needed to protect the Roessler & Hasslacher Chemical Co. against German cyanide, for the German cyanide comes from its parent company, the Scheide-Anstalt. The United States Alien Property Custodian sequestered the stock of the former company because of this relationship, and yet the relationship still continues, for the Roessler & Hasslacher Chemical Co. in 1920 substituted under some of its contracts the German product and acts as agent of the German company.

The findings of the Alien Property Custodian of the United States were

1. That the Roessler & Hasslacher Chemical Co. was the American branch of the great German Scheide-Anstalt.

2. That prior to the war three-fourths of its stock was owned by the German company and its officers.

3. That two-thirds of its Niagara subsidiary, in which metallic sodium is made, was owned by the German-American parent.

4. That its subsidiary at Perth Amboy, in which sodium cyanide is made, was owned entirely by Germans and German-Americans.

5. That just before America entered the war, and in order to avoid the sequestration of the stocks of these companies as the property of alien enemies, a "not genuine" sale was consummated giving majority control to the German representatives in America, and that 47 per cent of the Roessler & Hasslacher Chemical Co. was admittedly still German owned.

And so the Alien Property Custodian took over both the 47 per cent "admittedly German owned" and also "the stock ostensibly transferred" but "in fact still German owned."

This relationship of the Roessler & Hasslacher interests to the German company is not mentioned because Germany was our enemy in the late war, but because of its bearing on the demand by the Roessler & Hasslacher Chemical Co. for a tariff on cyanide, on the ground that the company needs protection against German competition. (P. 58, Tariff Information, 1921, hearings Jan. 6, 1921.)

Under the rate of tariff proposed, practically all cyanide imports would cease and the former odious monopoly of the Roessler & Hasslacher Chemical Co. would reappear and cause the loss of hundreds of thousands of dollars each year to industry in America.

The game which this German company are playing is clear to everyone. If they can secure a tariff on this commodity, they will sell this product—a German product, too—for less than the Cyanamid Co. of Canada can sell it. They will continue to sell that product at lower and lower prices until they run the Cyanamid Co. out of business, and then they will bring the price up again. They simply desire this duty for the purpose of assisting them in crushing the Cyanamid Co. which a year ago came into competition with them. What has been the result of that competition? The testimony shows the result plainly. The German company were asking the miners of this country 24 cents a pound for cyanide.

They could always get any price that they wanted to until this year, and then what happened? The Cyanamid Co. came in and underbid them 4 cents a pound and got the contracts. Now what do they want to do? The Cyanamid Co. got these contracts under free trade. Now they want to place a duty on this material, so that this company that has cut the price

of cyanide 4 cents a pound will have to pay a duty that did not exist at the time it entered into the contract.

Of all the evidence here of the monopoly of this concern, of the monopoly throughout the world of the whole business, of the fact that the company here is simply a subsidiary of the German syndicate, the only argument we hear in favor of this duty is that this German concern is going to run the company here out of business—going to run its own child out of business; going to take its right hand and cut off its left hand; going to place itself in a weaker position than it has ever been. The thing is totally absurd; and the Senator from Utah is driven to the desperate position of being compelled to say: "While this concern in the United States is a robber, and robbed us during the war, I am afraid the German concern will run it out of business."

If there were 8 or 10 manufacturers of cyanide in Germany, then the Senator would have some excuse; but no one knows better than the Senator that there never has been more than one manufacturer of cyanide in Germany; that it is an absolute monopoly in Germany as well as in the United States. He knows that there is no competition with the British concern, because it already has a trade agreement with the German concern, and he knows that the German concern owns the American concern. That ends the whole thing. The record is plain and clear here. There is but one thing to it. The majority of the Republicans on the Finance Committee have been politically intimidated into placing on this article a duty that they themselves did not believe in; that is all.

They know that. They know that this concern has made 900 to 1,000 per cent per annum. The Senators say: "Yes; but they did not make it out of cyanide." Their plant at Niagara Falls, that made 900 per cent per annum, manufactured nothing but cyanide, and it was owned one-third by the British trust and one-third by the German trust and one-third by the German trust subsidiary in the United States. The very reason why they compromised with this matter is that this is a powerful institution in the State of New Jersey and a powerful institution in the State of New York, and there is a Senator from New Jersey who has fought strongly and appealingly for this duty, and something had to be given to him. It has been given to him, but it will never stand. There are enough Senators on the other side who will not vote to perpetuate a monopoly in this country even to elect a Republican Senator from New Jersey.

Mr. SIMMONS. Mr. President, I want to take a little of the time of the Senate this morning to keep the record straight in some particulars.

I have said, and I now repeat, that this bill is not a bill in the interest of the consumers or the legitimate industries of the United States. It is a bill in the interest of profiteering and in the interest of the monopolized industries of the country. The profiteers and the trusts are the beneficiaries of this bill, and they are its chief sponsors.

In discussing this question a few days ago I read to the Senate a letter stating that already the Wool Trust had marked up their goods an average of 10 per cent in anticipation of the passage of this measure. I now find, upon further investigation, that on many of the articles produced by that trust they have marked up their prices as much as 25 per cent; but the Wool Trust people are not the only people who have already increased their prices. The process of marking up and getting ready to mark up prices has gone steadily, if stealthily, along in anticipation of the passage of this bill, which the profiteers evidently believe is clearly a guaranty of present prices in this country of protected products and furnishes the opportunity for maintaining those prices at at least the present high and exorbitant level.

In confirmation of the statement that these protected industries, these industries that are to get ample protection in this bill to guarantee them against foreign competition at present or even higher prices, are getting ready for higher prices, I want to read from the Philadelphia Record. I have not the copy of the Record, but I quote this from another paper which credits it to the Philadelphia Record. It is as follows:

> The Philadelphia Record says: "The woolen men, the cotton men, the steel and the aluminum men, every class that is eager for protection are already marking up prices, or awaiting a little further progress with the Fordney-McCumber bill before doing so. The sugar interests are using Congress in their project for a pool that shall suppress competition in sugar, and milk the American people $32,000,000 exclusive of the duties that go to the Government, and in due time the people will find they have got the increased cost of living for which they voted in 1920."

These present evidences of the protected industries' intention to avail themselves of the opportunity which this bill will afford if it becomes a law are everywhere to be found, but they will not reveal themselves to the full extent until the bill passes. Admonished that an election is about to occur, some of them as a matter of precaution will wait until after the election; but as soon as the political restraints are removed we shall see in this Nation a wholesale advancement in the prices of the articles protected in this bill, and the people will have an increase in the cost of living such as they never have had before, such as will weigh upon them much more heavily than the high prices of the cost of living during the war. Then every person was getting high prices for everything he had to sell; but in the conditions of artificially high prices that will grow out of the enactment of this legislation, and which will be foisted upon the people, a large class of our people, possibly more than half of them, will not derive and can not possibly derive any benefit whatever from these duties in the way of enhancement of their daily earnings.

Upon this very line I wish to read into the RECORD an editorial from the New York Tribune. It is short. It is to the point that I am now discussing.

The New York Tribune, I suppose everyone will admit, is one of the oldest and most steadfast Republican and protection organs in the United States. Whenever that great paper turns upon the proposed legislation of the Republication Party with reference to the tariff, you may be very certain that there is something radically and monstrously wrong with the bill.

This Tribune editorial is headed "Tariff rates and housing." The date of it is May 12, 1922. It says:

> The appeal of the Lockwood committee for tariff legislation allowing building materials to enter the country on reasonable terms illustrates one of the weaknesses of the tariff-making methods followed in the Fordney and McCumber bills. If domestic prices, often artificially maintained, are taken as a basis to work on excessive protection may easily result.

The very thing I have been saying all during these discussions here, that the basis upon which these rates are fixed is the wholesale selling price of the American product in the American market, as compared with the selling price at the port of entry of the foreign product.

> Housing construction, which is a nation-wide need—

Says this great protection organ—

> is being held up by overhigh building material costs. Mr. Untermyer says that the price of brick is now from $24 to $25 a thousand, whereas the cost of manufacture is only $11.

Mr. President, it is this $24 or $25, the wholesale selling price of brick which now obtains, to which the foreign price, under the fixing of these rates, is to be brought, and not the $11, which represents the cost of manufacture of the product. We are to substantially guarantee, as far as legislation can do that—and protective legislation can go a long way toward doing it—we are to guarantee, by the method of fixing rates in this bill, that this great combination against which this commission was leveling its inquiry shall be protected from foreign competition up to the extent of the extortionate prices which it has been found to be charging upon this essential material, material out of which we build the houses in which the people live. I proceed:

> Whether these figures are accurate or not, building material prices are abnormal enough to check the desired revival of home building. A tariff which would assist this holdup would injure nearly everybody for the benefit of a tiny group of manufacturers who have shown themselves more than able to protect themselves.
>
> Mr. McCUMBER, in his curious apology on reporting out the Senate tariff bill, said that its rates were high. He ingenuously asked American producers not to take full advantage of them. He appealed to the manufacturer to be self-denying, to accept narrow margins of profit, and to increase production so that the consumer should not feel the weight of increased duties.
>
> The chairman of the Finance Committee has the patriotic citizen's point of view. He believes in protection as an instrument of general benefit. He deplores its use for private benefit. But is it safe to subject the domestic producer and manufacturer to overtemptation? The greedy spirit shown by the building materials industry challenges Mr. McCUMBER's touching faith. He preaches altruism. But why write into a tariff bill rates which may be an aid to profiteering on the part of the nonaltruistic?

Just as I said in this Chamber some time ago, Mr. President, the men to whom he is appealing will not be very likely to accept his advice to content themselves with small profits, when this bill is an invitation to them to charge excessive profits.

Mr. President, I have here a letter, printed as an advertisement in the New York Times by a great retail house, the house of James McCutcheon & Co., Fifth Avenue, Thirty-fourth and Thirty-third Streets, New York. It reads:

> The Senate committee has reported to the Senate the new tariff bill. This bill would raise the duties on linens from 30 and 40 per cent to 50 and 60 per cent; or, in other words, would almost double them. This will, of course, mean that the prices of these goods will have to be advanced.
>
> By way of illustration, a towel 18 by 32 inches, which now sells at $6 per dozen, would have to sell at $7.25 or $7.50 a dozen under the new tariff. Handkerchiefs, which to-day are selling around $3.85 a dozen, would have to sell for about $4.50 a dozen.
>
> If this change was going to protect the American workingman and American manufacturer, we would have nothing to say. But it does not, for the simple reason that, except for the lower end huck towels and

crashes, there is practically no linen manufactured in the United States. More than 98 per cent of the linen you use comes from abroad.

We have been making strenuous efforts in the last year and a half to reduce the prices of all of our goods and are most distressed at the thought of having to advance them at a time like this. If you agree with us that such a change in the tariff on linens is unwise and that prices should not be forced up, won't you write to your Senators and Representative in Congress and protest against this uncalled-for advance in rates?

As I said in discussing the pongees and silks of China and the habutai silks of Japan, none of which are produced in this country, the high rates of duty levied on them are not for the purpose of aiding any American industry in their manufacture, but they are for the purpose of preventing these cheaper silks, which the common people of the country, persons of moderate means in the United States, must buy from coming in and taking the place of the higher-priced goods which are manufactured in this country. In other words, these pet industries do not want any obstacle in the way of making still further advances in their prices. They do not want any product brought in here which can take the place of their product. They want the entire market to themselves.

Mr. President, scarcely any linens are manufactured in this country, but these linen handkerchiefs which come into this country and these linen towels which come in will serve the same purpose as the goods of some big trust in this country, perhaps the Silk Trust in some instances, perhaps the Cotton Trust in other instances, but they take the place of the goods of certain favored interests, and persons who are engaged in the manufacture of other products than linen are here demanding that a tariff be put on linen in order that the high prices of their own products may be protected, which means that the people of this country shall not be permitted to buy linens, because linens are not produced in this country, and shall be forced to buy at high prices a substitute product which is produced in this country. That is carrying protection to the extreme, I think, and yet that very theory runs all through this bill.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. Will the Senator permit me, while he is reading clippings, to interrupt him to call attention to an interview by Arthur Balfour in regard to the effect of this tariff bill upon the payment to us of our foreign debts? May I ask the Senator if he has inserted anything in the RECORD to that effect?

Mr. SIMMONS. No; I have not.

Mr. WALSH of Massachusetts. This is very brief, and I would like to read it.

Mr. SIMMONS. If the Senator will pardon me, I shall now discuss something to which I think that would be more pertinent than to the subject I have just been discussing.

Mr. WALSH of Massachusetts. The Senator would prefer that I wait until a later time?

Mr. SIMMONS. I would.

Mr. WALSH of Massachusetts. I thought the Senator was introducing clippings, and that now was the appropriate time to read this one.

Mr. SIMMONS. I do hope that before we get through with the consideration of this bill we shall induce the newspapers of the country—not only the great metropolitan newspapers from which I have been reading, and from which I am going to read more, but the smaller papers throughout the States—to study this bill and understand it; and when we succeed in doing that we shall find the same protests welling up not only from New York and from Chicago and from the other big centers where the big dailies are published, and where they have experts who are examining these tariff schedules and finding out what they mean and exposing them, but also from the small cities and towns and the rural districts, where the editors of the newspapers of smaller circulation, not having the aid of experts, require a bit more time to fully recognize and realize what outrages and iniquities are embraced in the pending bill. I do hope that we may get all the papers of the country, both Democratic and Republican, to study this bill and understand what it means; and when they do that, Mr. President, we shall find that Republican and independent papers all over this country will be joining the Democratic papers, as they are in New York and as they are in Chicago, in denunciation of the unpardonable and indefensible rates in this bill.

Mr. President, with reference to the trusts, I think if Senators will examine and carefully study this bill they will find that it bestows its favors principally and most prodigally upon those industries in this country which are to-day trust controlled, which are to-day operating in violation of the antitrust laws of the United States.

These combinations are outlaws already. By their methods they have succeeded in defeating one of the fundamental public policies of this country, namely, that there shall be free competition, a policy which my good friend from Wisconsin said McKinley argued strongly would be in force under the protection he advocated. Major McKinley never meant that competition should be destroyed in the domestic market. But these trusts have come together in violation of the statute law of the land, in violation of the public policy of the land. They have combined. They control the prices. They stifle competition. They have absolute dominion of the domestic market. There is but one fly in the ointment. The only thing that restrains them from raising their prices to the utmost limit in the exploitation of the American consumer is the possibility of foreign competition. If we destroy foreign competition by tariff duties, then, of course, we shall leave these unlawful combinations without any restraint at all.

Senators, when we, the representatives of the people, we, who are supposed to protect the interests of the people, to protect them in their rights to a competitive market, by our votes here remove by our tariff duties that last competitor with the trusts of this country, do we not by that act become, morally, confederates with the trusts in their conspiracy in restraint of trade and in violations of the laws and of the policies of the land? Is it not a deliberate, premeditated lending of our aid to these unlawful combinations in carrying out and making effectual their conspiracy against the people? These trusts and monopolized industries are the chief beneficiaries of this bill. The newspapers even of New York and other great commercial centers are pointing that out, and they have begun to declare that fact and to denounce the bill as not only not helpful to labor and not helpful to the honest industries of the United States but as fraught with untold danger to American prosperity and to the happiness of the American people.

Mr. President, are we by our legislation here to build up a class of institutions in our country which can, by the domination of prices in trade, disregard all the fundamental laws of supply and demand, and exact from the people all the tribute that their greed may suggest or inspire? If such a system as that shall prevail and shall endure for a sufficient length of time, it can not mean anything but the commercial enslavement of the masses of the people. That conclusion is inescapable.

I wish to read another article from the New York Tribune of April 22, 1922, in which that great Republican newspaper pays its compliments to the bill. I am not reading now from a Democratic paper, not reading from an organ of the importers.

Mr. SMOOT. Oh, yes; it is.

Mr. SIMMONS. The Senator from Utah says it is. The Senator charges, then, in his desperation, that all the Republican newspapers of New York, the great newspapers which have formulated and advanced the thought of Republicanism in this country, are the mere emissaries of the importer. The Senator does not think there is any other interest that has its habitat in New York except the importer. I will say to the Senator that there are great exporters there, handling and exporting the products of American farms, factories, and mines that furnish work and wages for the American workingman, and you are about to destroy their business also, and when you destroy their business you destroy the prosperity of the country. You may, as the junior Senator from Alabama [Mr. HEFLIN] said to you the other day, "Put that in your pipe and smoke it." You have also the great captains of industry, who stand at the head of our great manufacturing industries in this country, located in New York, having their principal offices in New York. It is the greatest commercial center in the world.

The New York Tribune, driven by the sheer folly of this bill for once to remonstrate with you and to condemn a Republican measure, is speaking for the interests of New York and the interests of the whole country in a broad way, as it sees it, and not for the interests of any one group or class. Here is what it said:

[From the New York Tribune, Saturday, April 22, 1922.]

THE VERY WORST TIME.

Senator MCCUMBER dropped into apology when he presented the Finance Committee's revision of the Fordney tariff bill. He pleaded for sympathy and leniency of judgment, in view of the perplexities with which the Senate tariff makers have had to wrestle. In this he differed—for the better—from Mr. FORDNEY, who is never assailed by hesitations or doubts.

The North Dakota Senator said truly:

"Never before have the Finance Committees of Congress had presented to them such a difficult task as that involved in the framing of this bill. We have been often advised, and the advice is well founded, that of all times in our history this is the very worst time to formulate and put into effect a new tariff measure."

Why is this the very worst time to draft and pass a new permanent tariff? The answer is simple. A permanent tariff should respond to

relatively stable conditions in trade and industry both at home and abroad. But everyone knows that world trade conditions are abnormal—almost chaotic—and that the process of postwar readjustment is still far from finished in this country. Foreign exchange values and currencies are deranged. Foreign prices are variable. There are no fixed standards of production elsewhere to which American fixed standards of production may be intelligently related by a tariff differential.

A permanent tariff now is a leap in the dark—a rash discounting of the unknowable. The advice given to the Congress committees to hold off from permanent tariff making for the present was rudimentary common sense. The country knows as well as Mr. McCUMBER does that this is the worst possible time for wholesale tariff revision. How is it to be persuaded that there is any real advantage in doing now a thing which it is most difficult to do well, even when the time is exceptionally favorable?

There was such an exceptionally favorable time in 1909. But the Payne-Aldrich bill was a ghastly political failure.

This bill apes the Payne-Aldrich law to some extent, but after it climbs the wall to the top of the Payne-Aldrich rates, then it undertakes to go to further and dizzier heights.

The editorial continues:

The country turned the Republicans out of power in the House the following year, and the House remained Democratic until 1919. Congress passed an emergency tariff bill last year to protect the industries disturbed by abnormal postwar foreign competition. That was the suitable remedy. Foreign competition is still an indeterminate, evasive factor. Why counter against it at this juncture by a long-term, full schedule tariff?

That is exactly what I have contended, Mr. President. We have a measure here for determining the amount of protection which should be accorded to an industry, and that measure is changing every day. We have a yardstick that has changed tremendously since it was employed. In August, 1921, the Reynolds Commission ascertained as best they could the prices of foreign imports coming to the United States, and they advised the Finance Committee as to prices as of last August. My information is that the committee acted upon those August, 1921, prices. My further information, obtained from the tariff experts who assisted the committee in the making of those rates, and I name them—Mr. Fix and Mr. Davis—is that since that time, and before those rates were fixed by the Finance Committee, those prices had advanced enormously, and yet the difference between those prices and the domestic wholesale prices was the yardstick by which the rates of duty are fixed in this bill.

Since that time what has happened with reference to our domestic prices? In some directions possibly they have gone down, but the tendency recently and the tendency to-day is to lift them higher and higher. The foreign prices have been lifted higher and the domestic prices have been lifted higher. The producers of the protected articles in this country saw that the foreign prices had advanced from the time when the rate was fixed, and that therefore under that theory of measurement they could with impunity advance their prices to the extent that the foreigner had advanced his prices.

These are some of the questions which confront a committee undertaking to measure tariff rates in this way. I submit to the common sense of this body and of the country that to frame a tariff upon this rule, with these constant changes going on in the prices here and prices abroad, prices which form the basis of the measurement, is not only a wrong to the people of the United States but is an outrage, and there is no theory under the sun, in logic or in morals or in law, by which a tariff based upon any such principle can be justified at a time like this.

Mr. President, I have here another editorial which I desire to read. I am reading these editorials, and I am going to continue to read them, because I want the newspapers of the country to begin to study this question. I want the people to begin to study this question. I have said this morning to some of the correspondents of the newspapers in my State that I hope the North Carolina dailies, which reach the people, will not take simply the Associated Press dispatches which are going out from Washington. I am not now criticizing the Associated Press. Of course, their dispatches have to be very brief and, of course, they have to avoid the appearance of taking sides in politics. The Associated Press report of what is happening here and of the information disclosed in the debates here is so meager that it furnishes no real information to the people of the United States.

What we want and all we want—and that is the sole purpose of the discussion which we are having now and the sole purpose for which I am reading these editorials from newspapers—is to try to stimulate a study on behalf of the people by the newspaper men and publishers of the country of all parties, my party as well as the Republican Party, and also the independent press, to the end that the people may be informed before we act, and therefore have an opportunity to advise their representatives what they think about this bill, whether of good or of evil. I do not want this bill to pass without the people knowing in advance just what is in it, without their having an opportunity to protest to their representatives in Congress, if they think their representatives are about to do a thing of which they disapprove. I am just as certain as that I live this minute that if the newspapers of the country, of all parties, could but understand the bill they would advise the people about it; and if they advise them in time, so that the people might know how their interest is jeopardized and menaced, there will be such an outpouring of indignation and wrath against the measure that the majority will not dare to enact it into law.

This editorial from the New York Tribune has the heading "McCumber's profiteers' tariff," and reads as follows:

To Senator McCUMBER the opposition of the New York newspapers to his profiteers' tariff bill—Republican, Democratic, independent, and financial alike—admits of the simplest possible explanation. "The policy of the newspapers of New York," he says, "is dictated by the counting room and the big advertisers, especially the importers." Mayor Hylan himself could hardly have done it better.

In former days all protests against extortionate tariff schedules were presumably bought and paid for by the Cobden Club. Now the evil influence is exerted by American importers. In this connection it is worth while recording the fact that the importers have already begun to debauch the exporters.

While the Senator from North Dakota was disposing of the "loud-mouthed denunciations" of his tariff the president of the United States Steel Corporation was appealing to the National Foreign Trade Convention in Philadelphia for "greater prosperity through greater foreign trade." To make a bad matter worse the president of the National Bank of Commerce of New York warned the delegates not to be deceived by the argument that foreign trade was unimportant because it represented only 10 per cent or 15 per cent of the total trade of the country. "The difference between normal business conditions and depression is no more than 15 or 20 per cent in volume," he said.

Manufacturers know this, but how should a Senator be expected to recognize such sordid business considerations in framing a tariff bill? The thing to do with a tariff is to take care of all the responsible contributors to the campaign fund, and then placate the particular classes of voters who might make trouble for the framers of the bill. This is what Mr. FORDNEY and his committee did in the House, and it is what Mr. McCUMBER and his committee did in the Senate. In consequence the country is threatened with the highest tariff it has ever known, regardless of the fact that the United States has become a creditor Nation and its prosperity is dependent on foreign commerce.

In order that all the evils may be adequately distributed the Fordneys and the McCumbers have produced schedules which will provide no needed protection for any legitimate industry, but which will play into the hands of speculators up and down the line and boost the cost of living everywhere.

If Senators will read this bill carefully and study it, they will find that it is written in the interest of speculators and exploiters of the people; in the interest of that class of manufacturers who, having got their grip upon the throat of the American market and stifled competition in the domestic market, want to make secure their monopoly and make it possible for them to continue the profiteering processes which they began during the World War and which they have not ceased since the war.

By the time they get through with it 90 per cent of the American people will be penalized to benefit 10 per cent, and the benefits even to the 10 per cent are dubious.

If the American consumer understood what this Fordney-McCumber tariff bill was letting him in for, no Congress would ever have the courage to enact it. The bill, if it passes, will slide through only because the country does not grasp its meaning.

That is the danger against which I wish to guard; and when I undertake to provide against it by insisting upon full and free discussion in the open here upon the floor of the Senate of the United States so that the true facts may be made plain to the American people I am charged with filibustering. I am making a filibuster, the majority leaders say, because I do not sit down meekly and quietly and permit Senators on the other side of the Chamber without reasonable discussion to pass these items one after another, forging one fetter after another upon the feet and hands of the American people.

The McCumbers in Congress are manipulating the tariff just as they are manipulating the bonus, in order to carry the next Congress. They have forgotten all about 1924. As neither bill will be fully in operation by the November elections of this year, they assume that the opposition will not have had time to organize, while all the beneficiaries will be duly grateful at the polls.

Mr. McCUMBER. Mr. President, does the Senator agree with the expression in that editorial about the bonus?

Mr. SIMMONS. Oh, I am in favor of the bonus; but I do not want the bonus bill to be rushed through Congress without due discussion, and if a sales-tax provision shall be attached to it for the purpose of raising the money to pay it I shall fight such a tax to the end. I shall never consent to that method of raising the money.

Mr. McCUMBER. Let me suggest to the Senator that the same interests that are opposing the "bonus," as they call it, are also furthering the enormous profits that are being made by the great importing houses.

Mr. SIMMONS. I suppose the Senator refers to the Secretary of the Treasury?

Mr. SMOOT. The Secretary of the Treasury is not importing goods.

Mr. SIMMONS. But he belongs to the class that we have been talking about, whether he is importing or exporting.

Mr. McCUMBER. I referred to the class from whose utterances the Senator has just been reading.

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

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

Mr. SIMMONS. I yield.

Mr. KING. I think in the interest of accuracy it should be stated that one of the strongest proponents of the bonus is Mr. Hearst, with his newspapers, and he is also advocating very earnestly the sales tax.

Mr. SIMMONS. The little statement about the bonus in the editorial from which I have read amounts to nothing in this discussion. Senators upon the other side are merely seizing upon that to divert attention from the sore subject under discussion. I am not to be diverted at this time by any such issue.

Mr. KING. The Senator knows that our friends upon the other side are always glad to divert attention from the pending bill.

Mr. SIMMONS. I understand that, and they have reason for such action.

Mr. McCUMBER. The point which I desired to make was that all such stuff is good doctrine so long as it agrees with the ideas of the Senator, but the moment it touches upon another subject in a manner contrary to the views of the Senator it ceases to be good doctrine.

Mr. SIMMONS. The Senator knows very well that when I read an editorial from a Republican paper or Democratic paper I do not vouch for everything it says; but the Senator from North Dakota and his party can not ignore the fact that these great organs of the Republican Party as well as of the Democratic Party located in the centers of commerce and trade and business in the United States are denouncing the Republican tariff bill as an iniquitous measure, and one of them went so far the other day as to pronounce it thievery. I do not agree with that designation, and I said so at the time.

Mr. McCUMBER. Let me suggest to the Senator that never since the great department stores became thoroughly established in this country have any of these great metropolitan papers ever been really Republican upon the tariff issue.

Mr. SIMMONS. The Senator from North Dakota made an argument the other day that, because Marshall Field & Co. happened to be located in Chicago and conducts a great store in that city, a great Republican newspaper there, which is accepted as being orthodox upon partisan subjects and which heretofore has been regarded as absolutely orthodox upon the tariff, should not be given credence. The Senator said that the reason that newspaper is to-day denouncing this tariff bill is that it is under the influence of that department store. The suggestion is too petty, Mr. President, it is too small to rise to the dignity of an answer or even a pretense of an answer to the indictment which these newspapers are making against this bill.

I read now from the New York Times an editorial headed, "Revolt against the tariff." The editorial is published in the issue of May 12, 1922.

Mr. SMOOT. That is also a Republican paper, is it?

Mr. SIMMONS. I do not think it is. It is a Democratic paper of much independence and sound sense, but may I say to the Senator that a Democratic paper can tell the truth about the tariff as well as can a Republican paper.

Mr. SMOOT. Sometimes.

Mr. SIMMONS. Then, Republican papers can also tell the truth about it sometimes. The Senator will admit that?

Mr. SMOOT. Yes.

Mr. SIMMONS. The newspaper from which I read a few moments ago, the New York Tribune, said that the revolt is not confined to the newspapers of one party. The editorial from the New York Times reads:

REVOLT AGAINST THE TARIFF.

It is little to say that the Senate tariff bill is not popular with the country. Many of its expected defenders are suspiciously lukewarm in approving it, while a large number of newspapers hitherto stanchly protectionist are openly in revolt against it.

Mr. President, can there be any question about that statement? Although the statement is made by a Democratic newspaper, can there be any question about the fact that in this country there are a "large number of newspapers hitherto stanchly protectionist," and to-day as strong in their Republicanism as they ever were, which are in revolt against this bill? Is it not true, as stated in this editorial, that a large number of newspapers which are to-day strong advocates of a tariff properly levied upon just and reasonable basis and imposing rates that are fair to the people as well as to industries—newspapers which are now advocating that sort of a tariff—are now denouncing the pending bill just as are the New York Tribune and the Chicago Tribune, from both of which I have read? Let me proceed:

They declare—

That is, these Republican papers that have hitherto stanchly stood for whatever protection the Republican Party prepared and offered—

They declare it at the best untimely, and at the worst a result of the demands of selfish interests. Senator SIMMONS on Wednesday read into the RECORD extracts from some of these erstwhile high-tariff newspapers, which are now attacking the Senate tariff bill. Included were the Chicago Tribune, that great Republican champion of the Middle West; the Journal of Commerce, of New York, and others.

The chairman of the Finance Committee, Senator McCUMBER, had a short and easy reply. He asserted that the department stores through their advertising control the policies of "metropolitan papers," which, he affirmed, had become "the mouthpieces of the department stores in favor of free trade." The innocent North Dakota Senator was blissfully unaware that at least one of the newspapers mentioned carries almost no advertisements of the kind he specifies. Moreover, the other Republican papers which are now urging the Senate to drop its tariff bill altogether, or radically to cut down its high protective duties, have had the department store advertising for many years. This did not prevent them from advocating a protective tariff when they thought it was good for the country. The present bill they consider out of date and harmful, and are frank to say so. In neither instance is there any evidence that they were in the slightest degree moved by department store advertising, or any other kind. Senator McCUMBER is as weak in his facts as he is in his logic.

There are other ominous forms of revolt against the Senate tariff bill. It is every day being assailed indirectly by men whose sympathies have always been Republican in politics, but who are now deeply concerned about the question of trade revival. To a man they agree that this depends largely upon the restoration of our foreign commerce. There lies the main hope of stimulus for American industry and agriculture. This is clearly the position taken by the president of the United States Steel Corporation. And in Philadelphia, on Wednesday, at the meeting of the National Foreign Trade Convention, bankers, business men, and manufacturers were of one mind in arguing the necessity of a return to "normal world trade conditions." As was declared by the president of the National Bank of Commerce, of New York, "without the foreign trade the domestic consumption would shrink and national prosperity wane."

It is true that none of these financial and business authorities alluded directly to the pending tariff bill. They did not need to do so. The whole spirit of what they said was openly in conflict with the spirit and tendency of the bill. The latter proceeds on a policy of national self-sufficiency and exclusiveness. It goes squarely against the manifest commercial and industrial needs of the country at the present time. That is the reason why so many Republican newspapers and influential members of the party are saying what they do in condemnation of a bill based upon theories which, whatever may have been said for them in years past, are as out of date to-day as is the Ptolemaic astronomy.

Mr. President, I have not up to this time spent one minute in the general discussion of this bill or in the discussion of any item in it that was intended by me to delay action. Such a thing has not been considered by me. On the contrary, I have advised Senators on this side that we ought to make our position clear and make the meaning of this bill clear to the people of the country, and as soon as we shall have done that, if these gentlemen persist, let them pass the bill, although we disapprove it and will register our disapproval by our votes against the schedules and the items and the bill itself when it shall be put upon its final passage. But, Mr. President, I can not too often repeat—for the fact must be driven home—that this is a measure in the interest of the profiteer and in the interest of monopoly in this country. It ignores the rights of the people, and is not framed upon any principle that could be or is demanded by legitimate industry or even orthodox protectionists in this country. I will make this prediction: If this bill shall be passed as it was written, it will lead the business of this country into a debacle from which it will take us a quarter of a century to rescue it, and the direful consequences of which to the American people can not be measured in words or in figures.

Mr. KING. Mr. President, may I inquire of the Senator from North Dakota whether it is his purpose now to return to the alcohol schedule? Before doing so I want to make just a few observations upon a matter somewhat cognate to the tariff question, if he will pardon me for a few minutes.

Mr. McCUMBER. Mr. President, I simply want to say, in answer to the question of the Senator, that it is my intention to ask for a vote whenever we reach it, and when we get through with the editorials, which, of course, will be presented daily and read into the RECORD, which are being furnished by a propaganda. When that matter is completed, I shall try to get a vote each day on one or two of these items.

Mr. KING. Let me say to my good friend that he ought not to be disturbed about a little propaganda consisting of a few editorials from Republican newspapers. I think he should be delighted to find such unmistakable evidences of clarity of judgment and of superior knowledge upon the part of Republican editorial writers and Republican newspapers. So many of our Republican newspapers have been in the dark upon so many

questions for so long a time that I confess to experiencing some pleasure to perceive occasionally an adumbration of light breaking through their colossal ignorance upon economic questions, so that they are discussing this question in an intelligent and in a rational way. I am sure the Senator from North Dakota ought not to try to stem the fountain of light and of inspiration coming from Republican newspapers.

Speaking of propaganda, though, if the Senator goes out into the lobbies here he will find the propagandists of the protected industries, consisting of lobbyists and their representatives, in large numbers. They grace the galleries from day to day, and look down upon us with approval or disapproval, according to the sentiments which we echo. I suppose it is their right. They are profoundly interested in these schedules. They are here demanding their pound of flesh—not of their own flesh, but the pound of flesh to be carved in strips from the bodies of the American people. These lobbyists are here now interviewing and hounding Senators and making the consideration of this bill more difficult for honest Republican Senators and honest Democratic Senators, as all are and try to be, because they are interrupted by these importunities, which do not facilitate the disposition of these questions upon rational and upon proper lines.

Mr. KING addressed the Senate on affairs in Haiti. His remarks appear elsewhere in to-day's proceedings. On concluding he said:

I understand the first amendment offered by the Senator from North Dakota is to strike out the word "proof," in line 17, page 3.

Mr. McCUMBER. It is not the first, but it is one of the amendments. I stated that it is the only change the committee, after further consideration, deemed it advisable to make.

Mr. KING. I understand the effect of the amendment is to reduce the rate fixed in the bill.

Mr. McCUMBER. The reason why I make the statement is that it was a mistake. It was intended to be so much per gallon and not per proof gallon, just the same is in the preceding line, where we fix a rate on the gallon and not on the proof gallon.

Mr. KING. The Senator knows there is a difference between gallon and proof gallon.

Mr. McCUMBER. Certainly; and that is the reason why I am moving to strike out the word "proof."

Mr. KING. I ask whether "proof gallon," according to the Senator's interpretation, is stronger than "gallon"?

Mr. McCUMBER. A proof gallon may be 50 per cent pure and still be a proof gallon.

Mr. KING. It must be 50 per cent pure or more.

Mr. McCUMBER. It may be 90 per cent, and the duty would be the same, although it was as high as 90 per cent; therefore it would be a reduction.

Mr. KING. Of course, striking out the word "proof" does affect the rate upon that particular item.

Mr. McCUMBER. Certainly; it reduces it.

Mr. KING. I have no objection to that amendment and am willing that pro forma it may be adopted.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The pending amendment is to strike out the two words found in line 14, page 3, "isopropyl and" and to insert the words appearing in italics.

Mr. KING. We could adopt that pro forma. I have no objection.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The READING CLERK. The next amendment is on page 3, line 15, following the words "fusel oil," to strike out "6" and insert "2," so that it will read:

Fusel oil, 2 cents per pound.

Mr. KING. I ask whether the preceding amendment, striking out "isopropyl and" and inserting the other words, has been acted on?

The PRESIDING OFFICER. The Chair so stated.

Mr. KING. I beg the Chair's pardon; I did not so understand. I understood that we inserted the words "and propyl," but I did not assent to inserting the words "3 cents per pound."

The PRESIDING OFFICER. The amendment was to strike out and insert, and the Chair understood that there was no objection to the amendment, and so stated.

Mr. KING. I think perhaps the Chair is right, but the amendment went further than I anticipated. I have no objection to striking out the words "isopropyl and" and inserting the words "and propyl." If I may segregate the entire amendment, then we can consider "3 cents per pound" as a separate amendment.

Mr. McCUMBER. It seems to me that what the Senator wants to do is to amend the Senate committee amendment by striking out the numeral "3" and inserting some other figure?

Mr. KING. Exactly.

Mr. McCUMBER. That is all that is necessary to accomplish the Senator's purpose.

Mr. KING. That is what I intended to do. I move to strike out "3 cents," in line 15, page 3, and insert in lieu thereof "one-fourth of 1 cent," so that it will read:

Amyl, butyl, and propyl, one-fourth of 1 cent per pound.

The PRESIDING OFFICER. Without objection, the vote on agreeing to the committee amendment will be reconsidered, and it will be open to amendment. The amendment to the amendment will be stated.

The READING CLERK. Amend the committee amendment, in line 15, page 3, by striking out "3 cents" and inserting in lieu thereof "one-fourth of 1 cent," so as to read:

Amyl, butyl, and propyl, one-fourth of 1 cent per pound.

Mr. KING. Mr. President, I am not able quite to understand the significance of the amendment which has been offered by the Senator from North Dakota. I wish to discuss briefly this entire paragraph 4, which deals with the alcohols, amyl, butyl, and propyl, fusel oil, methyl, or wood alcohol, commonly known now as methanol alcohol, and ethyl alcohol.

The most objectionable feature in this paragraph is found in the action of the Senate committee or of the House committee, for that matter, in putting this high tax upon ethyl alcohol. When we dispose of the present amendment and when we reach that item, I shall offer an amendment with respect to it.

Coming to the first item, amyl alcohol, I find that in the Underwood law the rate was one-fourth of 1 cent per pound, and the Payne-Aldrich law carried the same rate. The House bill carries a rate of 6 cents a pound, but upon the American valuation plan has a specific rate. The Senate committee bill lowers, as I concede, the rate fixed in the House bill to 3 cents per pound. I think the committee amendment is wise, but I think the rate is still entirely too high.

The survey shows that this product is manufactured from fusel oil and is of some importance in our industries. Fusel oil, which is the basis of the amyl alcohol, is obtained as a by-product in the fermentation processes chiefly of distilled liquors and industrial alcohol. The output as a by-product of the distilleries in 1918 was more than 800,000 pounds, and that supplied a very considerable proportion of the domestic requirements for this oil. The imports from 1910 to 1914, inclusive, averaged about 5,300,000 pounds annually, 75 per cent coming from Russia, the United Kingdom, and Germany in about equal proportions. The imports declined to about 1,600,000 pounds in 1917, accounted for by the cessation of imports from Russia. In 1918 Canada furnished a small quantity of this product.

The imports as shown by the Tariff Commission are as follows: 1918, 2,000,000 pounds plus; 1919, 3,000,000 pounds plus; 1920, 3,000,000 pounds plus; 1921, first nine months, 713,000 pounds.

The unit value in 1921—that is, the foreign export price—was 22 cents per pound. The domestic price on April 24 of this year of fusel oil was $1.45 to $1.50 per gallon, and amyl alcohol, or refined fusel oil, was $2.10 to $2.25 per gallon.

This product is made by the United States Industrial Chemical Co., which is a subsidiary of the acknowledged trust which we denominate the United States Industrial Alcohol Co. Now, we are increasing this rate and imposing this high duty in the interest of this trust. We are making a gift of hundreds of thousands of dollars annually to a trust, and, of course, the American people will be compelled to pay for it.

That this product is important in our economic or our industrial life is evidenced from a consideration of the purposes for which it is used. In its use it is converted into amyl esters, which are used as flavors and for perfume materials and as a solvent in the arts. Why there should be a tariff upon this I must leave to my friends upon the other side of the Chamber to explain. Probably it is for revenue. If it is for revenue, then I concede that they may obtain some little revenue from the duty. But it is obvious that the purpose of it is, as I read the facts in connection with this item, to meet the demands of the corporation to which I referred.

Mr. Warner, representing the Commercial Solvents Corporation, testified in regard to this item, and he wanted 20 cents per pound as a tariff rate. Think of it—20 cents per pound!

Mr. SMOOT. Mr. President, I want to say to my colleague that the Industrial Alcohol Co. wanted it free. They import more than they make, and they are on the opposite side of the question.

Mr. KING. They want fusel oil free.

Mr. SMOOT. They want fusel oil and also amyl alcohol free.

Mr. KING. They want fusel oil free?

Mr. SMOOT. Yes; they want both of them free. Of course, they are about the same.

Mr. KING. One is made from the other. Fusel oil is the base of the alcohol product.

Mr. SMOOT. But they want both free.

Mr. KING. The Senator may be right in regard to that. My understanding is that that organization wanted fusel oil free, but as to any of the products which might be manufactured from fusel oil either they or their subsidiary organizations desired a different policy.

Mr. SMOOT. The Industrial Alcohol Co. very much prefer to have both of them free. They do not want any duty on them at all.

Mr. KING. My understanding was that they wanted fusel oil free, but that it was not contemplated that they were to enter into the production of any of the esters of which fusel oil forms a base, and that therefore they wanted a tariff upon what might be denominated the intermediate or finished product.

Mr. WATSON of Indiana. Mr. President——

Mr. KING. I yield to my friend from Indiana.

Mr. WATSON of Indiana. I have not any desire to induce the Senator to speak any longer than he otherwise will, but I may say in passing that amyl alcohol is nothing in the world but refined fusel oil.

Mr. KING. I know. It passes through a sort of distillation process.

Mr. WATSON of Indiana. Yes. It is not an ester.

Mr. KING. It is an ester in the sense that it is a combination with alcohol.

Mr. WATSON of Indiana. It is an alcohol; it is not an ester.

Mr. KING. The Senator does not contend that it is fusel oil, but that it is a product of distillation?

Mr. WATSON of Indiana. It is refined fusel oil, and the Industrial Alcohol Co. want both free, of course, because they import far more than they make. That is why they want it free.

Mr. KING. Will the Senator explain why there should be this large tariff upon it, and why it should be increased from one-fourth cent per pound to 3 cents per pound?

Mr. WATSON of Indiana. In the first place, this is a small tariff duty, not a large one.

Mr. KING. But it is larger than one-quarter of a cent a pound. It is an increase above the Underwood-Simmons rate by more than 1,000 per cent.

Mr. WATSON of Indiana. I will answer the Senator's question, though I do not intend to be drawn into a discussion, for I want the Senator from Utah to occupy the floor wholly and alone. We manufacture in this country what is called "butyl alcohol"; fusel oil displaces butyl alcohol and is a by-product. Sometimes it comes in very large quantities and sometimes in very small quantities.

Mr. KING. Fusel oil is a product of our distilleries. It is a by-product, as the Senator from Indiana has stated.

Mr. WATSON of Indiana. Yes; and because of its displacement value as against butyl oil a tariff is levied. Butyl oil is made at one or two manufacturing establishments in the United States. During the World War there came a great need of this product and the British and American Governments united and erected a factory at which butyl oil is produced. That factory purchased very large quantities of corn, because butyl alcohol is made from corn. Fusel oil directly competes with it. Fusel oil, I repeat, is a by-product, and it is its displacement value that caused the committee to put the tariff on this article. We think it is entirely proper to do so. The duty is also imposed for revenue purposes.

Mr. KING. As I understand, the Senator from Indiana wants to put this tariff on the article to protect the Commercial Solvents Corporation, of Terre Haute, Ind.

Mr. WATSON of Indiana. Yes; because at present they are the only concern which produces it, though I understand that some other establishment in West Virginia is about to enter upon its production.

Mr. KING. The Senator does not mean that there was no production of this article in the United States anterior to the war, does he?

Mr. WATSON of Indiana. There was not the slightest production in the United States.

Mr. KING. But fusel oil was produced here?

Mr. WATSON of Indiana. But fusel oil was a by-product.

Mr. KING. And the production of fusel oil by distillation was rather a simple process.

Mr. WATSON of Indiana. Of course, fusel-oil production will almost cease in the United States on account of the enforcement of prohibition. That is all there is to the proposition.

Mr. KING. As I understand the Senator, it is desired to put a tariff on amyl alcohol, because it competes with butyl alcohol, and the corporation to which I have referred, the Chemical Solvents Corporation, of the Senator's State, is the manufacturer of amyl alcohol.

Mr. WATSON of Indiana. The Senator from Utah is entirely right.

Mr. KING. Mr. President, the Payne-Aldrich law provided a rate of one-fourth of 1 cent a pound upon both amyl and butyl alcohol. This bill proposes to increase the rate from a quarter of a cent to 3 cents, which would be equivalent to an increase of 1,000 or more per cent.

Mr. WATSON of Indiana. The Senator from Utah is in error in saying that the Payne-Aldrich law imposed a tariff on butyl alcohol. Except to chemists butyl alcohol then was not known at all. It never entered into commerce and none of it was ever made in the United States until its manufacture was introduced here because of war conditions. It is what we call in the Finance Committee a "war baby."

Mr. KING. It was recognized in the Payne-Aldrich law as a product of fusel oil, and carried a duty of a quarter of a cent a pound, as I have indicated; and the duty was the same under the Underwood-Simmons law. If it is simply a product of fusel oil by distillation, I do not quite see how the Senator from Indiana can say that I was in error in declaring that the tariff duty was a quarter of a cent a pound, because it was classified in the basket clause, as I recall, of the Payne-Aldrich law, or at least under the heading of fusel oil, at one-quarter of a cent a pound.

Mr. WATSON of Indiana. Of course, it would have gone under the basket clause if there had been any imported, but there was not a pound imported. However, I am not going to pursue the matter further. The Senator from Utah may make all the assertions he pleases.

Mr. KING. In the act of 1909 fusel oil, or amylic alcohol, bore a duty of one-fourth of 1 cent per pound. It was denominated amylic alcohol.

Mr. WATSON of Indiana. But that is not butyl alcohol.

Mr. KING. I am speaking of amylic alcohol.

Mr. WATSON of Indiana. And I was speaking about butyl alcohol.

Mr. KING. I am speaking about the two interchangeably.

Mr. WATSON of Indiana. But they are not the same.

Mr. KING. I know that they differ. Butyl came in as fusel oil under that paragraph because of its relationship to fusel oil, so that it would be classed under the heading "fusel oil" and would come in under the tariff at one-quarter of a cent a pound. I am sure the Senator from Indiana can not controvert the statement that both in the Payne-Aldrich law and the Underwood law it was classified as fusel oil and subject to a tariff of one-quarter of a cent per pound. It is now proposed to increase the duty from a quarter of a cent a pound to 3 cents per pound, or more than 1,000 per cent.

Mr. President, I have made a motion, and I am willing to take a vote upon the motion which I have submitted.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah to amend the committee amendment on page 3, line 15, by striking out "3 cents" and inserting in lieu thereof "one-fourth of 1 cent."

Mr. KING. I ask for the yeas and nays on the amendment.

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

Mr. SHIELDS (when his name was called). I have a pair with the Senator from Maine [Mr. HALE], which I transfer to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from Arizona [Mr. CAMERON]. I transfer that pair to the junior Senator from Alabama [Mr. HEFLIN] and vote "yea."

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

The roll call was concluded.

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. OVERMAN. I inquire whether the Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. The Senator from Wyoming has not voted.

Mr. OVERMAN. I have a general pair with that Senator, and, not being able to secure a transfer, withhold my vote.

Mr. UNDERWOOD (after having voted in the affirmative). The senior Senator from Massachusetts [Mr. LODGE] is out of the city to-day. I have a general pair with him, which I transfer to the senior Senator from Ohio [Mr. POMERENE] and allow my vote to stand.

Mr. CURTIS. I desire to announce the absence of the Senator from Wyoming [Mr. WARREN] on account of a death in his family. I ask that this announcement may stand for the day.

I also desire to announce the following pairs:

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

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

Mr. JONES of New Mexico (after having voted in the affirmative). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and allow my vote to stand. I ask that this announcement may stand for the day.

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. DIAL. I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Georgia [Mr. HARRIS] and vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. MCKINLEY (after having voted in the negative). I transfer my pair with the senior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

The result was announced—yeas 19, nays 41, as follows:

YEAS—19.

Ashurst	Jones, N. Mex.	Sheppard	Underwood
Dial	King	Shields	Walsh, Mass.
Fletcher	La Follette	Simmons	Walsh, Mont.
Gerry	Myers	Stanley	Watson, Ga.
Harrison	Robinson	Swanson	

NAYS—41.

Ball	Gooding	McNary	Smoot
Borah	Johnson	Moses	Spencer
Brandegee	Jones, Wash.	Nelson	Sutherland
Bursum	Kellogg	Newberry	Townsend
Calder	Kendrick	Nicholson	Wadsworth
Capper	Keyes	Norbeck	Watson, Ind.
Colt	Ladd	Norris	Weller
Curtis	Lenroot	Oddie	Willis
Dillingham	McCumber	Page	
Elkins	McKinley	Rawson	
France	McLean	Shortridge	

NOT VOTING—36.

Broussard	Fernald	McCormick	Pomerene
Cameron	Frelinghuysen	McKellar	Ransdell
Caraway	Glass	New	Reed
Crow	Hale	Overman	Smith
Culberson	Harreld	Owen	Stanfield
Cummins	Harris	Pepper	Sterling
du Pont	Heflin	Phipps	Trammell
Edge	Hitchcock	Pittman	Warren
Ernst	Lodge	Poindexter	Williams

So Mr. KING's amendment to the amendment reported by the committee was rejected.

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

Mr. KING. Mr. President, before the committee amendment is agreed to I want to call the attention of the Senate to the fact that by this vote they have indicated that they were willing to give an increase of 1,100 per cent instead of four or five hundred per cent, as I stated a moment ago, in the duty upon butyl alcohol and amyl alcohol—1,100 per cent!

Mr. WALSH of Massachusetts. Increase over what?

Mr. KING. Increase over the rates of the Payne-Aldrich bill and the Underwood bill.

Mr. MCCUMBER. Mr. President——

Mr. KING. I yield.

Mr. MCCUMBER. The Senator has made that statement so often, and has been corrected so often, that it seems to me he ought not to reiterate it. There was no duty whatever upon butyl alcohol. It did not come in. Therefore it bore no duty; and the Senator will not find that it came in either under any basket clause or under any other clause and bore any duty whatever. The Senator can just as well say that we have given a million per cent increase as he can say that we have given a thousand per cent increase or 1 per cent increase. We have simply given one that amounts to just about 15 per cent ad valorem duty now.

Mr. KING. I do not agree with the Senator there; but may I inquire of the Senator under what clause it was found in the Payne-Aldrich law?

Mr. MCCUMBER. It was not found under any clause in the Payne-Aldrich law. None was coming in, and it was not in a basket clause, and I can not find that any came in, and the experts of the Tariff Commission say that none came in.

Mr. UNDERWOOD. Mr. President, the Senator from North Dakota made a statement that surprised me about the Payne-Aldrich bill, as I was a member of the minority of the committee that wrote the bill. Everything that was not named in the free list fell into a basket clause in the Payne-Aldrich bill.

Mr. MCCUMBER. Yes; but none of this product came in under that law.

Mr. UNDERWOOD. Still, it would have been covered if it had come in.

Mr. MCCUMBER. If there was any such thing at that time; but I do not think there was.

Mr. UNDERWOOD. There was some basket clause that covered it.

Mr. MCCUMBER. But if none came in, it could not come in under a basket clause.

Mr. UNDERWOOD. It may not have come through the customhouse, but it was subject to a tax of some kind if it was not on the free list.

Mr. SMOOT. I will say to the Senator that when it did come in under the present law, the Underwood tariff law, it was held by the Treasury Department to be fusel oil, and came in as fusel oil.

Mr. KING. Exactly.

Mr. UNDERWOOD. That was simply because that was the nearest commodity to which it could be likened.

Mr. SMOOT. It is only refined fusel oil.

Mr. UNDERWOOD. To be sure; but that fixes the duty on it.

Mr. SMOOT. But, Mr. President, the tariff bills that have been enacted into law in the past have never put a protective duty on fusel oil or the products of fusel oil. It never has had a protective tariff. It never was intended to have. When the Payne-Aldrich bill passed it was given simply a revenue duty, and when the Underwood bill passed it was given a revenue duty at the same identical rate; but, of course, since the war this butyl alcohol has developed. Before the war, as the Tariff Commission reports, butyl alcohol was of scientific interest only and was not used for commercial purposes anywhere, but now it is used everywhere. It is produced in this country; it is produced in foreign countries; it came about through the necessities of the war, and, of course, it is an entirely different proposition now from what it was in 1909, when the Payne-Aldrich bill was passed, or in 1913, when the Underwood tariff bill was passed.

Mr. KING. Mr. President, I submit that the Senator from North Dakota was inaccurate in his statement, and, while not desiring to be unfair, was manifestly unfair in challenging my statement. The senior Senator from Utah [Mr. SMOOT] agrees, as I understood him, with the position which I took some time ago, that butyl alcohol came in either under a basket clause, or, if it came in, it came in as fusel oil, and would be subject to the tax imposed upon fusel oil.

Mr. MCCUMBER. But my statement was that it did not come in, and therefore it could not come in under a basket clause if it did not come in at all. In that I am correct.

Mr. KING. Mr. President, as the Senator from Alabama [Mr. UNDERWOOD] has just stated, all of those products were subject to an ad valorem duty, a specific duty, or they came in under some ad valorem basket clause. This came in, as I stated in the beginning, under the fusel-oil clause, if it came in at all, and if any had been tendered it would have been subject to the tax imposed upon fusel oil, to wit, one-fourth of a cent per pound.

Mr. MCCUMBER. If it came in, of course; but it did not.

Mr. KING. I stated that it was subject to that tax, and I repeat it; and now you have raised it from a quarter of a cent a pound to 3 cents per pound, or 1,100 per cent over the rate of the Payne-Aldrich law. You can not disguise it, and no amount of camouflage will hide the fact that you have increased the tariff upon this article 1,100 per cent as you have increased the tax upon amyl alcohol 1,100 per cent, and it is done because the Commercial Solvents Corporation, which has a plant in Indiana, demands it. The representative of the Commercial Solvents

Corporation, Mr. Warner, came before the committee, as you will find by reference to his testimony upon page 835, and asked for a tariff upon butyl alcohol.

Mr. SMOOT. Mr. President, I think my colleague ought to be perfectly fair in this matter. I think I stated the matter just exactly as it was. The company that he refers to now asked for 20 cents.

Mr. KING. That is what I read into the record.

Mr. SMOOT. The Senator knows that this item never was in commerce heretofore, but now it is in commerce and is worth about 21 cents a pound. All the world has fusel oil. We imported hundreds of millions of pounds of fusel oil, and it had a duty of virtually a quarter of a cent a pound for revenue purposes. Now a new product comes into the world, not known at all when the Payne-Aldrich bill was passed. Fusel oil could be purchased anywhere in the world as cheaply as it can be here, and now that prohibition is in force we will have to import all that we use. Fusel oil is the kick that was left in liquor. In other words, it is the poison. Now it is not taken out, and we will import all that we use, I suppose, outside of that that is made for simply medicinal purposes and legitimately made. That is the only thing from which we can get our fusel oil.

As to this item that we are talking about, the Senator is absolutely correct as to the increase of 1,100 per cent over the Payne-Aldrich bill, but the rate in that bill was not a protective rate.

Butyl alcohol was not known in the commerce of the world at the time. Now it is an item that takes the place of fusel oil, and it is manufactured not only here but in other parts of the world, and it is necessary to have about 14½ per cent duty to equalize the difference in the cost. We have to pay the freight rates upon all the fusel oil that we get in here, and under this bill we will pay 2 cents per pound if the Senate amendment is adopted. The House bill provides a duty of 6 cents per pound on fusel oil. The Senate committee cut it 200 per cent, down to 2 cents; and of course this rate means on to-day's price about 14½ per cent ad valorem duty upon a product that was not known and not made in the world, outside of a laboratory, in 1909, when the Payne-Aldrich bill passed, or 1913, when the Underwood bill passed; and they both carried a duty of a quarter of a cent for revenue purposes only.

Mr. KING. Mr. President, I am glad that my colleague has corroborated the statement I made that these two items, butyl and amyl alcohol, carry in the Senate bill a tariff duty of 1,100 per cent. I congratulate the Senate committee——

Mr. SMOOT. No; the Senator must not say that. They do not carry a rate of duty of 1,100 per cent.

Mr. KING. No; an increase of 1,100 per cent.

Mr. SMOOT. Oh, well, the Senator did not say that.

Mr. KING. The Senator alluded to my statement. I was connecting one with the other. I stated that the rate in this bill was an increase of 1,100 per cent over the rate of the Payne-Aldrich bill. That statement was challenged by the chairman of the committee, and my distinguished colleague corroborated what I said, and I was just thanking him and congratulating him upon reaching the right conclusion, in contradistinction to the position occupied by the chairman of the committee, and I was going to go further and congratulate the Senate committee upon their regard for the people.

The House, as the senior Senator from Utah states, levied a duty 2,300 per cent above the duty carried by the Payne-Aldrich tariff bill. That was too much for even the distinguished Senator from North Dakota [Mr. McCUMBER] and the distinguished Senator from Indiana [Mr. WATSON], and generously and magnanimously they reduced it to 1,100 per cent above the rate of the Payne-Aldrich tariff bill. My colleague stated quite accurately that anterior to the war butyl alcohol was not known generally in commercial activities. Amyl alcohol was known. Amyl alcohol was of importance in the industrial world, and there is carried in this bill a duty 1,100 per cent above the duty carried by the Payne-Aldrich tariff bill.

Of course the Republicans will support it. The purpose is to maintain that industry, which seems to have taken refuge under the protecting wing of the distinguished Senator from Indiana. If you can put 1,100 per cent additional duty over the Payne-Aldrich bill upon butyl alcohol, you must have a high tariff rate upon ethyl alcohol and also upon fusel oil, I suppose, because we come next to that, with a rate of 2 cents per pound on it, although my distinguished friend, the senior Senator from Utah, has just admitted that we can not produce that here because of our devotion to prohibition and we will have to import it. If we have to import it, the only reason for a duty would be for revenue purposes only.

Mr. SMOOT. Not necessarily.

Mr. KING. What is the other reason?

Mr. SMOOT. There is no need of giving a protection on butyl alcohol and letting fusel oil come in free.

Mr. KING. I am speaking of fusel oil now.

Mr. SMOOT. That would be perfectly useless.

Mr. KING. That is what I am coming to.

Mr. SMOOT. That is exactly what the Senator from Indiana said in his answer to the Senator.

Mr. WATSON of Indiana. Exactly.

Mr. SMOOT. In the first place, they are interchangeable commodities. If you allow the fusel oil to come in free, it would not make any difference if you had a duty of a hundred dollars a pound on butyl alcohol. It would make no difference at all. Fusel oil would come here, but no butyl alcohol would ever come into the country. The Senator knows that in making a tariff bill there ought to be some relative duties imposed, or one or the other of the duties imposed would be perfectly useless.

Mr. KING. The Senator is right, and that is just what we are doing. We are going to take care of butyl alcohol because that is made in the State of Indiana, and in order to protect it and to make it profitable we raise the Payne-Aldrich rates 1,100 per cent, and then, in order to prevent any possible foreign competition, we are going to put a tariff rate of 2 cents a pound upon fusel oil, so that there can not be any competition with that industry which we are establishing in Indiana. There are some gains in Indiana. We lose a distinguished Republican, Senator NEW, whom we love, but we are going to take care of butyl alcohol even though it carry 1,100 per cent above the Payne-Aldrich Act and we will put a tax upon fusel oil of 2 cents, though we have to import it and there is no competition here, in order to protect Indiana.

Mr. President, I have said all I care to. Let us protect Indiana though the heavens fall.

Mr. SMOOT. We will protect the Treasury, too, and get more money into it.

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

Mr. KING. Is that the committee amendment dealing with fusel oil?

The VICE PRESIDENT. It is on the committee amendment.

Mr. KING. Let it be stated for the record, so that when the vote is taken it will be indicated.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 3, line 14, the committee proposes to strike out "isopropyl, and" and to insert in lieu thereof the words "and propyl, 3 cents per pound," and a semicolon.

The amendment was agreed to.

The next amendment of the committee was, on page 3, line 15, after the words "fusel oil" and the comma, to strike out "6" and insert in lieu thereof "2," so as to read:

Fusel oil, 2 cents per pound.

Mr. KING. Mr. President, when we reach the free list, I shall move to transfer the item of fusel oil to the free list, but in the meantime I move to amend the committee amendment by striking out "2 cents" and inserting "one-half cent," so that it will read:

Fusel oil, one-half cent per pound.

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

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

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

The roll call was concluded.

Mr. McKINLEY. Making the same announcement as before, I vote "nay."

Mr. DILLINGHAM. Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. ELKINS. I have a general pair with the junior Senator from Mississippi [Mr. HARRISON], which I transfer to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

Mr. WALSH of Montana. I transfer my pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. WATSON of Georgia. I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. DIAL. I have a general pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Ohio [Mr. POMERENE] and vote "yea."

Mr. ROBINSON (after having voted in the affirmative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I have just been informed that that Senator has not voted. I therefore withdraw my vote.

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

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

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

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

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Massachusetts [Mr. LODGE] with the Senator from Alabama [Mr. UNDERWOOD].

The result was announced—yeas 17, nays 37—as follows:

YEAS—17.

Dial	Hitchcock	Myers	Walsh, Mont.
Fletcher	Jones, N. Mex.	Sheppard	Watson, Ga.
Gerry	King	Simmons	
Harris	La Follette	Swanson	
Heflin	McKellar	Walsh, Mass.	

NAYS—37.

Ball	Gooding	McLean	Smoot
Borah	Harreld	McNary	Spencer
Brandegee	Johnson	Moses	Townsend
Calder	Jones, Wash.	Nelson	Wadsworth
Capper	Kellogg	Newberry	Watson, Ind.
Colt	Keyes	Nicholson	Weller
Curtis	Ladd	Norbeck	Willis
Dillingham	Lenroot	Oddie	
Elkins	McCumber	Page	
France	McKinley	Shortridge	

NOT VOTING—42.

Ashurst	Fernald	Owen	Smith
Broussard	Frelinghuysen	Pepper	Stanfield
Bursum	Glass	Phipps	Stanley
Cameron	Hale	Pittman	Sterling
Caraway	Harrison	Poindexter	Sutherland
Crow	Kendrick	Pomerene	Trammell
Culberson	Lodge	Ransdell	Underwood
Cummins	McCormick	Rawson	Warren
du Pont	New	Reed	Williams
Edge	Norris	Robinson	
Ernst	Overman	Shields	

So Mr. KING's amendment to the committee amendment was rejected.

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

The amendment was agreed to.

The next amendment of the committee was on page 3, line 16, after the words "methyl or wood (or methanol)," to strike out "15" and insert in lieu thereof "10," so as to read:

Methyl or wood (or methanol), 10 cents per gallon.

Mr. KING. Mr. President, I feel so much solicitude for the poor, struggling trusts of the United States with respect to this item that I am tempted to join in the action of the Senate committee. But first let us see who are interested in this item. This morning I examined Moody's Manual, page 663, and I find the name of the National Wood Chemical Association, which comprises substantially 69 firms or corporations who seem to be profoundly interested in this particular item.

Among those who are directly interested are the Cleveland Cliffs Iron Co., a large corporation, and the Wood Products Co., which is owned by the Republic Distilling Co., which is a subsidiary of the United States Industrial Alcohol Co., and has a capital of $30,000,000, the common stock $24,000,000, and the preferred stock $6,000,000. Keep in mind the fact that the Wood Products Co. is owned by the Republic Distilling Co., and the Republic Distilling Co. is a subsidiary of the United States Industrial Alcohol Co.

All of these interlocking companies manifest themselves in this item as other interlocking trusts and combinations and corporations are interested in other items found in the tariff bill. Very seldom do we find the people interested, very seldom do we find an individual interested. We find some huge corporation, some trust, some combination backing these—I will not say infamous schedules, because the Senator from North Dakota seems to object to that term—these blessed schedules.

Next is the General Chemical Co., which is a part of the great Allied Chemical Corporation, which has a capital stock of approximately $300,000,000, and which has put its tentacles out and absorbed a large number of other independent corporations. So we find, next to the Du Pont Co., the largest chemical corporation in the United States, and perhaps the second largest in the world, unless it is the Carbide Trust, is interested here in this particular product, according to all that I can learn.

Mr. SHORTRIDGE. Mr. President——

Mr. KING. I yield to the Senator from California.

Mr. SHORTRIDGE. May I ask the Senator a question? All of the companies he is naming are American companies, are they not?

Mr. KING. I think so.

Mr. SHORTRIDGE. They are not Swiss companies or German companies or English companies?

Mr. KING. I think not.

Mr. SHORTRIDGE. They are all subject to the laws of our country, are they not?

Mr. KING. They are. I am not sure what the Senator means by that. Let us pause for a moment. "They are all subject to the laws of our country." The Standard Oil Trust is supposed to be subject to the laws of our country, but within the past one or two days it has increased the price of gasoline more than 1 cent per gallon. It is subject to the laws of our country. The Steel Trust is subject to the laws of our country, but it has gathered into its capacious hand practically the entire output of the steel products of the United States.

The Carbide Trust is subject to the laws of our country, let me say to the distinguished Senator from California, and it has a capital of $300,000,000. The Federal Trade Commission instituted an investigation more than a year and a half ago in regard to its pernicious and odious activities, and the former administration and the Department of Justice, as I am advised, made an investigation. The evidence conclusively established that it is a trust, and before we conclude the debate I shall convince Senators who are willing to accept the truth that it is a trust and is profoundly interested in the item of carbide which we have in the pending bill.

I suggest to the Senator these are all American corporations They are all American trusts. They and others in the United States would come within the category of predatory interests of which a former great Republican President spoke. I suppose the inference the Senator wished to convey was that if they are American corporations they were immune from prosecution if they defied the people and preyed upon them. If they are foreign corporations, then we prosecute them. That, of course, is the only inference that can be drawn from the remarks of the distinguished Senator from California.

Mr. SHORTRIDGE. Upon the contrary——

Mr. KING. We will prosecute the foreigner, but we will let our domestic corporations reign regnant and trample upon the interests of the people and write tariff bills with such schedules as their greed and their avarice may demand.

Mr. SHORTRIDGE. The Senator from Utah is so profound that I am sure he will be able to advise us just how he would proceed against the German cartel which has control of the dye industry in Germany. I can in my poor way see how the laws of this country could be made to apply to and be enforced against any American domestic monopoly or trust, so called, but I do not perceive how we could reach out to Switzerland or to Germany or to England and control the forming of monopolies there. Perhaps, however, we can get that information from Utah.

Mr. KING. I can assure the distinguished Senator from California that he can get a great deal of information from my State.

Mr. SHORTRIDGE. From the senior Senator or the junior Senator from Utah?

Mr. KING. From both. I pay tribute to my friend the distinguished senior Senator from Utah [Mr. SMOOT] upon the complex questions which are presented in this bill. I only regret the Senator from California does not know as much about it as the senior Senator from Utah.

Mr. SHORTRIDGE. Will the Senator indulge me this thought? The Senator from Utah has repeatedly, again and yet again, spoken about trusts, conveying the idea that a big company or a big corporation is a trust. The Senator is a lawyer and knows that corporations may or may not form a trust, or that they may combine so as to be violative of the law. But why say that each and every company is a "trust," attaching to that word an offensive or a criminal meaning? The Senator will be, I think, more helpful to the discussion if he will define what he means by the word "trust" when in the course of his argument he accuses various companies of being trusts.

I asked the question not to engage in controversy merely, but, recurring to the main question, I did ask the Senator how he expected us to control the foreign corporations. Of course we can control domestic corporations. They are subject to the law, and when they violate the law they should be prosecuted and punished. So I again ask the Senator to give us a definition of the word "trust" as he uses it in the course of his discussion.

Mr. KING. Mr. President, there will be no controversy upon the floor of the Senate or elsewhere between the distinguished junior Senator from California and the junior Senator from Utah if the Senator from Utah has his way. I do not like controversies.

When we come to discuss an amendment to the Sherman antitrust law or to the Clayton Act, to both of which I have given some little consideration—and may I say parenthetically I have a bill pending before the Senator's committee which in my opinion strengthens the Sherman antitrust law and more effectually clarifies its definition of what a trust is—when we come to the consideration of the Sherman antitrust law and the Clayton law and how to amend them and make them more potential and put stronger teeth into them, if I may be permitted the expression, I shall be very glad to discuss with the Senator, and I am sure we will nearly agree as to what is a trust, how to define it, and what limitation should be placed upon the power of corporations to acquire and to hold and to operate any business activities in the United States.

I use the word "trust" generally in the sense, may I say to the Senator, of a corporation that is controlling in the particular industry with which it is identified, either directly and alone or indirectly and connected with other organizations and corporations engaged in the same industry. Take the Standard Oil. I denominate that a trust. It was dissolved by the Supreme Court of the United States into its constituent parts, and yet we know now that if we touch one part we touch the other corporations. They are so bound together by a cord stronger than an umbilical cord that if we touch one we touch them all. They constitute a trust, and there are others in the United States.

I am not opposed to big business. If the Senator had done me the courtesy and the honor to listen to one or two of the speeches which I have made here in regard to business, he would have discovered that I have uniformly said that I had no objection to big business. I have stated repeatedly that in our industrial development we produce large industrial organizations, and I called attention only the other day to the fact that many of these large corporations may produce economies in their operations which warrant, for the common good, their coming together. Yet there is a stage beyond which those large corporations may not, in my opinion, efficiently operate, as was so conclusively shown by Mr. Justice Brandeis in an able argument which he presented before he went upon the Supreme Bench.

I am speaking of organizations or groups of organizations engaged in the same enterprise, having the same purpose in view, and so collaborating as that they do constitute a trust; that is, they dominate and control the industry, they fix the prices, they stifle, if they please, competition, or they permit, if they please, competition.

The Senator has adverted to foreign corporations. When we come to discuss the dye monopoly or the dye industry we may have occasion to talk about the German cartel and foreign corporations. The United States may deal with them, I have no doubt, of course in a different way than it would deal with a domestic corporation.

But to return—and the Senator will pardon me if I do not spend further time in a discussion of that question, because it is rather far afield from the matter before us—I had referred to the Du Pont Co., which is interested in this item. The Du Pont Co. has an enormous capital invested in the production of chemicals, dyes, powders, and a multitude of things. I shall show in a few minutes, when we come to the item of pyroxylin, that the huge Du Pont Co. is chiefly interested in that and is asking for a very high tariff upon that product.

The other companies are the Graeselli Chemical Co. and the Sherwin-Williams Co. The Republic Distilling Co., which owns all of these companies which I have named, owns them outright.

I wanted to call attention to the number of these corporations and to the fact that they were large going concerns, and that at least some of them have been engaged in business in the United States for many years, though some may have been more recent in their origin and have been absorbed by other concerns.

Now it is proposed to place a duty on wood alcohol or methanol of 10 cents per gallon. I congratulate the Senate Committee on Finance on reducing the rate from the rate fixed by the other House.

There may be reasons, Mr. President, for the imposition of this rate of duty. If so, I shall be very glad to receive them; but I want to call attention briefly to some information supplied by the Tariff Commission in order that we may learn the facts and determine whether or not there are sufficient reasons to warrant the imposition of the proposed duty:

Wood alcohol or methanol is one of the primary products of the hardwood distillation industry.

May I say here, Mr. President, that we have not too much hardwood in the United States? I wish we had more. I regret that we have not adopted a more scientific forestry system, both nationally and in the States, for the development of our forests, for if we do not pay more attention to our forests in a few years we may be in a condition something like existing in China. We need more timber in our mountains and hills and valleys.

Mr. SMOOT. Mr. President, I wish to say to my colleague that wood alcohol involves an economic question, because it is manufactured in this country out of the waste products of the mills, and it is about the only thing for which those waste products can be used. So, whatever wood alcohol may be made in this country is virtually that much gain commercially and economically.

Mr. KING. But unfortunately there is a disposition to convert some of our hardwoods into commercial uses before their maturity, to the disadvantage of our forests and ultimately to the disadvantage of the country.

The commercial grades vary from 82 per cent to pure methyl alcohol, acetone being the chief impurity. The largest uses of wood alcohol are in the manufacture of formaldehyde and of dimethylaniline, an important intermediate for coal-tar dyes, both uses requiring pure methanol. Next in importance is its use as a solvent in manufacturing pyroxylin plastics.

And we shall discuss them a little later and see how important they are to the people.

It has many other uses as a solvent and is used for denaturing grain alcohol.

Production: The distillation of wood produces a raw liquor containing acetic acid and alcohol; the acid is neutralized with lime and the alcohol distilled from the solution, and then purified by redistillation. The output of crude wood alcohol in 1909 and 1914 was slightly in excess of 9,000,000 gallons with a marketed output in 1914 of 7,197,000 gallons, valued at $1,605,900. The marketed production of refined wood alcohol in 1914 was 6,235,113 gallons, valued at $2,709,369. Production increased during the war because of the demands by the dye industry and a larger production of formaldehyde. Preliminary figures for 1919 indicate a marketed output practically equal to that of 1914; the value in 1919, however, was about three and one-half times that in 1914. Michigan, Pennsylvania, and New York have been the principal producers of wood-distillation products. During the war large plants were erected in the southern Appalachian Mountains.

Imports in 1914 and since the war have been less than 1 per cent of domestic production.

Mr. President, the imposition of this duty may be justified as a revenue provision. If the only reason for it is revenue, I concede support may be given to a reasonable tax upon this commodity.

Mr. HITCHCOCK. I should like to ask the Senator from Utah how we can possibly derive any revenue from the imposition of a duty if there are practically no imports?

Mr. KING. I was going to leave it to Senators on the other side of the aisle to explain that.

Mr. HITCHCOCK. Am I correct in assuming that this commodity is now on the free list?

Mr. KING. Yes.

Mr. HITCHCOCK. I should like to have some Senator explain what possible reason there is for putting on the dutiable list this article, which is now upon the free list, when there are practically no imports?

Mr. KING. Mr. President, I said that if it were done for revenue purposes it might be justified.

Mr. HITCHCOCK. But what justification can there be for imposing a tariff duty so that the local manufacturer may increase his price when he appears to have been doing a satisfactory business with the commodity on the free list and has held the market?

Mr. KING. Of course, no revenue will be derived from the imposition of the duty, if we are to judge the future by the past; so I am at a loss to determine the justification for it.

Exports of wood alcohol in 1909 were 11.8 per cent of domestic production and 16.6 per cent in 1914. Prior to the war, exports were about 1,500,000 gallons, chiefly to Germany, the United Kingdom, and the Netherlands.

Apparently Germany is not to be the specter that is to affright us with respect to this item.

Between 1914 and 1918 they decreased somewhat, due to the blockade of Germany. Later statistics for calendar year 1918 follows: Quantity (gallons), 2,624,312; value, $2,035,950.

Our exports have decreased. During the first nine months of 1921 we only exported 308,287 gallons.

In postwar years exports were chiefly to England, Switzerland, Japan, and the Netherlands.

There is no tariff upon this commodity imposed by the Underwood law. The Payne-Aldrich law, in paragraph 480, carried a duty of 20 per cent ad valorem. The House bill imposed a duty of 15 cents a gallon, as I have said, and the Senate committee proposes to reduce that to 10 cents a pound.

Mr. President, I can not understand the reason for this rate. We imported in 1921 only 1,030 gallons, and I presume that small quantity came from Canada or some contiguous country, and the importation was perhaps in the nature more or less of an accident.

Mr. President, unless some reason can be assigned by the committee I shall move to transfer this commodity to the free list, but in the meantime I shall move to reduce the tax from 10 cents a gallon to 1 cent a gallon.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the amendment reported by the committee, which the Secretary will state.

The ASSISTANT SECRETARY. On page 3, line 16, after the words "or methanol," it is proposed to strike out "10 cents" and in lieu thereof to insert "1 cent."

Mr. KING. I ask for the yeas and nays on the amendment.

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

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

Mr. UNDERWOOD (when his name was called). The senior Senator from Massachusetts [Mr. LODGE] is absent from the city to-day, and I have a general pair with him. I transfer that pair to the senior Senator from Ohio [Mr. POMERENE] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

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

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

The roll call was concluded.

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER], and will vote. I vote "nay."

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. ELKINS. Making the same announcement as before, I vote "nay."

Mr. DIAL. I have a pair with the Senator from Colorado [Mr. PHIPPS]. I am unable to get a transfer, and therefore withhold my vote.

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

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

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY];

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

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 17, nays 37, as follows:

YEAS—17.

Fletcher	King	Sheppard	Walsh, Mont.
Harris	McKellar	Simmons	Watson, Ga.
Heflin	Myers	Swanson	
Hitchcock	Overman	Underwood	
Jones, N. Mex.	Robinson	Walsh, Mass.	

NAYS—37.

Ball	Capper	Elkins	Kellogg
Borah	Colt	France	Kendrick
Brandegee	Cummins	Gooding	Keyes
Bursum	Curtis	Johnson	Ladd
Calder	Dillingham	Jones, Wash.	Lenroot
McCormick	Nelson	Spencer	Weller
McCumber	Newberry	Sutherland	Willis
McLean	Page	Townsend	
McNary	Shortridge	Wadsworth	
Moses	Smoot	Watson, Ind.	

NOT VOTING—42.

Ashurst	Frelinghuysen	Norbeck	Reed
Broussard	Gerry	Norris	Shields
Cameron	Glass	Oddie	Smith
Caraway	Hale	Owen	Stanfield
Crow	Harreld	Pepper	Stanley
Culberson	Harrison	Phipps	Sterling
Dial	La Follette	Pittman	Trammell
du Pont	Lodge	Poindexter	Warren
Edge	McKinley	Pomerene	Williams
Ernst	New	Ransdell	
Fernald	Nicholson	Rawson	

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

Mr. HITCHCOCK. Mr. President, I should like to ask any one of the 37 Senators who voted against this amendment to attempt to explain to the Senate why he insists on putting a protective tariff on an article of which there are no importations.

It seems to me amazing that apparently Senators will vote here deliberately to promote trusts. Here is an article of which the United States is by all odds the greatest manufacturer. Here is an article of which there are no importations, practically speaking. Here is an article that we export to other countries. Here is an article that is on the free list, and has been on the free list for many years; and yet, in spite of being on the free list, no importations come from another country. To put it on the dutiable list, as is now proposed by the Senate, and charge a 10 per cent duty, can not possibly yield any revenue. All it can do is to give a license to the American manufacturers to unite and raise the price to the American consumer.

I think it is amazing that in a great bill of this sort no advocate of these schedules will even take the floor to defend them. Is the Republican Party without any defense? Is it a fact that Senators here have deliberately banded together to stand by each other's schedules without stating to the country why they cast these votes?

I challenge any Senator to deny the fact that a tax of 10 per cent on wood alcohol, as is now proposed, can have any other possible effect than to erect a barrier against any possible importation in order to permit the existing manufacturers in this country to combine and raise the price to the American consumers. No answer can be made to that assertion. If this article has been on the free list since 1913 and no imports have come into the country during that time, nobody can explain why it is necessary now to put on a tariff for protective purposes, and no Senator can explain how any revenue for the benefit of the Government can be derived by a tariff of 10 per cent; and yet Senators sit here and vote for it in silence, just as the members of a city council vote for a gas franchise after a majority has been secured for it, and leave the opposition, in the interest of the people, to do the discussing.

I can not understand how a party dare impose an outrage of this sort upon the country without even attempting to explain it or apologize for it.

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

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 3, line 17, it is proposed to strike out "15" and insert "10," so that if amended it will read:

Ethyl for nonbeverage purposes only, 10 cents per proof gallon.

Mr. McCUMBER. Mr. President, I preferred to have a vote while there was an opportunity of having a vote on this matter rather than to discuss it just at that time.

It is true that very little wood alcohol is now being imported. The growth of the industry in Canada, as I am informed, is very rapid, and a large industry is being built up in that country. It may startle some of the Senators to know that the Canadian duty on wood alcohol coming from the United States to Canada is $3 on an imperial gallon, which means $2.40 on the American gallon. In other words, if we export a gallon of wood alcohol to Canada we pay $2.40. If Canada desires to export a gallon of wood alcohol to the United States she can export it for 10 cents. There is the difference in the matter of protection. I have no doubt but that the time is near at hand when the Canadian output, growing as it now is, I am informed, will be such that they will be able to put their wood alcohol in the United States and sell it in competition with the

American wood alcohol. They certainly have a pretty good leeway.

Mr. President, I want to make just one little statement with reference to the attitude of some of these metropolitan papers whose editorials are being read into the RECORD every day. I expect that they will continue during the entire discussion of this bill. I expect that Senators will be enabled to delay the bill for many weeks just by reading those articles. I call attention to the fact that we opened our session at 11 o'clock this morning. It is now 20 minutes to 5. We have been on an amendment for 5 hours and 40 minutes and we have just succeeded in passing over five lines of this bill.

That the time is taken in the discussion of other matters, everyone fully understands. Senators on the other side disclaim any purpose whatever to delay the consideration of this bill, and they speak earnestly of their desire to facilitate its progress. They remind me of the poem of Kipling's bear, as they look at us and speak to us like a man in the attitude of prayer, professing their innocence of any intention to filibuster.

One of the most able speakers in the United States to-day is my good friend the junior Senator from Utah [Mr. KING]. Even though he speaks eloquently of general theories of government, and although he may understand thoroughly the Haitian question and speak of San Domingo with a great deal of learning, I am unable to connect up any of those arguments with butyl alcohol, the subject that was under consideration. I know the ability of the junior Senator from Utah. I know that there is no Senator who can present an objection to a bill more succinctly and clearly than can the junior Senator from Utah, and I pay him the compliment of saying that he could present in five minutes anything that he has ever said on any one of these subjects in an hour. He has the ability to do it, and if he so desired he could do it, and make his points as clearly as he is making them to-day.

I have listened to the criticisms of some of these New York papers. It is said that they are Republican papers. It is said that they believe in the principles of protection. They say that this is a monstrous bill. That does not mean anything. What we want to know is whether or not we have laid a duty that is more than reasonable as a protective duty.

I assume that those papers supported the candidacy of both Senators from New York, both of them believe in protection. I think those Senators, one of whom is a member of the Committee on Finance, are just as honest, just as sincere, as the editor of any one of these papers, who I do say, and say candidly, represent the views of the importers.

If these papers think that this bill is unjust in any particular, then let them point it out, but not by calling it names. Let them take one of their industries in the State of New York, the glove industry, for instance, of Gloversville, of Johnstown, and of half a dozen more of those cities in the northern part of New York. Let them show to their Senators and to the country that the duty we have placed upon gloves is more than necessary to protect the glove industry of the State of New York.

If it is more than necessary, then let them be honest and straightforward, and present to us what they believe it costs to produce those gloves in the State of New York, and what it costs to produce them in a foreign country and lay them down in the city of New York. Let them point out wherein the duty is too heavy, and if they say that we can not produce them cheaply enough in this country, and that they are paying too high wages in Gloversville, then let them say what the wages should be. Let them be honest and say, "We want to cut down the laborer's wages in the manufacture of gloves in New York." If they think that the manufacturers' profits are too high, let them so state. Let them present the matter to us in such a form that we can with pencil and paper figure out whether or not we have made any duty so high that it will amount to an embargo or afford more than reasonable protection. We can assure them that if they will establish that to the satisfaction of the Finance Committee, the committee will be more than glad to revise its duty upon any schedule. But it is the facts that we want and not the mere charges against the bill that it is monstrous.

I believe that we want to pay the American laborer reasonable wages and at the same time not produce an article that must be sold at so high a price that the American public can not purchase it. We are pledged to the policy of protection. If these papers do not believe in protection, let them come out and say so honestly. If they do believe in it, and think that we have made a duty too high, let them find out what it costs to manufacture it in the United States, and give the manufacturer an honest hearing, as the committee gave him, and give the importer an honest hearing, as the committee gave him, and then inform us wherein we have made any error. If it can be established that we have done so, we will be more than glad, I repeat, to correct the error.

Ah, Mr. President, we know what is back of this fusillade against this tariff bill. I exhibited a watch here the other day, gold-filled, 10-jeweled, and with two adjusted movements, I think, guaranteed for 20 years, the invoice price of which was 60 cents apiece. I doubt if one could buy that watch at any department store in the city of Washington for $20, and yet it is invoiced for 60 cents. I repeated to the Senate what had been presented before the committee as to razors, invoiced and purchased at 59 cents a dozen, and marked to sell in the United States for $3 apiece, or $36 a dozen.

Of course they do not want to divide any of that enormous profit. Of course we are committing an offense against them if we say, "If you buy an article in the foreign country for 5 cents and sell it for $3 in the United States, as against the American workman, you ought to pay a reasonable duty."

Mr. President, my voice can not reach all the people, neither can I present these facts every day as the papers can present their condemnation, but I shall from time to time present to the Senate the awful spread between the purchase price of some of these foreign articles and the price for which they are sold in these department stores, and it will show a profit not ten but fifty and a hundred and five hundred times as great as any of these excess profits which it is claimed will be made under the rates of this bill.

We lay a duty of 10 cents a gallon on alcohol, and they say they think the public is being robbed because of that rate. Mr. President, I want the American manufacturer to continue in business. I do not want him to make an unreasonable profit. I know that he is not making an unreasonable profit at this time. If he were, the mills would be in operation and not idle.

I recall that the same people who are inveighing against what they call excessive tariff rates, the same department stores, in 1920 raised the retail prices of their commodities 500 per cent in many instances. I know that carpets and rugs sold on the average in 1920 on the western coast for just five times the price of what the same article sold for in 1914.

I say to these great metropolitan papers, find out just what the American price ought to be, if you will, and present the facts. Find out, if you will, what it costs to produce the articles in this country, and what it costs to lay the same article down at our ports of entry, and then criticize us if we have made a mistake upon any one of these items. But this mere condemnation means nothing except the attempt to sow poison.

The Senator from North Carolina [Mr. SIMMONS] has prophesied the dire results which are going to follow to the Republican Party if we put this bill through. Ah, Mr. President, that may be startling, but it is not a hundredth part as startling as the results which would befall this country if you were to continue your own tariff bill for another year. Then the whole country would suffer. It might be well for us to so legislate that we would allow that condition to be brought about before we threw out the life line, but we are going right ahead trying to give you a protective tariff. We expect to put a protective tariff bill upon the statute books, and we will take the consequences.

Mr. HITCHCOCK. Mr. President, I am delighted that my remarks seem to have elicited a statement from the chairman of the committee in defense of the proposed tax of 10 cents a gallon on wood alcohol. Before I come to consider that defense, however, let me refer to his criticism of this side of the Chamber because we have insisted on some discussion of the schedules of this bill.

Does the Senator from North Dakota or any other member of the committee criticize the Senate for a reasonable discussion of this bill when, as a matter of fact, the committee had that bill in its possession from July, 1921, until April of this year? What excuse does the committee present to the country for holding that bill from the 22d day of last July until the 10th of April of this year? The time was not taken up in hearings. The hearings were comparatively short, as far as they have been published. The time was largely taken up in secret meetings of the majority of the committee, and if there is any delay in the passage of this bill it is due to the unprecedented length of time consumed by the committee in considering it, and when it is brought in here, filled with several thousand amendments, and an amendment is read to the Senate, instead of some member of the committee rising in his place and explaining to the Senate the reasons for the amendment, it is left to a vote without any explanation, and because Senators on this side of the

Chamber then undertake to discuss it and to prod the majority to give their reasons for the proposed amendment, we are charged with filibustering and an undue delay of this bill.

Mr. President, as I recall it, when the Payne-Aldrich bill was before the Senate some courageous Republicans then stood upon the floor challenging its outrageous schedules—Senator Dolliver, Senator Beveridge, and the senior Senator from Iowa [Mr. CUMMINS]. It was charged that they were delaying the bill, and it was necessary for them to defend themselves among their own colleagues for objecting to the extortionate schedules proposed. But they made the fight and they convinced the country that the Payne-Aldrich bill meant extortion, that it meant the promotion of trusts, that it meant an inordinate increase in the cost of living to the people, that it meant a virtual tax upon the consumers of the country for the benefit of comparatively few manufacturers.

I will say to the members of the committee that if there is no Republican who will stand up and make that sort of a fight against the present bill the fight will be made at least on this side of the Chamber, and it will be made until the finish, until the bill is passed. We have not any idea of defeating the bill. We know you have arranged to vote for it. We know you have a combination on your side of the Chamber to put it through. We know that you do not even consider the schedules. But we propose, by the fight made from this side of the Chamber, to demonstrate to the country in a campaign of education that the schedules are without warrant and that the tariff rates are without excuse even from the Republican standpoint of protection. They are designed only to promote a few industries, designed only to enrich them at the expense of the people, and their inevitable effect is going to be to increase the cost of living to the people of this country without bringing into the Treasury of the United States any more money than the present tariff law brings.

What excuse does the chairman of the Committee on Finance, in answer to my challenge, offer for this tariff rate of 10 cents per gallon upon wood alcohol? Does he cite any hearings before the committee?

Mr. BORAH. Mr. President——

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

Mr. BORAH. There are a number of Senators in the Senate who labor under the embarrassment of not having any facts. We are not members of the committee which framed the bill.

Mr. HITCHCOCK. We all labor under that embarrassment. The committee refuses to give any facts.

Mr. BORAH. But if the item upon which we have just voted is such as is described by the Senator from Nebraska, and there ought not to be any duty upon it at all, then why does not the Senator offer to put it upon the free list?

Mr. HITCHCOCK. That is impossible at this time. The Senator from Utah [Mr. KING] did the next best thing by proposing to substitute a tariff of 1 cent per gallon instead of 10 cents, announcing that he would move to put it on the free list when the proper time comes. At the present parliamentary stage it is not possible to do that.

Mr. KING. The Chair has ruled against that motion at this particular parliamentary stage. I made the motion with reference to another item, and if I could have done so I would have made it as to this one.

Mr. BORAH. The difficulty is with those of us who believe in protection and want reasonable rates, that we are compelled either to take the rate, whether it is satisfactory or not, or to take the proposition which is based upon the opposite theory of free trade. If the Senator can present a reasonable reduction in these rates he is going to get some votes; but we are not going to vote for free trade, and we are not going to vote for anything near free trade. We do not believe in that doctrine. We want reasonable protection based upon the principles of protection as they have always been advocated by the true friends of protection.

Mr. HITCHCOCK. I think the Senator has voted for free trade on many articles.

Mr. BORAH. Oh, no.

Mr. HITCHCOCK. I believe I can demonstrate to the Senator from Idaho that there is just as much reason why he should vote to put wood alcohol upon the free list as to put other articles upon the free list.

Mr. BORAH. As to the particular item, the Senator may be correct, and I may have voted for free trade upon that proposition; but I am speaking of the drafting of the bill generally. In getting through with these items there are a number on which I think the rates are too high, but it is the most difficult thing in the world for one to get all the facts in regard to it. We are not on the committee. We have not been upon the committee. It is practically impossible to get the facts and we have to take to some extent the conclusions of the committee.

Mr. HITCHCOCK. Let me state to the Senator from Idaho that if he will use his great ability upon the floor of the Senate to compel members of the Finance Committee, who had the bill in the nursery for nearly a year, to give a reason for the schedules they have imposed here he will confer a great benefit upon the country. If he will make the same sort of fight that was waged here by a few courageous Republican Senators, and I think he was among the number, while the Payne-Aldrich bill was before the Senate, he will accomplish a great good. While they did not prevent Congress from passing that iniquity, they at least so educated the country as to the facts that it resulted in a change in the majority membership of the Senate.

Mr. BORAH. Let me say another thing while I am in this controversy. I do not think there are any facts to be had upon which to base an intelligent tariff bill at this time. That is my opinion.

Mr. HITCHCOCK. The answer to that is that they should not pass a bill.

Mr. BORAH. I would vote unhesitatingly to postpone consideration of the bill and to take care of the situation, as far as I think it needs to be taken care of, by a simple addition to the emergency tariff law. I do not know where we could get any facts as to the cost of production abroad. I have not been advised of any such facts. I do not see how it is possible to secure them. The facts which would be available to-day would be utterly swept away to-morrow by the conditions throughout the world. So there are no facts upon which we can base an intelligent opinion as to the cost of production of these articles abroad. I do not believe it is possible to make a tariff law of permanent worth under such conditions.

Mr. HITCHCOCK. The Senator does not think for a moment that the Committee on Finance is attempting to do that? They deny that they are attempting to do that.

Mr. BORAH. The Committee on Finance, I have no doubt, have worked earnestly and sincerely in regard to this matter. But the facts do not exist; they are not available.

Mr. HITCHCOCK. It was a well-known Republican doctrine. It was a doctrine preached here upon the floor of the Senate by the Senator from Idaho himself, by the Senator from Iowa [Mr. CUMMINS], by former Senators Dolliver and Beveridge, and others who made the fight against the Payne-Aldrich bill. Then they stood for the Republican idea of having a tariff to compensate for the difference in the cost of manufacture abroad and in the United States. But they have abandoned that principle. What they want now is a tariff which will so restrict importations as to enable manufacturers in this country to maintain excessive prices, whether they are right or whether they are wrong, or to raise those prices to any point they please.

That is the policy of the Committee on Finance at the present time. It is not attempting to bring in a bill which will compensate for the difference in the cost of manufacture at home and abroad. There is no pretense of that. There is no Senator who will go out before the people and argue that that is the basis of the pending bill.

Mr. BORAH. I do not think the facts are available.

Mr. HITCHCOCK. I want to call attention of the Senate to this particular schedule of wood alcohol. The United States manufactures one-half of all the wood alcohol made in the world, and Canada and Europe manufacture the other half. That competition has been open all the time. Canada has exported wood alcohol to us before. We have, however, as is shown from the statements, the most firmly established wood-alcohol industry in the world. The tariff survey contains this statement:

> The United States possesses by far a larger and more firmly established wood-distillation industry than any other country. It is stated that European and Canadian production of wood-distillation products is about equal to the total output of this country.

Think of it. Here we are manufacturing one-half of all the wood alcohol used in all the nations in the world and it has been on the free list for years. There is $50,000,000 invested in the industry, and it has developed to a great extent, and the product is on the free list. There are no imports and there have not been any imports for years, and yet a tariff rate of 10 per cent is proposed to be levied on imports. Why?

It is to give a license to the concerns in this country to raise the price, and shortly after the proposed tariff rate has been established we will see, as we have seen in the steel industry, as the Senator from Wisconsin [Mr. LA FOLLETTE] showed to-day, the inevitable tendency to unite these industries in this country and to put exorbitant prices on the American people, and grow rich. The 10-cent tariff rate on wood alcohol can not

have any other result, whatever the purpose is, than to induce the American concerns to get together and enjoy monopoly free from any possible restriction.

Mr. BORAH. I understand the Senator, then, is in favor of free trade as to this item?

Mr. HITCHCOCK. I am in favor of leaving it at least where it is until there is some danger of importations.

Mr. BORAH. On the free list?

Mr. HITCHCOCK. It is on the free list now, as it has been on the free list for years. There is not the slightest danger from imports. It seems to me one of the most brazen attempts to create a condition favorable to the nurturing of the trusts, and yet it was proposed to put that schedule through here without explanation. There has been no explanation offered before this time except that Canada, next door to us, might send some in. Canada has had the opportunity for years to send it in, but she has sent it to other markets of the world and has not attempted to enter this market to any extent.

I would like to see some courageous Republicans develop here, as were developed when the Payne-Aldrich bill was before the Senate, who would stand up and make a fight for the old style Republican protection based upon the difference in the cost of labor and production here and abroad.

Mr. BORAH. If we do that, will the Democrats vote with us?

Mr. HITCHCOCK. No; I do not believe in that.

Mr. BORAH. Then, there you are.

Mr. HITCHCOCK. But in order to be consistent with your Republicanism, as I am consistent with my Democracy, you ought to do it and not permit this headless and bastard character of Republicanism to be put upon the statute books. You ought to stand up and fight for the old style Republicanism which stood for a legitimate, definite tariff, based upon the difference in the cost of manufacture at home and abroad; but you admit that there is no difference in cost between the United States and abroad, or that you do not know what it is, and that you propose to raise these great schedules to exorbitant heights and simply give an opportunity for the developments of trusts in this country.

Mr. BORAH. I frankly confess that I do not know what the difference is in the cost at home and abroad, and I am in exactly the same boat as every other Senator in the Chamber, so far as being able to determine the question. There are no facts in regard to it. There are no facts presented, and there are no facts to present.

Mr. NELSON. Mr. President, I have noticed that a great many people who have not been able to get any liquor now drink wood alcohol. Will this duty repress the use of wood alcohol?

Mr. SMOOT. Mr. President, I am well aware that the Senator from Nebraska [Mr. HITCHCOCK] would like to see the Republicans on this side of the Chamber attack the tariff bill the same as Senator Dolliver did in 1909. Of course every one of the Democrats in this Chamber would be delighted if that would happen. That is what the Senator wants and that is what he is hoping for.

Mr. HITCHCOCK. I am wondering if the Republican Party is so decadent that it has not any live Republican in it.

Mr. SMOOT. Let me say right here that Senator Dolliver himself offered an amendment which carried the highest rate that was incorporated in the Payne-Aldrich law. The highest rate which that law carried was brought about through an amendment offered by Senator Dolliver, of Iowa. I am not going into a discussion of it at this time. I do not ask any Senator on this side of the Chamber to vote for any rate that is overprotective, but a fair protective rate under the conditions existing to-day.

I want to say that before this bill is disposed of we will recognize that there is a filibuster on here with reference to the chemical schedule. I will say to the Senator from Idaho that days and days, even weeks, have been spent here upon rates more than half of which did not contemplate a higher rate than 15 per cent ad valorem. A rate of 15 per cent is not what they are fighting. There is a filibuster on. I told the Senators on the other side of the Chamber the other day that if I were fighting the bill and was honest in the fight, I would take some of the rates which are high rates and fight them. Do Senators on the other side think that the American people are very much alarmed over a rate of 14 per cent ad valorem? Our attention was called to-day to a rate that was an increase of 1,100 per cent over the Payne-Aldrich law rate, and the inference was that that was what was taking place in rates on other items of the pending bill.

The commodity was one not known to commerce when the Payne-Aldrich bill was passed, nor was it known when the Underwood-Simmons law was enacted. What induced its production? It was a "war baby." The Committee on Finance have put a duty of about 12 per cent on it, and there is a howl now that the duty has been enormously increased. Under the Underwood tariff bill it would have had a duty imposed upon it of a quarter of a cent, and a similar duty would have been imposed under the Payne-Aldrich bill. For what? Not for protective purposes at all, for I repeat that it was not known at the time those bills were passed, but under a decision of the Treasury Department it would have fallen under that rate if it had been made at that time.

What is the rate of duty proposed on pure wood alcohol? The House passed the bill imposing a duty of 15 cents a gallon, but the Senate Finance Committee cut that duty of 15 cents a gallon to 10 cents a gallon. The price of pure wood alcohol to-day is 72 cents a gallon. A duty of 10 cents a gallon on wood alcohol at that price is 14 per cent ad valorem; and yet there is all this fuss made about it.

Mr. President, Canada, which produces wood alcohol, imposes a duty of $3.20 a gallon on it, and yet Canada is just as close and, indeed, closer to the center of consumption for wood alcohol than are the manufacturers of that article in this country. Canada has more wood than have we, and the article is made from the branches which are taken off the trees when the logs are hauled to the sawmill.

Mr. HITCHCOCK. Mr. President, can the Senator from Utah explain why Canada has a tariff on wood alcohol?

Mr. SMOOT. I am not trying to explain what Canada does.

Mr. HITCHCOCK. Is it not because she is afraid of the competition of the United States?

Mr. SMOOT. I do not know the reason why Canada has put a duty on wood alcohol.

Mr. HITCHCOCK. Is not the fact that she imposes such a tariff evidence that we do not need one?

Mr. SMOOT. No; that is no evidence whatever that we do not need one. I can point to 50 or 60 commodities on which Canada has placed a duty confronting goods shipped from the United States into Canada but as to which she has free access to the American market. Can the Senator from Nebraska tell me why, on harness, for instance, Canada places a duty, and that if we undertake to send any harness into Canada our manufacturers upon this side are met with a duty of, I think, about 35 per cent? Canada wants the entire American market open to her and her market closed to America.

Mr. BORAH. I should not think Canada would treat us in that way in view of our relationship with Great Britain.

Mr. SMOOT. If the Senator from Idaho will take the time to read the pending bill he will find, I think, at least 10 or 15 items as to which we have inserted a proviso to the effect that in case a foreign country imposes a higher rate of duty upon the items named than the duty which the United States imposes upon goods coming to the United States, then the higher duty shall apply to the goods coming to this country from such country.

Mr. SIMMONS. Mr. President, if the Senator from Utah will pardon me, I should like to say to the Senator from Idaho [Mr. BORAH] that we have put a prohibitive duty upon nearly all of the things which Canada exports to this country, and it is but natural that she should retaliate.

Mr. SMOOT. If the Senator from North Carolina will examine the Canadian tariff act and compare it with our tariff legislation he will not make that statement.

Mr. BORAH. I am not so much concerned about that tariff now, but I am afraid we are going to have trouble with our British friends.

Mr. SMOOT. No; I do not think so, Mr. President.

Mr. BORAH. I hope not. I should be very much disturbed to think so.

Mr. SMOOT. I do not think so. The Senator from North Carolina [Mr. SIMMONS] rose in his seat to-day and read editorials from metropolitan newspapers. Let the metropolitan newspapers answer the challenge which was made to them to-day by the chairman of the Finance Committee [Mr. McCUMBER]. If they should, I predict now that they would start to attack, as they did attack in the first place, the duties that are placed upon farm products. The Senator from North Carolina does not rise in his seat when the New York papers and other metropolitan papers complain bitterly of the imposition of duties upon farm products. Why? Because he will vote for them.

Mr. SIMMONS. Mr. President, in view of my statement to the Senator from Utah the other day, he should not now make the statement which he has just made. I told the Senator the other day when he asserted that I would vote for the high rates which the bill carries on agricultural products that I would no sooner vote for an excessive duty upon an agricultural

product than I would vote for the imposition of an excessive duty upon a manufactured product; and if there were any duty on an agricultural product that was excessive or which would violate the principles of my party—not his party—that I would not vote for it. The Senator from Utah, therefore, has no right to make the assertion which he has just made.

Mr. SMOOT. We shall see how the Senator from North Carolina will vote.

Mr. SIMMONS. Oh, the Senator from Utah said the same thing the other day.

Mr. SMOOT. I have not any more doubt how the Senator will vote when the question arises than I have that I stand here upon the floor. The Senator is now bitterly complaining of the rate of 12 per cent ad valorem on a manufactured product, one which is made in Canada, and with the advantage which her producers have over the producers of wood alcohol in this country; but wait and see, Senators, when there are duties higher than 12 per cent proposed to be placed on farm products how the Senator from North Carolina will then vote. The Senator from North Carolina also referred to bricks, and made the statement that common bricks that enter into the construction of buildings in this country have advanced about $10 a thousand.

Mr. SIMMONS. Mr. President, I myself made no statement about bricks at all. I read a statement——

Mr. SMOOT. Yes.

Mr. SIMMONS. From a metropolitan paper of New York to the effect that it had been ascertained by a commission appointed to investigate the matter, that bricks are selling at $24 a thousand, when they can be manufactured for $11 a thousand. I myself did not make that statement.

Mr. SMOOT. But what did the Senator read the statement for? What idea did he have in his mind when he presented it to the Senate? It was so pleasing to him that he would not have it printed in the RECORD without reading, and he wanted to read it himself; and how he read it and what emphasis he placed upon it! Oh, if the American people could only have heard and followed the Senator they would have thought in their heart that he approved of every word that was written in that editorial. Now, what is the rate of duty on bricks? It is 10 per cent. Has that duty anything to do with the price of the commodity as set forth in the article which he read?

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator if there is any tariff proposed on gold bricks? We are handing the farmers a great many such bricks in the agricultural tariff bill, and we ought to put a duty on gold bricks.

Mr. SMOOT. I have heard the Senator from Nebraska talk about gold bricks here every time the question of a duty upon farm products has been mentioned in this Chamber, but I do not know of anybody, Mr. President, who would draw dividends upon gold bricks sooner than would the Senator from Nebraska. He expects to draw dividends from the gold bricks he seems to think appear in the pending bill. I doubt whether he will do so.

Mr. HITCHCOCK. I will say to the Senator that it will not be the first time that I have been disappointed; I have lived on disappointment all my life.

Mr. SMOOT. We all have, I presume.

Mr. CUMMINS. Mr. President, the Senator from Utah probably forgets that the Senator from Nebraska has a newspaper from which he can draw his dividends. I do not say, however, that it is a gold brick.

Mr. SMOOT. I have heard that it is a very profitable investment, and I congratulate the Senator.

Mr. HITCHCOCK. It could only be profitable by the support of a large Republican constituency which does not like the way the Republican Party in the East is being operated.

Mr. SMOOT. Then the Senator ought to be thankful for that, if that is the case; but I want to say that the Republicans are open-minded enough to read Democratic papers. I never knew before in my life that a Democrat could only read a Democratic paper and a Republican could only read a Republican paper. That may be the case with the Democrats, but I assure Senators upon the other side that it is not the case with Republicans. I do not think that there has been a time since I began to read newspapers when I have not subscribed to a Democratic newspaper, and that very fact has made me a Republican.

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

Mr. SMOOT. Yes; I yield.

Mr. ROBINSON. The Senator by his assertion that he never knew before that a Democrat could not read a Republican newspaper has invited the assertion that many Republicans do not read any newspapers.

Mr. SMOOT. That may be the case; but I want to say to the Senator from Arkansas that, so far as ability to read newspapers is concerned, he ought not to refer to such a thing in view of conditions in the South.

Mr. HEFLIN. The Senator from Arkansas probably had reference to some of the members of the Republican Party down there.

Mr. SMOOT. I think the Senator takes it for granted then that Democrats are not expected to read newspapers.

Mr. ROBINSON. They do not read the Wall Street Journal.

Mr. SMOOT. I do not read the Wall Street Journal and I never mention the word Wall Street in the Senate, because the Senator from Alabama [Mr. HEFLIN] has an absolute monopoly on that word. Nobody ought to mention Wall Street in this Chamber in the presence of the Senator from Alabama.

Mr. HEFLIN. The Senator from Arkansas ought not to have mentioned Wall Street in the presence of the Senator from Utah. The Senator from Utah is all "fussed up" and excited now. Wall Street is a touchy subject with him.

Mr. SMOOT. The Senator from Utah is not "fussed up" in the least.

Mr. BORAH. What about wood alcohol, Mr. President?

Mr. WATSON of Georgia. Mr. President——

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

Mr. SMOOT. I yield.

Mr. WATSON of Georgia. It is only fair that the Senator from Utah should be given the facts as to the southern situation.

Mr. SMOOT. The Senator need not even take the time to make that suggestion. The Senator from Utah would never have thought of referring to it if it had not been for the Senator from Arkansas, and this is the first time in my life that I ever have referred to the educational situation in the South.

Mr. McCUMBER. Mr. President, I inquire what is the pending amendment?

Mr. SMOOT. Just a moment.

Mr. WATSON of Georgia. If the Senator will allow me, it is the colored Republicans in Georgia who can not read.

Mr. SMOOT. Mr. President, I only take the statistics as to literacy. I do not want to go any further into the matter, I will say to the Senator from Georgia, and if I were the Senator from Georgia I would not even invite it.

Mr. President, the act of 1913 imposed a duty of $2.60 per proof gallon on alcohol. What was that for? Of course, Senators on the other side can take a little item like the one now under consideration and talk about it and make all manner of assertions as to it; but I wish to say that if the conditions in this country were the same as the conditions in Canada, and if the markets were of equal accessibility, there would not be any need of 10 cents a gallon on wood alcohol. They are not equal, however, and if anyone has any idea that there is going to be any political gain to the party that criticizes a duty of 12 per cent ad valorem on a manufactured article, I think he will be woefully disappointed.

Mr. JONES of New Mexico. Mr. President, if anyone in the Chamber is to be singled out as a filibusterer, I suppose I am subject to that criticism as much as anyone else. During the discussion of this bill I have consumed a good deal of time. I had just about reached the conclusion that my efforts and the time I had spent would be of no avail; but if I ever doubted a republican form of government—a government by the people—that doubt has been removed by what has occurred here this afternoon.

During the discussion of this bill I have endeavored to point out the enormities which it contains. I have tried to discuss the terms of this bill as honestly and sincerely as I could, in the hope that Senators on the other side of the Chamber would realize what they were doing. I did not believe that they did. This discussion has at least resulted in this: The attention of the country is now being brought to this bill; the press of the country is studying this bill, and the result of that study is that Republicans are complaining against the bill and characterizing it in terms equally as expressive as any that I have been able to utter on this floor. My hope is that the words that came to us from the Senator from Idaho [Mr. BORAH] will make an impression upon this Chamber. No man yet has sized up the situation more clearly than it has been expressed by the distinguished Senator from Idaho.

From the first day of this discussion I have tried to find out the basis of this bill. It is at last becoming manifest; and I want to say to you good Republicans who have believed in the doctrine of protection for the purpose of building up this country that this bill is not founded upon any principle which you have ever advocated in the past. To me it is no wonder that the great metropolitan Republican papers are proclaiming against this measure.

This is not a Republican measure such as I have heard about in the past. The Senator from Idaho was quite right when he

told us that you could not ascertain the difference between the cost of production at home and abroad at this time.

He is eminently correct. I have made that statement on the floor I do not know how many times. I realized that coming from me it might have little effect upon the other side of the Chamber; and I want to say to you Senators—and I know you love your country—that this is a deviation from every principle for which you have stood in the past.

Those who framed this bill did not seek to ascertain the difference in the cost of production at home and abroad. We are told that that can not be done. We are told in the next breath that all they have sought to do is to ascertain the difference in prices.

Bear in mind that statement, and consider what it means—a difference in prices, not to protect the difference in the cost of production, but to protect the existing prices and whatever price the producer of the country may see fit to fix. That means nothing more nor less than that this bill is framed for the purpose of creating monopolies in this country. If you raise your duties high enough to protect these prices, it necessarily follows that the man who has the commodity for sale can absolutely control the American market.

It means that if you put your tariff duties up to what he says is a proper price now—and he is not at all modest, judging from the testimony presented to the committee, in saying what his profit should be—when you do that, there is no reason on earth why the American producer or the American seller for a short time can not reduce his prices a little, drive the foreign competitor entirely out of the American market, destroy his business arrangements, destroy his sales agencies, and leave to the American vendor the absolute monopoly of the American market.

I appeal to you Republicans here: Are you willing to stand for a tariff bill framed upon any such basis as that? The distinguished Senator from North Dakota this afternoon, in inveighing against these metropolitan Republican papers for criticizing this bill, invited them, if they had any proof, to bring it on.

Time and again I have asserted that he who proposes to levy a tax upon the consumers of his country ought first to assume the burden of proof; that he should be able to state the fact; but in a confession either of incompetency or of weakness in the framing of this bill, the distinguished chairman of the committee calls upon these papers to prove that this bill ought not to be passed; that these duties are too high.

I again assert that no man or set of men has any right to levy tribute upon the consumers of this great country unless he knows why it is done. It is for him to make out a case. It is not for us on this side of the Chamber to assume any such burden. No paper which through any examination reaches the idea that this bill is an enormity is called upon for proof. The burden is here, and nobody has a right quietly and complacently and serenely to impose these enormous burdens upon the American people without knowing what he is doing.

In an endeavor to demonstrate that I have labored during the days that we have been discussing this bill, I think now I have seen evidence of some fruition. I do not intend to engage in any filibuster. I never have done it in my life, and I do not intend to begin now; but if by this discussion we can bring the Senator from North Dakota to realize what he is doing, if we can bring the Senator from Utah to realize what he is doing—I am not at all misled by what I have said; I realize that I can not do it—if we can keep presenting facts here from day to day, if we can keep discussing this situation and let the Republican papers of the country take up the cause, then we will get under the hides of these Senators, of which we have had evidence here this afternoon.

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

Mr. JONES of New Mexico. I gladly yield.

Mr. LENROOT. May I ask the Senator if it is the purpose of Senators on his side of the aisle to proceed throughout the consideration of the bill as they have proceeded thus far upon the bill?

Mr. JONES of New Mexico. Mr. President, I can state very frankly to the Senator that we do not expect to consume anything like as much time on the remaining items of the bill as we have consumed thus far in proportion to the number, and I will state very frankly to the Senator why. In the discussion of these items we have been trying to develop just what we have been talking about now. When the very first item in the bill was taken up, the Senator from North Dakota, the chairman of the Committee on Finance, when I asked him why they put that rate upon acetic acid, said, "For the same reason that the other items in the bill were given the rates which we have placed on them," and that the same principle permeated the bill. I do not use his exact language, but that is the substance of what he said. Upon that statement from him I tried to develop what the reason was which permeated the bill, and I have been trying ever since to find that out, and the statements have varied from day to day. They accepted the good old Republican doctrine that these rates should be levied in order to equalize the difference in the cost of production at home and abroad. When I asked them for the evidence they had on which these rates were based, they admitted that they did not have any evidence, that it could not be had.

In various cases I have tried to find out how they ascertained the rate on the particular item. At one time we were told that they took the prices at which the commodities were sold in this country and the prices at which they were sold abroad. Then I commenced trying to find out the dates of the prices which they took, and sometimes they would have one date and sometimes another. The last time any date was referred to the Senator from North Dakota stated that they took the prices which prevailed prior to the war. At other times they tried to get prices as nearly current as possible.

They took prices which prevailed prior to the war. Is it possible that this country has not moved since before the war? Is it possible that any Member of this great body has been asleep during the last few years and has failed to realize what has transpired in an economic way throughout the world? The picture has changed. You can not longer follow the old landmarks and have your country economically prosperous.

When you talk about fixing tariff rates based upon mere prices in a pre-war period you admit that you are out of touch, out of tune, with present-day conditions, and being so, and having that frame of mind, are you qualified, in all earnestness I ask, to levy taxes? These rates are increased, not by 10 per cent or 15 per cent, but in many cases more than a hundred per cent, and in some cases more than a thousand per cent. Awhile ago the Senator from Utah tried to minimize a small increase of taxes. If that small increase of taxes is levied to enable some concern to take the money out of the pockets of the people of this country, I do not care how small it is, it should be condemned. The most contemptible creature on earth is the man who commits petty larceny. I have heard some Senators here, especially the distinguished Senator from Utah, talk about some concern robbing the people. He himself called it robbery. I have more respect for the man who is entitled to be called a robber than I have for the petty thief.

Senators talk to me and talk to the people of this country about the small things, stating that they are not taking much away from them, and try to justify this bill because they are taking only a little here and a little there. Has it come to that, that we are going to justify petty larceny and justify becoming a small thief?

Mr. President, this great power of taxation which the American people have placed in this body ought to be considered a sacred trust. We are expected, as trustees of the people, to do these things conscientiously and in the interest of our country. We are not here to minimize the effect of what we do, but it is for us to face this situation as it is and feel that we are sacredly responsible to the great masses of the people who are trusting us.

Mr. President, on the next item I want to say just a word. The next item is in regard to industrial alcohol. It is true that the Senate committee amendment reduces the rate provided by the bill as it came from the House. The House put it at 15 cents per gallon. The Senate committee makes it 10 cents per gallon. I do not think there is any reason which can be given for such a duty as that. In fact, there should be no duty at all.

I want to read the figures as to the domestic production, the imports, and the domestic exports of that commodity. In the year 1910 we produced in this country 68,000,000 gallons. We imported 16,000 gallons. We exported 231,000 gallons. I am giving just the round figures.

In 1911 we produced 68,000,000 gallons; we imported 39,000 gallons, and we exported 35,000.

In 1912 we produced 73,000,000 gallons; we imported 42,000, and we exported 25,000.

In 1913 the production was 78,000,000 gallons, the imports 44,000, and the exports 151,000.

In 1914 the production was 78,000,000 gallons, the imports 41,000, and the exports 187,000.

I will skip the war period and begin with the year 1919, when the production was 98,000,000 gallons, the imports none, and the exports 20,000,000.

In 1920 the production was 98,000,000 gallons, the imports 17 gallons, and the exports 25,000,000 gallons.

For the first six months of 1921 we exported nearly 4,000,000 gallons. We have not the figures of the production for that year.

I could give a good deal more information upon the subject, but apparently the giving of information does not seem to impress it upon Members of the Senate. Therefore, in the absence of authority to move to put this item on the free list, I move to substitute for the figure "10" the figure "1," so that the duty shall be 1 cent per gallon, instead of 10 cents, as proposed by the Finance Committee, and 15 cents, as proposed by the bill as it came from the House.

Mr. SMOOT. Mr. President, I wish Senators were in the Chamber, because I notice there is not a spasm of revolt on the other side as to this item, as there was in regard to the item just passed.

I want to call the attention of the Senate to the fact that the Underwood tariff law rate on this item is 5,200 per cent increase over the rate which we imposed. Remember that, 5,200 per cent increase. Now, the Senator from New Mexico moves to strike out 10 and increase it to 1, which would be ten times more. In other words, he wants an increase of 52,000 per cent. That is all.

The Senator real a long list of importations and productions of ethyl alcohol. Why did they not have any importations? It was because the Democratic Party built up this great Alcohol Trust in the United States by putting a tariff of $5.20 per gallon on it. But now what a change of heart! They only want 1 cent now. Why? That is in order to criticize the 10-cent rates which we propose to put upon it instead of the $5.20 rate applied under the Underwood law.

Mr. President, I am ready to vote.

Mr. JONES of New Mexico. I merely wish to say, in answer to what the Senator from Utah has said, that my motion indicates that at least Senators on this side of the aisle are willing to deal with present conditions, that conditions have changed, and that is evidenced by the fact that the Finance Committee reduced this rate of duty from $5.60 per gallon to 10 cents per gallon. I am calling attention to the fact also that the importations of ethyl alcohol are prohibited.

Mr. SMOOT. Only for beverage purposes, and the Senator knows that.

Mr. JONES of New Mexico. I understand that, and that is what this is for.

Mr. SMOOT. There is alcohol used in all the industries of the United States——

Mr. JONES of New Mexico. We levy a tax on it for medicinal purposes after it gets in.

Mr. SMOOT. The Senator now says that conditions have changed. Have they not changed as to butyl alcohol? There is no butyl alcohol made in the world for commercial purposes. All that was made was in laboratories for laboratory use, but we were to be criticized for an 1,100 per cent increase there, yet here the Senator from New Mexico is talking about an item which carries a rate in the present law 5,200 per cent more than the rate we propose.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the committee amendment.

Mr. JONES of New Mexico. I ask for the yeas and nays.

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

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

Mr. DIAL (when his name was called). Making the same announcement as before with reference to my pair and my inability to obtain a transfer, I withhold my vote.

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

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

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

The roll call was concluded.

Mr. McKELLAR. Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. DILLINGHAM. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

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

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

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

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

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

The Senator from Massachusetts [Mr. LODGE] with the Senator from Alabama [Mr. UNDERWOOD]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 12, nays 39, as follows:

YEAS—12.

Ashurst	Harrison	Jones, N. Mex.	Robinson
Fletcher	Heflin	King	Simmons
Harris	Hitchcock	McKellar	Swanson

NAYS—39.

Ball	Gooding	McKinley	Shortridge
Borah	Johnson	McLean	Smoot
Brandegee	Kellogg	McNary	Spencer
Bursum	Kendrick	Moses	Sutherland
Calder	Keyes	Newberry	Townsend
Colt	Ladd	Norbeck	Wadsworth
Curtis	La Follette	Oddie	Watson, Ind.
Dillingham	Lenroot	Page	Weller
Elkins	McCormick	Rawson	Willis
France	McCumber	Sheppard	

NOT VOTING—45.

Broussard	Frelinghuysen	Overman	Stanley
Cameron	Gerry	Owen	Sterling
Capper	Glass	Pepper	Trammell
Caraway	Hale	Phipps	Underwood
Crow	Harreld	Pittman	Walsh, Mass.
Culberson	Jones, Wash.	Poindexter	Walsh, Mont.
Cummins	Lodge	Pomerene	Warren
Dial	Myers	Ransdell	Watson, Ga.
du Pont	Nelson	Reed	Williams
Edge	New	Shields	
Ernst	Nicholson	Smith	
Fernald	Norris	Stanfield	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. SIMMONS. Mr. President, with reference to the suggestion made by the Senator from Utah [Mr. SMOOT] to the effect that there is now a duty upon this product, ethyl alcohol, as the present bill deals with it, of $5.20 a gallon, the Senator failed to differentiate properly.

Mr. SMOOT. Oh, no; I have not.

Mr. SIMMONS. Well, just let me explain. The section of the Underwood bill to which the Senator refers is section 237. That is Schedule 8 and is entitled "Spirits, wines, and other beverages," and it reads:

Brandy and other spirits, manufactured or distilled from grain and other materials, not specifically provided for in this section, $2.60 per proof gallon.

That was dealing with this subject just exactly as it deals with brandy and liquors of all kinds, to carry out the spirit of our law. It was in pursuance of our internal-revenue taxes upon spirits.

I understand the chemist says that the department has so construed this brief section, "brandy and other spirits manufactured or distilled from grain and other materials," as including ethyl alcohol. If so, then it was ethyl alcohol as an intoxicant, as compared with brandy and other spirits manufactured or distilled from grains and other materials not specifically provided for, and to carry out the intention of the revenue law with reference to the duties imposed upon spirituous liquor.

Mr. SMOOT. The revenue law imposes a tax upon this very item in addition to what the tariff law may impose, and I wish to assure the Senator that alcohol is a spirit distilled from grain and carried a rate of $5.20.

Mr. SIMMONS. I understand what the Senator says, and I am merely stating the fact that if ethyl alcohol comes under this provision of the tariff act of 1913 it is by the result of a departmental decision which I have never before heard anything about. I do not question that the department so decided, but when they rendered that decision they put this commodity upon a parity with brandy and other manufactured spirits. This provision of the Underwood law was merely for the object of carrying out the purposes of our internal-revenue laws with reference to the importation of intoxicants.

Mr. SMOOT. No; the Senator is wrong there.

Mr. SIMMONS. Just let me read the schedule in which the Senator says this is included:

SCHEDULE H. SPIRITS, WINES, AND OTHER BEVERAGES.

237. Brandy and other spirits manufactured or distilled—

Mr. SMOOT. "From grain."

Mr SIMMONS. Yes—

from grain or other materials, $2.60 per proof gallon.

That was provided in order to put into effect against those intoxicants and spirits our internal-revenue taxes, and for

the purpose of preventing the importation of these spirituous liquors.

Mr. SMOOT. No; the Senator is wrong. Internal-revenue taxes are imposed outside of that; and that was a tax that was imposed upon ethyl alcohol. Ethyl alcohol is a spirit which is distilled from grain, and the rate was $5.20.

Mr. SIMMONS. I have made my explanation and the Senator from Utah has made his. Mr. President, the article with which we are now dealing is ethyl alcohol for nonbeverage purposes.

Mr. SMOOT. The law so requires. It could not be included here.

Mr. SIMMONS. If that commodity were imported into this country to-day as a spirit—as a liquor—of course, it would carry the high duties which are imposed in the Underwood law.

Mr. SMOOT. We can not impose a duty upon it so long as we have prohibition in the United States. Therefore the words "for nonbeverage purposes only" were inserted because we could not have done otherwise.

Mr. TOWNSEND AND OTHER SENATORS. Vote!

Mr. KING. Mr. President, if I may make an observation at this juncture, I desire to say that it seems to me that the point which the Senator from North Carolina [Mr. SIMMONS] has made is one which ought to be patent to everyone. The Senator is attempting to make the point, as I understand him—but I have only just come into the Chamber—that there ought to be in all fairness a different rate upon alcohol which is made from grain and is imported for beverage purposes, because it then has a higher value than when it is imported for industrial or mechanical purposes, in which case it has a lower value. We all concede that alcohol for beverage purposes has a higher value than alcohol for mechanical purposes; so that the Senator from North Carolina is right. He is attempting to justify a differential between alcohol which is used for industrial and mechanical purposes and alcohol which is used for beverage purposes.

Mr. SMOOT. Mr. President, when the Underwood bill was passed there was no difference at all. The duty was $5.20 a gallon, whether the alcohol was for beverage purposes or for mechanical purposes.

Mr. SIMMONS. But, Mr. President, the Senator from Utah loses sight of the fact that the language of the act was leveled at spirituous liquors, but the department afterwards held that ethyl alcohol, so the chemist says, was a spirituous liquor.

Mr. SMOOT. The department did not have to hold that. If the Senator from North Carolina knew what was intended by his bill he knew that the paragraph to which I referred covered ethyl alcohol, because ethyl alcohol is a spirit which is distilled from grain. The department did not have to so hold it, for it was the fact. The article could not have fallen anywhere else in the law, and it was not intended to fall anywhere else. Besides the $5.20 a gallon, the alcohol had also to pay the internal revenue duty. It pays the revenue to-day. Under the pending bill it will also pay the revenue duty besides paying the 10 cents a gallon proposed to be levied by the bill.

Mr. SIMMONS. Mr. President, in the act of 1909 and the act of 1913 there are very high duties upon spirituous liquors, but if those liquors are denaturized, so that they are not usable for beverage purposes, then of course a different situation is presented.

Mr. SMOOT. No; no difference is made at all. On ethyl alcohol, the result of distillation from grain, the rate applies whether it is in any way changed by being denatured or not. The Treasury Department have so held, and they could not have held otherwise under the wording of the law.

Mr. KING. Mr. President, if I may be pardoned for the observation, I think my distinguished colleague, the senior Senator from Utah [Mr. SMOOT], is not presenting this proposition with that absolute frankness which ought to characterize our consideration of this matter. Technically speaking, he is correct that the rate under the Underwood law for alcohol, as he has stated, was $2.60.

Mr. SMOOT. Per proof gallon.

Mr. KING. Yes; per proof gallon; but I do not care whether it be called proof or otherwise.

Mr. SMOOT. There is twice the difference, however.

Mr. KING. The point I am trying to make is this: It seems to me it is clear as a pipestem that there ought to be a difference in the rate of duty imposed upon alcohol when it has a higher intrinsic value because of its use or possible use for beverage purposes than when, because of the prohibition law, that use is denied and it must be subjected to what might be denominated an inferior use. If a given article has a certain value because it may be used for certain purposes and a less value because it may be used for a different purpose, and the law prohibits its use for the more valuable purpose, but it is still imported, though only for the less valuable purpose, then, in all conscience and in all justice, the lower rate of duty ought to be imposed upon it when it is imported for that less valuable purpose only. We can indulge in all the casuistry we please, but when he comes to applying the principles of justice—and they ought to have some application, although they do not, in tariff legislation—it would seem to me that we should at once confess that if it is less valuable because it may not be used for the more valuable purpose the rate of taxation ought to be lower. That is all there is to this question.

When grain alcohol could be imported for beverage purposes it had a high value. When it may not be imported for that purpose, but may be used for some other purpose, when its value is less, then it ought to carry a less rate; but our Republican friends in this bill, because of the interest of corporations whose names I have given—and doubtless they were given by my associates during my absence—because the great corporations that are engaged in the manufacture of these alcohols desire it we are imposing this high rate of duty, which swells their illicit gains.

Mr. SMOOT. Mr. President, I wish to say that if my colleague and the Senator from North Carolina will turn to paragraph 802 they will find that the Finance Committee recognized that difference and provided different rates. Of course, the Alcohol Trust, to which reference has been made, was built up under a rate of $5.20, as I have suggested heretofore.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The PRINCIPAL LEGISLATIVE CLERK. On page 7, line 11, after the word "forms," it is proposed to insert "including powders put in medicinal doses," so as to make the paragraph read:

PAR. 21. Chemicals, drugs, medicinal and similar substances, whether dutiable or free, when imported in capsules, pills, tablets, lozenges, troches, ampoules, jubes, or similar forms, including powders put up in medicinal doses, shall be dutiable at not less than 25 per cent ad valorem.

Mr. KING. May I inquire of the chairman of the committee whether he construes the words "including powders put up in medicinal doses" as embracing any drug or medicinal compound that is not included in the general terms of the paragraph?

Mr. McCUMBER. Those words are inserted there to make certain that they are included; that is all.

Mr. KING. Perhaps I did not make myself clear, if the Senator will pardon me. It was not for the purpose of importing into this section articles or commodities or compounds of a medicinal character, or what might be denominated drugs, that find a resting place under a lower schedule in some other part of the bill?

Mr. McCUMBER. If they do not fall under this paragraph, they would fall under another paragraph at the rate of 25 per cent ad valorem.

Mr. KING. That is what I am trying to get at. Will the Senator assure us that by transferring to this paragraph from some basket clause or from some other clause in this bill the items or commodities which may be included within the words which are italicized as an amendment a higher tax is not imposed?

Mr. McCUMBER. If the Senator will turn to paragraph 5, he will find that—

All chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for, 25 per cent ad valorem.

In this instance a question might arise possibly whether a medicine put up in papers and folded would fall within the term "similar forms," and in order to make it certain that it would be included in the paragraph, whether in the form of a capsule or in the form of a dose which is prepared in folded paper, the amendment was proposed. But I want to say to the Senator that if it were not included, and if by any possibility it should be regarded as not falling within the paragraph, if we should leave it out here, it would fall in the basket clause and carry exactly the same rate.

Mr. KING. I think I know the purpose of it, as that purpose would be reflected in the mind of the Senator from North Dakota, but I want to watch, so far as I can, the amendments when they are not suggested directly by members of the committee, because I can easily perceive how an item which falls in some other schedule under, say, an ad valorem duty of 10 or 15 per cent, by these words might be imported into this sec-

tion or into some other paragraph and carry a higher rate of duty.

Mr. McCUMBER. That is a possibility, but it is not so intended.

Mr. KING. I know it is not so intended, but I want to be absolutely sure.

Mr. McCUMBER. Our experts have gone over it carefully, and we are sure that it can not happen.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator if he is going to recur to the item of chalk?

Mr. McCUMBER. Why can we not dispose of paragraph 6, aluminum hydroxide or refined bauxite?

Mr. KING. I suppose we can.

Mr. SIMMONS. Mr. President, the controversy we have just had with reference to the basket clause becomes very interesting upon further investigation. I have been reading this bill. I find that section 802 of the present bill covers the very paragraph to which the Senator referred a little while ago in the Underwood law—paragraph 237. Let me read it, Mr. President. This shows conclusively that I was right in my statement a little while ago and that the Senator was wrong.

Here is what he has now as a substitute for the section of the Underwood law that he relied upon a little while ago:

Paragraph 802 of the present bill reads as follows:

Brandy and other spirits manufactured or distilled from grain or other materials, cordials, liqueurs, arrack, absinthe, kirschwasser, ratafia, and bitters of all kinds containing spirits, and compounds and preparations of which distilled spirits are the component material of chief value—

The word "part" in the House bill is changed to "material" in this bill—

and not specially provided for, $5 per proof gallon.

Instead of $2.60 per proof gallon in the Underwood bill.

Mr. SMOOT. If that is all the Senator wants to say—Oh, I thought the Senator was through.

Mr. SIMMONS. That is all I want to say.

Mr. SMOOT. Then, Mr. President——

Mr. SIMMONS. Just a minute.

Mr. SMOOT. The Senator's explanation does not explain.

Mr. SIMMONS. Here is the section of the Underwood law that the Senator read a little while ago and contended that it imposed a duty of $5 per proof gallon upon liquors, and that this section which we have acted upon with reference to liquors for nonbeverage purposes was to be construed as a substitute for that particular provision of the Underwood law.

The Underwood law says:

Brandy and other spirits manufactured or distilled from grain or other materials, and not specially provided for in this section, $2.60 per proof gallon.

This bill, as amended by the Senate, provides upon the very same things—brandy and other spirits manufactured or distilled from grain and other materials—$5 per proof gallon.

Mr. SMOOT. Mr. President, of course the Senator has not given any study to this matter, or else he would not have made that point. I know the Senator wants to be fair, and the Senator is not right.

Mr. SIMMONS. I am right, and the Senator from Utah is wrong; but that does not settle anything.

Mr. SMOOT. But the bill itself will settle it, Mr. President. This bill says, "material of chief value and not specially provided for"; but it is provided for here. In paragraph 4 ethyl alcohol is provided for, and therefore everything that I say is absolutely correct. Ethyl alcohol fell under paragraph 237 of the Underwood law, and ethyl alcohol was not provided for anywhere else in the Underwood law. The Senator ought to acknowledge now that he is wrong.

Mr. SIMMONS. That is exactly what I said—that in the imposition of the Underwood rates we were treating it as a brandy, as an intoxicant. In this bill you are treating it as a nonbeverage proposition, and when you treat it as an intoxicant you charge $5 a proof gallon.

Mr. SMOOT. Evidently the Senator does not want to know; but treating it, as I said, as a nonbeverage—and we could not treat it in any other way under the amendment to the Constitution and the prohibition law; that could not be done—notwithstanding that, Mr. President, there is not any question in the world but that the statement I made is correct.

Mr. McCUMBER. Mr. President, I do not think the Senate has yet passed upon my amendment to strike out the word "proof," on line 17 of paragraph 4, so that it will read "10 cents per gallon" and not "10 cents per proof gallon." It is generally understood that it was agreed to, but I do not think the record shows it.

Mr. KING. It was agreed to pro forma.

Mr. McCUMBER. I know it was.

The PRESIDING OFFICER. The Chair is advised that it has not been agreed to. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, may I ask the Senator if he is willing to take up the item of chalk now, and pass over for a moment the aluminum paragraph?

Mr. McCUMBER. The Senator asks if I am willing to take up the paragraph which includes bleaching powder, and so forth?

Mr. KING. May I inquire whether chalk is in the same paragraph as bleaching powder?

Mr. SMOOT. Yes; that is the same paragraph.

Mr. KING. No; it is not the same paragraph.

Mr. McCUMBER. We will take up chalk now, if the Senator wishes.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. In paragraph 18, page 6, line 21, after the words "dry, ground, bolted, or precipitated," it is proposed to strike out "15" and insert "35," so as to read:

Chalk or whiting or Paris white: Dry, ground, bolted, or precipitated, 35 per cent ad valorem.

Mr. McCUMBER. Mr. President, on behalf of the committee, I move to amend the committee amendment by striking out "35" and in lieu thereof inserting the figures "20," so that it will read "20 per cent ad valorem" instead of "35 per cent ad valorem."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota, on behalf of the committee, to the committee amendment.

Mr. JONES of New Mexico. Mr. President, I want to make just a very short statement regarding the items in this paragraph. I do not believe that we are justified in imposing any duty on these items, and I do not believe there is any evidence before the Senate or that there was any evidence before the committee which would justify these duties.

I want to make just a short statement.

There is no natural chalk in the United States. The crude material is not here. It is on the free list. We are rather large exporters of manufactured chalk. The crude material itself is brought in here from England, a great deal of it, and from France, and we manufacture this chalk and export a considerable quantity of the manufactured chalk back to England and France, from whence we get the crude material. The Tariff Commission tells us about this. The consumption in the United States is about 200,000 tons annually, and this comes from England and France. The Tariff Commission tells us that the United States exports considerable quantities of manufactured chalk, primarily to England and Canada. It gives us the value of these exports of chalk. We do not need to fear anything in the way of competition. It is a very common material, and, unless there is some reason for it, I can not understand why we should impose a duty upon it.

So far as I know, there was only one witness who wanted this duty on chalk, and that was one man up in New Jersey, who wanted to manufacture the crude material out of lime, a new industry, and if he can get a tariff upon this item large enough to give him a profit, of course he would like to do it, so that he can manufacture it out of his lime business. He is a great producer of lime and he wants to purify some of his lime production to take the place of this natural crude chalk which is imported into this country.

I can not see any necessity for it. The crude material comes in here, and we are able to ship the manufactured product abroad to the very place from whence we get very much of this material. I do not believe the duty is justified. I do not want to delay this vote at all, but if the Senate is willing to accept this duty I want it done in full knowledge of the conditions. It simply enables the manufacturers of chalk in this country to monopolize the American market, and not only to monopolize it—because they are doing that now; the importations amount to nothing—but it enables them to raise the price to the consumers of the country just to get more profit, that is all. They can compete with the world. They import the raw material from England and manufacture it and ship back the manufactured product; and to put a duty on this material simply enables these people to charge that additional price. I have not the slightest doubt that they sell what they ship abroad for less than they sell the commodity for at home. At any rate, putting this duty here will enable them to do that.

With that statement, I have nothing further to say. I do not think it wise to offer an amendment. Apparently it would do no good.

Mr. McCUMBER. Mr. President, here is another case where we have fixed a rate of duty less than that carried by the Underwood law. The equivalent ad valorem rate of duty under the Underwood law ranged from 15.82 per cent ad valorem up to 34.30 per cent ad valorem. These rates were between 1913 and 1916. The rate that we are giving is 20 per cent ad valorem, which is considerably less than the average equivalent ad valorem under the present law.

Why do we give 20 per cent ad valorem? All of the crude material must come from England or France, from the chalk cliffs. The material is brought over here in the raw state. It is manufactured here. There is considerable of a loss in the manufacture and in the freight rates in bringing over the crude material instead of the finished product. I think it can all be summed up in a single sentence in the testimony that was given before the committee, and I will quote that:

> The foreign manufacturer has his factory adjoining the chalk quarry. There is not extra handling of raw material. His freight to the United States is on his finished product, whereas the American manufacturer, in importing crude chalk, pays freight upon the full weight, although 75 per cent only can be used, the remaining 25 per cent being flint, sand, and moisture, which are absolutely worthless.

Taking into consideration the difference in the cost and wages in the United States, taking into consideration the fact of this waste of 25 per cent of the material on which the freight is to be paid, to put the American manufacturer on a substantial equality on the finished product with the foreign manufacturer, the committee came to the conclusion that about 20 per cent ad valorem, which is about the equivalent of the present law, would be fair and just.

Mr. JONES of New Mexico. Mr. President, just a word further. The statement made by the Senator as to these facts is unquestionably true. Those conditions arise out of the very nature of the situation. Nevertheless, our manufacturing processes are such that we are able to import that crude material with the wastage of which the Senator has spoken; and, by the way, that wastage is not much. We are able to manufacture it and stand the wastage and the cost of transportation, and then export right back to the same country from which we got it.

Mr. McCUMBER. I think if we exported it back at any time there certainly must have been some unique circumstances. Of course, we can not always account for certain small exports between countries, and we often export a very small quantity to a country from which we are generally importing. That sometimes happens; but there are some particular circumstances which govern it. The fact still remains that under the present law there is an equivalent duty averaging about 20 per cent, and I am fearful that if we take away that percentge of difference, then the foreign product—which, by the way, is not coming in in any serious quantities at the present time, we will admit—might seriously menace the American business and the manufacture of chalk in the United States.

Mr. JONES of New Mexico. I am presenting my information from the report of the Tariff Commission, which says:

> The United States exports considerable quantities of manufactured chalk, principally to England and Canada.

That is what the Tariff Commission reports to us, and I do not see how the Senator arrives at 20 per cent as a basis for a duty. He says that that was about the average duty imposed in the Underwood law, but I do not think the Senator is willing to accept the Underwood law as a proper basis for levying duties. If he is, there is no necessity for passing this bill, because the Underwood law is already on the statute books, and I have not heretofore understood that the Senator felt that the Underwood law was a very sacred document.

Mr. McCUMBER. I do not think it is yet, Mr. President, but it seemed to have given sufficient protection, and therefore we did not raise the protective duty.

Mr. KING. Mr. President, this duty, as I understand this discussion and as I understand the subject, throws a light on the attitude of the Republicans in drafting this bill. It is not tariff for protection, and it is not tariff for revenue; it is tariff for prohibition. We may, as the Senator says, import; we might in the future have some imports. Who ever dreamed of drafting tariff schedules in anticipation of the possibility, exceedingly remote, of having some imports, particularly where we were exporting the product? Mr. President, it can not be defended in morals, and I say that without any offense to my friends, and it can not be defended upon any principle of the scientific consideration of tariff rates or of political economy. If I were a protectionist, a high protectionist, I could not defend the imposition of tariff rates where there was no competition, and where we were exporting.

My friends on the other side may complain about our discursiveness as much as they please; we shall reiterate it. It reveals the animus back of this bill, namely, a determination to give the domestic market absolutely to the domestic producer and to so intrench and buttress it behind these schedules as that there will be no possible foreign competition, and if prices here become tolerable, so that the people can live under them, it will only be because of the force of public opinion driving like an irresistible tide against the intrenched ramparts of the vested and the protected interests. It is a dangerous power, Mr. President, to commit to people who in the past have shown so little conscience in dealing with the interests of the people.

American business men are no better and no worse than American statesmen or business men anywhere. Whenever they get a chance to combine and to confederate and to raise prices they will do it, and your pleas for charity and for justice and for righteousness and for ethics do not seem to cut much figure when business men have unrestricted opportunity to fix their own prices. That is what you are doing, my friends, in this bill. I say without any passion and without any feeling that I warn you gentlemen on the other side that you are doing a great injustice to the American people. You are putting it into the hands of manufacturers of the United States to exploit and to rob and to oppress the American people. The Senator from North Dakota may object to my adjectives, but those adjectives fail to describe the evils that are bound up in this bill.

When we are exporting they say, "Let us put a tariff on." When there is no evidence as to the price of labor here or abroad, when the question of protection even is not involved, when a home industry is not involved, they say, "Let us put a tariff up, because there may be in the future some competition." Yet they do it with respect to articles as to which the world can not compete with us because of our inexhaustible supplies of the primary products.

What is the good of talking, however? My friend did me the compliment to say that I had made some observations which perhaps were worthy of some consideration, but that we had talked too long upon some of these items. He will discover that most of our protracted talk was the result of interrogations from the other side. When we confine ourselves to this bill, as we are trying to, Mr. President, it does not mean that we stand up and simply say, "That rate is wrong." We are going to show why it is wrong, and we are going to show the inevitable consequences of it and the inevitable results, and if it requires nouns, and verbs, and adjectives, and exclamations, and pronouns, and interjections, we are going to employ them all until this bill shall be properly labeled and characterized, and if the newspapers will be just and do the fair thing by the American people, they will report to them the infamies of this bill as they are pointed out upon the floor of the Senate.

Mr. McCUMBER. Mr. President, of course, when the rate under the Underwood law was 63 per cent ad valorem in a part of 1913, and 26 per cent in 1914, and 34 per cent in 1915, it was not iniquitous, and the people were not being robbed at all; but when the Republican committee reports in favor of reducing that to an ad valorem, which amounts to 20 per cent, all of a sudden it becomes iniquitous and a robber tariff, and the Senator from Utah is mourning because he has not a sufficient number of adjectives to apply to it.

Mr. KING. I hope the Senator will give me a few more, because if he will, I shall use them in describing this bill.

Mr. McCUMBER. I think we ought to put up on a blackboard all that the Senator uses, so that they would be always ready for quick reference if some of us forget them.

Mr. KING. I think the adjectives I have used are so truthful that some Senators do not like them; but that is not what I rose to say. If the Underwood law contained a rate which permitted an injustice, I would denounce it more quickly than I would a rate in a Republican tariff bill, because we ought to have known better, but I do not expect the Republicans to know better on this matter. I can conceive that conditions 10 or 15 years ago might have warranted the imposition of such rates for revenue purposes, but I do not think this could be justified for revenue purposes from what I have heard. Schedules ought to change because of changing conditions, as the Senator knows, and I do not see that rates fixed 8 or 10 years ago ought to be perpetuated forever. Changes occur which call for great changes in schedules in tariff bills.

Mr. McCUMBER. Mr. President, I do not think that the people, about whom the Senator speaks so much, have really found out that they have been robbed on chalk for the last 10 years.

The PRESIDING OFFICER (Mr. HARRELD in the chair). The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 6, line 22, to insert the words "one-half of 1 cent per pound," so as to read:

Ground in oil (putty), one-half of 1 cent per pound.

Mr. McCUMBER. For the committee I wish to offer the following amendment. I move to strike out "one-half," in line 22, and to insert in lieu thereof "three-fourths," so that it will read, "ground in oil (putty), three-fourths of 1 cent per pound."

My reason for moving this amendment is that we have raised the duty upon flax and upon linseed oil, and that difference of one-fourth of 1 cent per pound just equals the extra duty that is levied upon the linseed oil that goes into the manufacture of the putty, and is purely a compensatory duty.

Mr. KING. Mr. President, may I inquire of the Senator from North Dakota how much of an increase it is over the rate fixed by the bill?

Mr. McCUMBER. I propose to change it from one-half to three-fourths. Putty was 25 per cent ad valorem on the American valuation plan, which was equivalent to about 1 cent per pound, and we have reduced, therefore, one-fourth of 1 cent per pound from the House rates.

Mr. JONES of New Mexico. But may I remind the Senator that the Underwood law carries a rate of 15 per cent and that seemed to be the criterion for the fixing of the previous item?

Mr. McCUMBER. I answered the question of the Senator from Utah, if I understood it, as to what change is made in the House rate, not in the present law.

Mr. JONES of New Mexico. I thought he referred to the present law.

Mr. McCUMBER. In the Underwood law there was not as high a rate of duty upon the linseed oil.

Mr. KING. May I inquire of the Senator what would be the ad valorem rate, converting the specific into ad valorem, if the amendment just tendered shall be adopted?

Mr. McCUMBER. Putty is worth about 10 cents per pound at the present time. That would be three-fourths of 1 cent, which would be less than 10 per cent ad valorem.

Mr. KING. May I inquire of the Senator the pre-war price?

Mr. McCUMBER. It averaged about 3 cents a pound.

Mr. KING. I had some quotations showing 2½ cents a pound. I want the RECORD to show that the pre-war price of this product was a maximum of 3 cents a pound, and I think it was lower. We are now giving a specific rate of three-fourths of 1 cent per pound, which would be approximately 30 per cent or more tariff upon a product in which we ought to be and are supreme in its manufacture, because we have all of the constituent parts here.

Mr. McCUMBER. If the Senator will allow me, he must remember that is based upon the foreign selling price, and in the foreign selling price there is no extra duty upon the linseed oil that goes into it. Of course, if he gives a duty on the linseed oil, as he must, he necessarily must give a compensatory duty upon the putty into which the linseed oil goes in making the product, and the linseed oil rate is 3½ cents per pound.

Mr. KING. Of course, the quantity of linseed oil employed in the production of putty does not constitute the major ingredient. I do not know exactly the ratio that linseed oil would bear to all the component parts of putty.

Mr. McCUMBER. I will give it to the Senator. There is 84 per cent of whiting, and that carries a rate, remember, of 20 per cent ad valorem.

Mr. KING. We are protesting against that.

Mr. McCUMBER. But we have just adopted that rate. There are 16 pounds of linseed oil. I said 84 per cent of whiting. One hundred pounds of putty will be made up of 84 pounds of whiting and 16 pounds of linseed oil, and the 16 pounds of linseed oil at 3½ cents a pound would be 56 cents.

Mr. KING. Per hundred pounds?

Mr. McCUMBER. That would be in a hundred pounds. Then there is the 11 cents duty, which is 20 per cent upon the whiting, that must be added to it. We will then get a compensatory rate of about three-fourths of 1 cent additional for the linseed oil, without figuring the cost of conversion at all, and the extra duty of 20 per cent upon the whiting.

Mr. KING. Mr. President, that reveals what I regard as a very imperfect, not to say unfair, method of framing a tariff law. They give a duty on one commodity, and that becomes the pretext for a tariff on another and a tariff on another and a tariff upon a fourth or fifth or sixth, and those fourth or fifth or sixth or dozen commodities are brought into amalgamation and form a seventh or eighth product, and that has to bear all of these accumulated burdens which are passed on to the ultimate consumer. We have just fixed a tariff rate of 20 per cent on whiting, which constitutes, as the Senator said, 84 per cent of the product of putty. Then we have an increased tariff on linseed oil, as the Senator said, and there is a good deal of justice in his contention.

Mr. McCUMBER. May I ask the Senator if he would abandon that method? Suppose we take wool. Wool is made into yarn. We give a duty upon the wool. If we give a duty upon the wool, we must give a compensatory duty upon the yarn, otherwise the wool would come in as yarn. Then if we give a duty upon yarn we must give a compensatory duty upon the cloth into which the yarn enters, otherwise the yarn would enter in the form of cloth. I can not see how we are going to abandon the practice of giving a compensatory duty wherever there is any duty upon what constitutes the manufactured raw product.

Mr. KING. I think, perhaps, generally speaking, the Senator is inaccurate in that statement; but the thing of which I complain is that we make a tentative rate and then that tentative rate becomes the basis of a rate upon some other products of which the first article forms a constituent part. Then the tentative rate is added, and that then attaches to the second commodity, and that rate is increased. The trouble is that we do not sufficiently take into consideration the fact that these various rates have pyramided and finally culminate in a very high duty or rate in the aggregate upon the product which finally reaches the consumer.

Mr. McCUMBER. That must necessarily follow. We can not escape that. The only way to escape it is to levy no duty on the raw material.

Mr. KING. No; I would not go that far, but I will say that where various commodities form constituent parts of some very important commodity, which in its finished state passes to the consumer, there ought to be the utmost care in laying the rate upon what might be denominated primary or intermediate commodities. We ought to keep in mind the fact that these various rates carried to the finished product so pyramid that product as to become a burden to the people.

We will always have a tariff system. We will always obtain some revenue from tariff duties. We will always have selfish men and corporations who will insist upon the utilization of the tariff scheme to impose higher rates than are needed for adequate protection, if we believe in protection, but as a basis for inordinate charges upon their products.

I come back to the item of putty. It goes into our building operations. We have a shortage of houses in the United States. Building operations have been materially interfered with because of the enormous prices.

I called attention yesterday to the fact that in New York building operations have been suspended in part. In Washington there is a dearth of buildings, and prices here to-day exceed pre-war prices more than 100 per cent, though some say it is 160 per cent. Extortion is practiced here, as elsewhere, in building operations. What does that mean? A tariff on putty, a tariff on panes of glass, a tariff upon doors, upon shingles, and upon everything else that goes into the houses—what does it mean? It means an interruption of building operations. It means that thousands of people will go without homes and become tenants in cramped quarters, living under insanitary and unhygienic conditions. We ought to try to make these rates reasonable, if we are going to have tariff rates at all, and not make them an impediment to building, to home acquisition, to the getting of clothes, and food, and those things necessary for the preservation of life and the preservation of the health of the people.

I protest against the policy which my good friend, the able Senator from North Dakota, has advocated in the laying of the rates as we find them in this bill.

Mr. JONES of New Mexico. Mr. President, I merely want to call attention to one clause in the report of the Tariff Commission, where it is said that "the imports of putty have been sporadic and negligible."

Mr. KING. Does the record show that putty is a product of any of the paint and varnish concerns, like Sherwin-Williams or any of the big corporations which have a good deal of a monopoly in these products?

Mr. McCUMBER. I will say, to the credit of those who make paint, that I hope it is not true that they put chalk in it.

Mr. KING. I do not mean to imply that; but one big corporation may manufacture putty and it may manufacture paint and varnish. Linseed oil, as the Senator knows, is employed in the manufacture of paints, varnishes, shellac, and so on. So I imagine that putty is manufactured by some of the same organizations.

Mr. McCUMBER. It is such a very simple process that I imagine almost anyone could manufacture putty. Therefore it

would not be the exclusive product of any one company. All on earth there is to do is to mix some linseed oil with some chalk or whiting and you have putty.

Mr. KING. That is true, but I will say to the Senator——

Mr. McCUMBER. Anyone can make it.

Mr. KING. A great many now make their own putty. In my younger days I made it; but my information is that putty is made by some of these large establishments and shipped as they ship paint and other similar products in which they are interested.

Mr. McCUMBER. That is probably true.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. I send to the desk also another amendment which is a part of the same amendment. It is to strike out the word "or," which should not be in the paragraph.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from North Dakota to the committee amendment will be stated.

The READING CLERK. On page 6, line 22, it is proposed to strike out the word "or."

Mr. WILLIS. The word "or" does not occur in the print of the bill which I have before me.

Mr. McCUMBER. The word "or" was inadvertently dropped out in the printing, but in the original bill it does appear. As the original bill is the one on which the Senate acts, it will be necessary to make the amendment which I have suggested.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota will be stated.

The READING CLERK. On page 6, line 22, after the word "putty," it is proposed to strike out the word "or" and insert "three-fourths of 1 cent per pound."

Mr. JONES of New Mexico. That does not appear in the print of the bill which Senators have before them.

Mr. McCUMBER. But the printed bill as it passed the House of Representatives has the word "or" in it.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The next amendment of the Committee on Finance was, on page 7, line 1, before the words "per centum," to strike out the numeral "25" and to insert in lieu thereof the numeral "35," so as to read:

put up in the form of cubes, blocks, sticks, or disks, or otherwise, including tailors', billiard, red, and manufactures of chalk not specially provided for, 35 per cent ad valorem.

Mr. McCUMBER. I ask that the committee amendment may be rejected.

Mr. WILLIS. Mr. President, I desire to ask the Senator from North Dakota for an explanation of this amendment, in which I am interested.

I call attention to the fact, if I am not misinformed as to the matter—and the Senator from North Dakota will correct me if I am—that we have just increased the rate of the present law on chalk or whiting or Paris white from 15 per cent ad valorem to 20 per cent ad valorem; in other words, we have increased the tariff on the raw material. Now, if the amendment be disagreed to, as requested by the Senator from North Dakota, it would fix the tariff on the finished product at the rate which it bears now—that is 25 per cent.

I happen to know that in some places, at least in the State which I have the honor in part to represent, the industry is in a pretty serious condition. I think the compensatory duty for which the Senator seeks to provide in the amendment is not sufficient.

Mr. McCUMBER. But the Senator from Ohio must all the time remember that the House bill is based upon an American valuation, while the Senate committee amendments are all based upon the foreign valuation. Therefore, what may appear to be the same rate will produce an entirely different duty. The Finance Committee at one time suggested an amendment raising the rate from 25 per cent to 35 per cent, but on a reconsideration of the matter it was decided that would be too high a rate, but we allowed a compensatory duty. We have just now adopted a rate of duty which is 20 per cent ad valorem upon the chalk itself, and a compensatory duty of three-fourths of 1 cent instead of one-half of 1 cent a pound upon the putty. Now, when it is put in the form of cubes, blocks, sticks, or disks, or otherwise, including tailors', billiard, red, and manufactures of chalk not specially provided for, there is an additional cost; and the committee felt that in allowing a differential of the 5 per cent over the precipitated chalk, on which the duty is 20 per cent, we had given about the proper differential.

Mr. WILLIS. Mr. President, I do not desire to take any time on the matter, but I call the attention of the Senator from North Dakota to the fact that the House, in the bill as passed by that body, thought there should be a differential of 10 per cent, so it fixed the rate at 15 per cent on the raw material and 25 per cent on the manufactured product. As I recall, the act of 1909 also provided substantially the same differential. It seems to me that the differential provided of 5 per cent is scarcely sufficient. However, I do not desire to delay the consideration of the matter, and am willing that a vote shall be taken.

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

The amendment was rejected.

The PRESIDING OFFICER. The next amendment proposed by the Committee on Finance will be stated.

The next amendment reported by the Committee on Finance was, on page 7, paragraph 22, line 14, after the word "distilled," to strike out "and" and to insert "or," so as to read:

PAR. 22. Chemical elements, and chemical and medicinal compounds, preparations, mixtures, and salts, distilled or essential oils——

Mr. JONES of New Mexico. Mr. President, the Senator from North Dakota has agreed temporarily to pass over bleaching powder. I think we might as well dispose of that matter now, which is dealt with in paragraph 13.

Mr. McCUMBER. I, too, think so, Mr. President.

Mr. JONES of New Mexico. There is an increase of 100 per cent over the present duty; but——

Mr. McCUMBER. Let me say to the Senator that my attention has just been called to the fact that the Senator from New York [Mr. WADSWORTH] asked that that paragraph might be passed over if it was reached during his absence.

Mr. JONES of New Mexico. Very well.

Mr. McCUMBER. I therefore prefer that it now be passed over.

Mr. KING. Does the Senator from North Dakota desire to take up paragraph 6?

Mr. McCUMBER. Let us go back to paragraph 6.

Mr. KING. Let me say to the Senator from North Dakota that he had better send for Republican Senators, as I shall ask for a record vote on that amendment in a moment.

Mr. McCUMBER. I think if the Senator will ask for a record vote we shall give it to him, and it will develop that a quorum is present without having two roll calls.

Mr. KING. Very well.

Mr. McCUMBER. Let me call the Senator's attention to the fact that on ammonia alum the amendment providing a rate of three-fourths of 1 cent per pound was agreed to.

Mr. KING. I did not so understand.

Mr. McCUMBER. I think it was agreed to when the Senator was not giving his attention, and I am disposed, therefore, to ask unanimous consent that the vote by which the amendment was agreed to may be reconsidered, with the hope that we can vote on it again right away.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to reconsidering the vote by which the amendment was agreed to? The Chair hears none, and the vote is reconsidered. The amendment will be stated.

The READING CLERK. On page 4, line 4, after the word "alum," it is proposed to insert "three-fourths of."

Mr. KING. Mr. President, this item I regard as of considerable importance. Paragraph 6 provides in part that aluminum hydroxide or refined bauxite shall bear a rate of one-half of 1 cent per pound, and potassium aluminum sulphate, or potash alum, and ammonium aluminum sulphate, or ammonia alum, shall bear a rate of three-fourths of 1 cent a pound. I shall move in a moment, Mr. President, to amend the rate fixed in the bill.

Paragraph 6, as it relates to these two items, provides eo nomine for potash alum and ammonia alum at a rate of duty of three-fourths of 1 cent per pound. The Underwood bill provides for these two commodities under the generic and unqualified designation of alum at 15 per cent ad valorem. I hope Senators will bear that in mind. These two items are dealt with under a generic term and given a duty of 15 per cent ad valorem in the Underwood bill.

Frequently where we transfer from an ad valorem to a specific rate and the ad valorem rate is 15 or 25 per cent and the specific rate is three-fourths of a cent or 1 cent per pound on per ounce, or what not, to the superficial observer it bears the

appearance of a reduction, whereas it may be a tremendous advance, and that is the case here.

During the fiscal year ending June 30, 1914, only 152,808 pounds of potash alum were imported into the United States, and the unit price—and this is the important aspect of this case—was 1 cent per pound. It is apparent now what we are doing by this transfer from the ad valorem Underwood rate of 15 per cent to the specific rate of three-quarters of a cent per pound. In other words, we take an item that now bears a rate of 15 per cent and by an innocent transposition we give it a rate of 75 per cent, or an increase of 60 per cent over the rates provided by the Underwood law.

During the same fiscal year—and I hope Senators will keep this in mind—less than $100 worth of ammonia alum was imported into the country, and yet we are giving this enormous tariff rate against a product the importations of which are so small as to be infinitesimal. The specific rate in the Senate bill of three-quarters of 1 cent a pound on potash alum is, as I have stated, the equivalent of an ad valorem rate of 75 per cent, based on the pre-war import price of 1 cent per pound. Inasmuch as the present domestic wholesale selling price of ammonia alum is the same as the domestic wholesale price of potash alum, it is logical to assume that the pre-war import price of ammonia alum was the same as of potash alum, namely, 1 cent per pound. If that conclusion is correct, the Senate committee rate of three-quarters of a cent per pound on ammonia alum is equivalent to 75 per cent ad valorem, based on the pre-war import price of the commodity. Since these commodities are provided for in the Underwood law at 15 per cent ad valorem it is to be noted that the Senate committee rate of three-quarters of 1 cent per pound represents an increase of 400 per cent.

The domestic production of ammonia and potash alum for 1915, no statistics of production for 1914 being available, were 24,915 tons. The total imports of these alums for the year 1914 were 75 tons, constituting less than one-half of 1 per cent of the domestic production for the year 1915.

There are no specific statistics available showing the importations of these two alums other than for the fiscal year 1914. It is evident that the import and production statistics of these two commodities do not justify any increase over the Underwood rate of duty, but they indicate that domestic manufacturers have a monopoly of the domestic market for these two commodities. Potash alum and ammonia alum, therefore, should be placed on the free list. All other aluminum salts and compounds not specifically provided for in this tariff act are assessed at a rate of duty of 35 per cent ad valorem in the Senate bill. Inasmuch as this same basket clause in the Underwood bill carried a rate of 15 per cent ad valorem, it is noted that this is an increase of 133⅓ per cent.

From an examination of the Miscellaneous Series Publication No. 82, to which I have alluded heretofore, published by the Department of Commerce, under the title of "Chemicals and Allied Products Used in the United States," it will appear that the only aluminum compounds other than those specifically provided for in the tariff bill imported into this country during the fiscal year ended June 30, 1914, in commercial quantities were aluminum chloride, aluminum nitrate, aluminum palmitate, and aluminum silicate. The largest quantity of any of these aluminum compounds imported into the United States during that last pre-war fiscal year was 17,238 pounds. This represents the total importations of aluminum palmitate. Upon an examination of the list of 4,000 commodities which were imported into this country in individual quantities having a value of less than $100 each, and listed in the series publication which I have exhibited to the Senate upon a number of occasions, it will be discovered that 28 aluminum compounds which will be provided for in this paragraph at an increased rate of 133⅓ per cent are found, which in the Underwood bill carried the rate of 15 per cent.

In other words, Mr. President, by the transfer from that basket clause to another basket clause this enormous increase takes place. Just think of the fact that out of the aluminum compounds embraced within the subject under consideration, directly or indirectly, 28 of them were imported in 1914 to the extent of $100 or less for each of the 28, and yet we increase the rate of duty 133⅓ per cent!

It is therefore evident that this increase on all other aluminum compounds could serve no protective purpose, for there are only four aluminum compounds of any commercial importance which would be provided for in this basket clause. Furthermore, this increase could not be for revenue purposes, for some 28 of these aluminum compounds were imported for the fiscal year ending June 30, 1914, in the insignificant quantities to which I have heretofore alluded.

Mr. President, I do not know who asked for this increase. The House hearings, on page 111, show that the Merrimac Chemical Co. made some sort of a presentation. I can find no evidence anywhere in the hearings upon which these increases could be justified. The chemical company referred to is a manufacturer of dyes. I do not know, and therefore I shall not state, the extent of the alliance of this organization with the huge Allied Chemical Co. and the Du Pont Co.; but it is manifest that these huge corporations engaged in the production of these aluminum compounds are determined to extort, by this tariff bill, unjust prices from the people.

Upon examination of the Oil, Paint, and Drug Reporter, and from information that I have been able to obtain, I discover that the Monsanto Chemical Works, of St. Louis, Mo., are interested in the production of these commodities; likewise the Powers, Weightman & Rosengarten Co., of Philadelphia; E. I. du Pont de Nemours & Co. (Inc.); the Grasselli Chemical Co., of Cleveland, Ohio; the Pennsylvania Salt Manufacturing Co., of Philadelphia. The Oil, Paint, and Drug Reporter, the green book for buyers, gives the names of these concerns, and the information which I have been able to obtain ties the corporations to which I have just referred to these products. They are engaged in their manufacture.

There is no testimony justifying this duty, Mr. President. We are increasing the rates upon these products far beyond what any reasonable protective theory would warrant.

Mr. McCUMBER. Mr. President, I have to leave the Chamber in just a moment.

Mr. KING. I yield.

Mr. McCUMBER. May I call the Senator's attention to the fact that while he says that the pre-war price of these commodities on the foreign basis was about 1 cent per pound, and they are all put in together under the old law, he did not mention the fact that the present importing value is 3 cents, or three times that. Of course, three-fourths of a cent a pound on a 1-cent basis would be equivalent to a 75 per cent ad valorem duty; but if the Senator will look in the information given in the Summary of Tariff Information for 1921, he will find that practically 92 per cent of this product comes from England. The Senator knows that wages have gone up on a percentage basis even higher in England than in the United States, and in all probability we never shall go back to the 1 cent per pound which we had prior to the war.

The Senator will find that the present quotations in the United States range from 3½ to 4¼ cents per pound, while the import price of the nine months of 1921 was 3 cents per pound. Three-fourths of a cent per pound on a basis of 3 cents would give us 25 per cent ad valorem, which is a modest ad valorem rate; but on the basis of what they are selling for now on the American basis it would be an equivalent of 21 per cent ad valorem.

I do not think we shall go back again to the 1 cent per pound, taking into consideration the country from which we have had our imports, and the fact that the wages have so immensely increased, and that the cost of production has consequently increased in England. Therefore, if the Senator will also take into consideration the fact that while in 1919 we imported only 686,000 pounds, it jumped to nearly 3,000,000 pounds in 1920 and to 1,280,000 pounds in the first nine months of 1921——

Mr. KING. Mr. President, if the Senator will pardon me, the Senator is not now, as I understand, giving the importations of the two items which I am discussing. Is he not giving all aluminum compounds?

Mr. McCUMBER. It includes all, as all were included under the old law.

Mr. KING. The Senator is giving all of the aluminum compounds?

Mr. McCUMBER. I am giving all of the aluminum compounds. It does not seem to me that the Senator can claim, upon that basis, that three-fourths of 1 cent per pound is an excessive ad valorem duty. It is only 6 per cent higher than the present rate upon the prices which probably will prevail for the next few years.

Mr. KING. Mr. President, the Senator has confirmed what has been so eloquently and forcefully stated by my distinguished leader, the senior Senator from North Carolina [Mr. SIMMONS], namely, that this bill is for the purpose of confirming the title of our manufacturing institutions to continue their present level of prices. It is to perpetuate high prices. It is to act as a scaffold to maintain existing prices, unless there shall be possible competition at home that may lower them. At any rate, however, the Senator has given warning that there is going to be no return to pre-war prices, certainly not for many years to come.

What does that mean? The selfish interests, the manufacturing corporations that are seeking pretexts for the maintenance of these high levels, will read with great joy and gratification the statement which is made by the able Senator, the chairman of the committee. They do not want to return to legitimate and reasonable profits or to pre-war profits.

A good many Democrats—and I did not join in that criticism—found fault with President Harding because he spoke about a return to "normalcy." I attempted to interpret that statement of his as a desire to get back to fair prices—to pre-war prices—so far as that was possible. In that regard I think President Harding was right, and he sought to get away from the inflated and superficial conditions that prevailed in the country. My good friend the chairman of the committee is opposed to President Harding's sane policy, as I interpret the meaning of that statement of his. He wants to keep up these prices, maintain them, strike down any possible competition from abroad, turn over the domestic market to the domestic producers, and guarantee to them by these tariff rates the license, the free and unrestricted opportunity, to continue their high prices, even if in so doing there is an exploitation of the American people.

I am opposed to that policy. I think that no tariff bill should be framed upon that theory, and I warn the Republican Party that that theory of framing a tariff bill will not meet with the approval of the thinking people of the United States.

The evidence shows that this particular product of which I have been speaking was sold for 1 cent per pound before the war, and the imports of these two articles before the war were less than $100 each, and the price, as I said, was 1 cent per pound. The rate fixed by the Underwood law was 15 per cent, and, as I recall, the Payne-Aldrich rate was one-quarter of a cent a pound, which would be, as I figure it, 25 per cent ad valorem. But we are now proposing to raise the rate from 15 per cent ad valorem, the rate of the present law, to a rate of 75 per cent ad valorem, and it would constitute an increase in the tariff rate above the present rate of more than 300 per cent. It can not be justified, and the Senator, in replying to me, said, "Oh, well, we are not going to get down to pre-war prices." Of course we will not get down to pre-war prices, Mr. President, if we pursue that policy, if we announce to the manufacturers, "We have given you a rate now which guarantees you high prices, buttressed by a tariff rate giving you 300 per cent more than the rates in existing law." How are you going to get down to normal conditions? How can you expect a reasonable reduction in the prices of commodities which the people of the United States require?

Mr. President, our manufacturers ought to realize that they are killing the goose that lays the golden egg. They will arouse indignation at home, they will diminish purchases, they will provoke buyers' strikes, they will shut mills instead of opening them, and close mines instead of making them operate. They will pave our streets with sorrow and with tears instead of with joy and gladness.

I protest against these rates as absolutely indefensible. The rates on these two items are higher than the basket-clause rate, but, all in all, as I have indicated, they can not be sustained.

Mr. SIMMONS. Mr. President, in commenting upon an editorial which appeared in the New York Journal of Commerce a few days ago, I made a statement to which the editor of that paper takes exception. The statement which I made was that "this paper," meaning the New York Journal of Commerce, "represents chiefly the great moneyed interests of the country and the great industrial interests of the country."

Taking exception to that, the editor of the Journal of Commerce states:

> The Journal of Commerce, as its habitual readers well know, serves no "interests" whatever and is absolutely independent. It has invariably made national welfare its first aim in all economic, social, and political discussions. The open market, fair competition, and just dealing are its first principles. Class legislation and legislation seeking Government aid it deems unsound—bad business as well as bad politics. Monopoly, whether of capital or labor, it regards as destructive of American ideals.

I accept what the Journal of Commerce says about its aims. If anything I said in referring to it as representing the moneyed interests and the industrial interests of the country implied that I thought the Journal of Commerce was improperly representing those interests, I did not so intend it and I regret it. I read the editorial of the Journal with approval and commendation. I did not understand it was defending gratuities or subsidies to capital or to the industries. On the contrary, I understood the Journal as condemning that and as denouncing such benefactions, and my remarks were intended to be not derogatory but complimentary to the attitude of the Journal in respect to the excessive and indefensible rates of the pending bill.

If what I then said was even by implication unjust to the Journal or its editor, I am glad of this opportunity to make this acknowledgment.

Mr. KING. Mr. President, I move to strike out, in line 4, page 4, the language "three-fourths of 1 cent per pound," and to insert in lieu thereof "15 per cent ad valorem."

That would apply the Underwood law rate to those compounds. I will say frankly that they ought to be on the free list, in view of the fact that there are no importations. The Senator from North Dakota referred to some importations of alum products, but my information is that the products of which he spoke do not embrace the products as to which I am offering the amendment. My amendment relates only to potash alum and ammonium alum, and not to the other alums, of which there were slight importations; but these two items to which I am directing my amendment were imported into the United States before the war in quantities of less than $100, and my information is that the imports of these two items have been inconsequential, not exceeding that amount since the war. Yet these two items, important to the people, without any reason in the world except that the du Ponts want it, and the Allied Chemical Co. wants it, and a few others of these great chemical organizations want it to swell their profit, is raised from the rate of the Underwood law 300 per cent, and the rate is increased above that of the Payne-Aldrich law in the neighborhood of from 100 to 200 per cent.

I suppose, though, that these appeals will be in vain, but I wish the people could know that upon these two important items we propose to help the trusts by increasing these rates 300 per cent above the present tariff rates. I ask for the yeas and nays on my amendment.

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

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

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

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. OVERMAN (when his name was called). Transferring my pair with the senior Senator from Wyoming [Mr. WARREN] to the junior Senator from Massachusetts [Mr. WALSH], I vote "yea."

Mr. SHIELDS (when his name was called). I am paired with the junior Senator from Maine [Mr. HALE]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. UNDERWOOD (when his name was called). The senior Senator from Massachusetts [Mr. LODGE] is out of the city. I have a general pair with him. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

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

The roll call was concluded.

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. McKINLEY. Making the same announcement as before, I vote "nay."

Mr. BALL. Has the senior Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). That Senator has not voted.

Mr. BALL. I transfer my pair with the senior Senator from Florida to the junior Senator from Delaware, my colleague [Mr. DU PONT], and vote "nay."

Mr. DIAL. I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Ohio [Mr. POMERENE], and vote "yea."

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

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH]; and

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

The result was announced—yeas 16, nays 37, as follows:

YEAS—16.

Ashurst	Heflin	McKellar	Shields
Dial	Jones, N. Mex.	Overman	Simmons
Harris	King	Robinson	Swanson
Harrison	La Follette	Sheppard	Underwood

NAYS—37.

Ball	Harreld	McLean	Smoot
Brandegee	Johnson	McNary	Sutherland
Broussard	Jones, Wash.	Moses	Townsend
Bursum	Kellogg	Newberry	Wadsworth
Calder	Keyes	Nicholson	Watson, Ind.
Colt	Ladd	Norbeck	Weller
Curtis	Lenroot	Oddie	Willis
Dillingham	McCormick	Page	
Elkins	McCumber	Rawson	
France	McKinley	Shortridge	

NOT VOTING—43.

Borah	Fletcher	New	Spencer
Cameron	Frelinghuysen	Norris	Stanfield
Capper	Gerry	Owen	Stanley
Caraway	Glass	Pepper	Sterling
Crow	Gooding	Phipps	Trammell
Culberson	Hale	Pittman	Walsh, Mass.
Cummins	Hitchcock	Poindexter	Walsh, Mont.
du Pont	Kendrick	Pomerene	Warren
Edge	Lodge	Ransdell	Watson, Ga.
Ernst	Myers	Reed	Williams
Fernald	Nelson	Smith	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, on line 19, page 6, I move to strike out "50" and insert in lieu thereof "35."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 6, line 19, after the word "trichloroethylene," in lieu of the numeral "50" insert "35," so that it will read:

Trichloroethylene, 35 per cent ad valorem.

Mr. JONES of New Mexico. Will the Senator please give us a reason for that high rate?

Mr. SMOOT. I can tell the Senator why I think the rate should be reduced. I thought, in the first place, the rate was too high when it was fixed at 50 per cent, and I have the same opinion now that I had about it then. In the reconsideration of it the committee decided that that was too high a rate.

Mr. JONES of New Mexico. Were there any reasons given?

Mr. SMOOT. Oh, yes. The Senator knows this is a new industry in the country. Perhaps I may be mistaken in claiming that they can get along with 35 per cent, but I think they can. I will say that if the Senator will take the Reynolds report and consider it he will concede that there should be a great deal higher rate than 50 per cent imposed.

Mr. JONES of New Mexico. I must confess we have not very much information about it that I know of.

Mr. SMOOT. Is the Senator objecting to the reduction?

Mr. JONES of New Mexico. I simply do not know about it. I was asking the Senator from Utah.

Mr. SMOOT. I have not any doubt at all that they can get along with 35 per cent. I never had any doubt, although it is a new industry in the country. It was a question in the House as to whether they could get along with that rate. The House fixed the rate at 25 per cent on the American valuation, and the Senate committee fixed it at 50 per cent on the foreign valuation, but I think 35 per cent on the foreign valuation is sufficient, and it is a lower rate than 25 per cent on the American valuation plan.

Mr. JONES of New Mexico. I believe the Senator will probably agree that it is more or less a personal estimate as to what the rate should be.

Mr. SMOOT. We have had no industry of this kind in the past. We do not know to what extent it is going to go. We have nothing in the past on which to judge this item. I will frankly say to the Senator that I think it is rather an experimental rate.

Mr. JONES of New Mexico. That is what I supposed it was.

Mr. SMOOT. I have not any doubt of it at all.

Mr. JONES of New Mexico. It was my idea about it that it was experimental.

Mr. SMOOT. Does the Senator feel that he could do any better?

Mr. JONES of New Mexico. I have not expressed any such idea. I simply wanted to know what we are acting on. In this matter I am inclined to think the judgment of the Senator from Utah is as good as that of anybody. He is a pretty good guesser, I think, and as long as we are guessing about this matter I think we might as well let him guess as some one else.

Mr. WILLIS. Mr. President, as a basis for the remarks which I wish to make at this time, I ask permission to have inserted in the RECORD a letter, without reading. I think I can give the substance of it, which will answer the purpose at this time.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

CLEVELAND, *August 31, 1921.*

Senator FRANK P. WILLIS,
Senate Office Building, Washington, D. C.

DEAR SIR: The proposed tariff bill, known as H. R. 7456, paragraph 17, page 3, provides an increase tax of 10 per cent on trichloroethylene.

We use this product in our decaffeinization of coffee and in the refining of caffeine. If there is a further increase in this duty, as contemplated at the present time, it only amounts to increasing the price which one must pay to the English manufacturer or a European manufacturer for this chemical, because there is not one American chemical company which makes trichloroethylene.

The writer personally is interested in the Grasselli Chemical Co. of Cleveland, and Dow Chemical Co. of Michigan, and even with their cooperation he has not been able to find one manufacturer of this chemical. Therefore it seems a great injustice to have any duty on this article.

The Kaffee Hag Corporation erected a large 3-story plant in Cleveland, within the city limits, based on the use of this chemical because it does not explode like benzol. It already costs us five times what benzol does, but, of course, there is no danger in its use and no fire regulations are necessary. But if there is an increased duty on this article it will work a serious hardship with our plant.

The writer appreciates the fact that Congress is now in recess, but if after you return you can give us the opportunity to appear before the Senate Finance Committee, it will be greatly appreciated.

Yours very truly,

KAFFEE HAG CORPORATION,
GEORGE G——————, *President.*

Mr. WILLIS. Mr. President, this item is perhaps not of very great importance to the country, and yet it is of great importance, too. It is of very great importance to an industry in my State. As Senators will observe, if they will look in the Summary of Tariff Information, this article, trichloroethylene, is used principally in the decaffeinization of coffee. So far as I know, we have in Ohio the largest and perhaps the only plant of that kind in the world. I invite the attention of the Senators to the fact that, up to date at least, there is no protection upon the finished product of the company. They use this material in the decaffeinization of coffee. Since it is not produced in this country at all, so far as I am able to ascertain——

Mr. SMOOT. Oh, yes; I will say to the Senator it is produced in this country.

Mr. WILLIS. Does the Senator have information to that effect? My information is to the contrary.

Mr. SMOOT. Oh, yes; the Senator from Utah has definite information.

Mr. WILLIS. I will give the Senator my information, and then I want to hear what his information is.

Mr. SMOOT. The Madison Chemical Works are making these products in the United States, I will say to the Senator, and have been for some time.

Mr. WILLIS. Of course I accept the Senator's statement on a matter of fact, only I want him to hear my statement of fact.

Mr. SMOOT. They are shut down right at this time on account of the present situation. The Senator has stated exactly what the items are for. They are used to take the caffeine out of coffee, and I think it is called by the German name of Kaffee Hag.

Mr. WILLIS. That is correct. I did not use the name, because I did not want to advertise our products, although we are very proud of them.

Although I accept the Senator's statement of fact and do not mean the Senate to be misled, the statement I have is from the Grasselli Chemical Co., which is one of the largest in the country, to the effect that they have not been able to find anywhere in the country that the product is manufactured. I accept the Senator's statement. If it is manufactured, all well and good. At all events, there was not very much imported last year, only some $4,300 worth.

There is another angle to this matter. The plant of this company has been constructed within the corporate limits of the city of Cleveland, Ohio. If they use this material, trichloroethylene, they can continue to operate their plant there. If they use another material, namely, benzol, which can be used as a solvent, they must destroy their plant at that place, because it is within the fire limits. In other words, this would be a very great hardship upon the company.

Without going into a general discussion of the product, I think it is a desirable sort of product. It does not seem to me that we ought to put this additional burden upon the company. I hope the amendment offered by the Senator from Utah will be agreed to, and then that the amendment, as amended, will be rejected. In other words, inasmuch as the present law pro-

vides 15 per cent ad valorem, and the House raises that to 25 per cent ad valorem, it seems to me under the present conditions that is sufficient protection.

Mr. SMOOT. The Senator understands that the 25 per cent rate in the House bill is on the American valuation, while my amendment of 35 per cent is on the foreign valuation.

Mr. WILLIS. But if the Senate will follow the advice I have just given and agree to the Senator's amendment and then reject the amendment as amended, it will be 25 per cent on the foreign valuation, which I think would be about right.

Mr. SMOOT. If the Senator will advise the Grasselli Chemical Co. to write to the Madison Chemical Co., Niagara Falls, N. Y., they will get an answer no doubt as to whether the product is made in this country. I will say, however, as I said before, that to-day on account of importations they are closed down. The rate placed in the bill by the House was for the very purpose of seeing if they would not resurrect the manufacture of these items in this country.

Mr. WILLIS. My plea, of course, is for 25 per cent, which I think would be sufficient protection. I am ready to vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the committee amendment as amended.

Mr. JONES of New Mexico. Mr. President, I rise to make a parliamentary inquiry. Can not the Senator from Ohio now move to substitute such rate as he sees fit?

Mr. WILLIS. That undoubtedly would be in order. I am inclined to the view, however, that the rate which will be had in the bill if we now defeat the Senate committee amendment as amended will be about fair. That would be 25 per cent on the foreign valuation.

Mr. JONES of New Mexico. In other words, the Senator from Ohio is content to have a duty of 25 per cent?

Mr. WILLIS. Yes; I think we can stand that. I think 35 per cent is too high. I think 25 per cent on the foreign valuation would not be unreasonable. So if we can now defeat the Senate committee amendment as amended we shall have accomplished what we wish to accomplish.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. [Putting the question.] The Chair is in doubt. Those opposed to the amendment as amended will rise.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ball	Heflin	McKinley	Shields
Brandegee	Johnson	McLean	Shortridge
Broussard	Jones, N. Mex.	McNary	Smoot
Calder	Jones, Wash.	Moses	Spencer
Colt	Kellogg	Myers	Sutherland
Curtis	Kendrick	Nicholson	Swanson
Dial	Keyes	Norbeck	Townsend
Dillingham	Ladd	Oddie	Underwood
Elkins	La Follette	Overman	Wadsworth
Fletcher	Lenroot	Page	Watson, Ind.
Gooding	McCormick	Rawson	Weller
Harris	McCumber	Robinson	Willis
Harrison	McKellar	Sheppard	

The PRESIDING OFFICER (Mr. SPENCER in the chair). Fifty-one Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the committee as amended.

Mr. JONES of New Mexico. Mr. President, I observe that quite a number of Senators are now present who were not present when this matter was being discussed a few moments ago, and I am quite sure that they would like to understand just what the question is. These are new items. The Secretary even seems to have some difficulty in pronouncing the names, but they are "tetrachloroethane" and "trichloroethylene." The House put a duty upon these items of 25 per cent ad valorem. The Finance Committee increased it to 50 per cent in the first instance. I think the reason why that was done was merely on the general assumption that the House rates are based upon the American valuation plan, and the committee thought, in view of the change from that plan to the foreign valuation plan, the rate ought to be doubled. So the rate is the result of a mere guess.

The Senator from Utah says that the Finance Committee had a second guess about it and thought the rate ought to be 35 per cent instead of 50 per cent. The Senator from Ohio seems to have a constituent who is personally interested in the matter and he wants an opportunity to guess. He wants us to guess that the House rate is just about right. Inasmuch as we have been relying so often on the guessing of the Senator from Utah, I am inclined to think we had better change this time and guess with the Senator from Ohio. That is all there is to it. The 35 per cent guess now becomes an amendment proposed by the committee. The question is on agreeing to the committee amendment. The Senator from Ohio wants us to disagree to that amendment, which would leave the House rate of 25 per cent. I believe we had better take a chance on guessing with the Senator from Ohio.

Mr. WILLIS. Mr. President, I greatly appreciate the compliment implied in the statement by my friend from New Mexico; but I wish to add this to his statement: The present law provides a rate of 15 per cent. At that rate only $4,300 worth of this material—trichloroethylene—was imported. If we shall increase the rate as provided in the House bill, which is 25 per cent, certainly that will be adequate protection for this new industry, and at the same time will let the industry which is engaged in the decaffeinization of coffee continue. I hope the advice of the Senator from New Mexico in this instance may be followed.

Mr. JONES of New Mexico. I think I might add the further suggestion that at the present time this article is under an embargo. If the general embargo provision shall remain in the bill, I am inclined to think that my friend from Ohio will not get much relief for his constituent; but, at any rate, I think we had better stay with the Senator from Ohio.

Mr. SMOOT. The Senator from New Mexico thinks that anybody who suggests any kind of a reduced rate is right. Does the Senator from New Mexico know anything about whether or not the 35 per cent rate is sufficient? According to the Reynolds report, 50 per cent would not be sufficient. The committee felt that on these chemicals we should try to get as low a rate as we could; but this is absolutely a new industry in the United States, and if we are going to have it continue here 35 per cent is not too high a rate to allow.

Mr. JONES of New Mexico. If the Senator from Utah has at last got some real information about this item, I think we ought to have it.

Mr. SMOOT. I have already given the Senator the information, but he does not care anything about what anybody says. He simply arises and asks the same question over again when Senators who have been absent return to the Chamber, not knowing that he has previously asked the question.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. [Putting the question.] The "ayes" seem to have it.

Mr. WILLIS. I ask for a division, Mr. President.

The PRESIDING OFFICER. A division is requested.

Mr. SMOOT. Let us have the yeas and nays, Mr. President.

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

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

Mr. DIAL (when his name was called). I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Ohio [Mr. POMERENE] and will vote. I vote "nay."

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

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

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

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

Mr. UNDERWOOD (when his name was called). I transfer the general pair I have with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "nay."

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

The roll call was concluded.

Mr. STERLING. Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT], I vote "yea."

Mr. SHIELDS. Making the same transfer as before, I vote "nay."

The result was announced—yeas 32, nays 24, as follows:

YEAS—32.

Ball	Curtis	Johnson	Lenroot
Brandegee	Dillingham	Jones, Wash.	McCormick
Bursum	Elkins	Kellogg	McCumber
Calder	France	Kendrick	McKinley
Colt	Gooding	Keyes	McLean
Moses	Rawson	Spencer	Townsend
Nicholson	Shortridge	Sterling	Wadsworth
Page	Smoot	Sutherland	Watson, Ind.

NAYS—24.

Ashurst	Heflin	McNary	Shields
Broussard	Jones, N. Mex.	Myers	Simmons
Dial	King	Oddie	Swanson
Fletcher	Ladd	Overman	Underwood
Harris	La Follette	Robinson	Weller
Harrison	McKellar	Sheppard	Willis

NOT VOTING—40.

Borah	Fernald	Newberry	Reed
Cameron	Frelinghuysen	Norbeck	Smith
Capper	Gerry	Norris	Stanfield
Caraway	Glass	Owen	Stanley
Crow	Hale	Pepper	Trammell
Culberson	Harreld	Phipps	Walsh, Mass.
Cummins	Hitchcock	Pittman	Walsh, Mont.
du Pont	Lodge	Poindexter	Warren
Edge	Nelson	Pomerene	Watson, Ga.
Ernst	New	Ransdell	Williams

So the amendment of the committee, as amended, was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 6, paragraph 13, which reads as follows:

Bleaching powder or chlorinated lime—

The committee proposes to strike out "three-fifths" and insert "one-fifth," so that it will read:

One-fifth of 1 cent per pound.

Mr. WADSWORTH. Mr. President, I desire to make a comparatively brief statement on this paragraph. It affects bleaching powder or chlorinated lime; and perhaps for the purpose of clarity I will be permitted to refer to these products as chlorine, inasmuch as chlorine is the base for both of them.

The House passed its bill imposing a tariff duty of three-fifths of a cent per pound on this product, and the Senate committee reports that duty cut to one-fifth of 1 cent. I regret the cut made by the Senate committee, and I feel sure that it has been made under a misapprehension of the facts. My recollection also is that one-fifth of a cent per pound is the present rate under the Underwood tariff law.

Mr. SMOOT. One-tenth of a cent. This is the same as the rate provided by the act of 1909.

Mr. WADSWORTH. Mr. President, chlorine is used in bleaching paper and textiles, in purifying water supplies for municipalities, in many laboratory undertakings, and it is also the base for all the gases that have been used in warfare. In fact, it may be said, I think, with absolute accuracy that every chlorine factory in the world is potentially an arsenal of immense importance to the country in which the factory is located.

I call attention also to the fact that this paragraph does not include any mention of liquid chlorine, and, as I understand, the bill does not treat with liquid chlorine at all, although liquid chlorine is interchangeable in its use with chlorine in other forms. When former tariff bills were enacted, the use of liquid chlorine was not general. It was not known commercially to any extent, and its presence did not constitute any economic problem; but to-day liquid chlorine has gained an important place in commerce involving these products.

The Senator from Utah states that one-fifth of a cent per pound was the 1909 rate. If conditions had not changed in any respect since 1909, I could make no complaint concerning that as an adequate protective rate; but I desire to call the attention of the committee and of the Senate to the astonishing changes that have taken place since that time.

Before the war the freight rate on chlorine from Niagara Falls, which is one of the places in this country where it is manufactured, to New York City, for example, was $2.20 per ton. At the same period—that is, before the war—the freight rate from Liverpool, England, to New York City was $3.12 per ton. Other things being equal, manufacturing and labor costs being equal, the freight rates of those days gave the manufacturer in the United States an advantage of nearly a dollar per ton in reaching this large market. Since the war that situation is reversed. The freight rate between Niagara Falls and New York, in 1921, was $5 per ton and the freight rate between Liverpool and New York was $4.36 per ton; so that instead of the American manufacturer having an advantage of nearly a dollar a ton in freight rates, to which he normally would be entitled under normal transportation conditions of the old days, it actually costs him more to reach his principal market to-day than it costs the manufacturer in England to reach the same market—that is, New York. The spread between the pre-war and the postwar rates in transportation alone constitutes a loss of advantage of $1.36 per ton to the American manufacturer.

This one item alone displays the complete change in the situation over which the American manufacturer has no control.

If we will turn to the labor costs, we will find an even more extraordinary change. Prior to the war, with bleaching powder or chlorine selling at $25 per ton, the American labor cost per ton was $18. That was the amount of money going into the pockets of American workingmen for every ton produced and sold at $25. At that same period, with chlorine imported from abroad selling at the same price of $25 per ton, $12 per ton went into the pockets of German workingmen. The German manufacturer had an advantage in labor costs of $6 per ton. The one-fifth cent per pound duty of that period amounted to $4 per ton, which went far toward equalizing the labor costs. The situation, however, has completely changed in that regard.

To-day the American labor cost, instead of being $18 per ton, is $39 per ton, and the German labor cost is $4.08 per ton only. So that the American manufacturer, with the present scale of American wages, is at a disadvantage of $25.92 on every ton he produces in the matter of labor cost.

It must become perfectly apparent that the duty of one-fifth of a cent per pound, which is the equivalent of $4 a ton, is utterly inadequate to maintain American wages in this industry, and either the industry must slow down or the wages must be reduced, for with $4 per ton assessed as an import duty, the American wage cost would still be $21 per ton greater than the foreign wage cost, and there is no getting away from that situation. One of two things must happen; either we abandon the industry or reduce our wage costs very largely. Such a thing, of course, is unthinkable.

I know that our Democratic friends take great delight in referring to these tariff duties as oppressive upon the consumers, and whenever we impose a duty which actually protects American workingmen in this matter of wages and living conditions they say we are taking vast amounts of money out of the pockets of the people, and that every individual consumer is thereby taxed unduly.

In concluding this brief statement, Mr. President, I want to call attention to one phase of this problem which is so often overlooked. We talk about a duty of one-fifth of a cent per pound or a duty of three-fifths of a cent per pound, and three-fifths of a cent being three times as much as one-fifth of a cent some people are apt to jump to the conclusion that the imposition of a rate three times higher than the lower rate means an excessive tax on the consumer. We forget, however, the enormous quantities of this product which are used and the tremendous field in which it is used. For example, I referred in the beginning of my remarks to the fact that chlorine is used for the purification of the water supplies of great cities. My information is to the effect that the city of New York, for example, has a contract with an American concern to purify its great water supply, the greatest in the world, on which 6,000,000 people are dependent for pure water every day, without interruption. The amount of liquid chlorine used is exceedingly small. About eight-tenths of a pound of chlorine is used in purifying the New York City water supply for every million gallons used daily. The normal consumption of water is about 100 gallons daily per capita.

Mr. TOWNSEND. A day?

Mr. WADSWORTH. One hundred gallons daily per capita. The normal consumption in a great city like New York is approximately 100 gallons per capita daily. That means that 0.8 of a pound of liquid chlorine purifies the water daily for 10,000 people. At 10 cents per pound, that means 0.8 of a cent to protect 1,000 people every day. The cost is infinitesimal; it might be said to be invisible. It amounts to nothing when scattered over such a tremendous field as that.

If the duty were 3 cents per pound it would mean that the cost for 1,000 people would be only one-third of a cent per day. So it is absurd to insist and argue that a duty of this kind imposes oppressive taxation upon consumers. It does no such thing. The product is scattered in such huge quantities over such an immense field of consumption that the matter of 3 cents per pound duty amounts to nothing, and can not possibly be reflected in the actual cost of the product to the consumer in a case of this kind.

It does, however, have a most profound effect upon the existence of the industry as a whole—the manufacture of the product in this country. As I have already stated, with a duty of one-fifth of a cent per pound, as proposed by the Senate committee, after that duty is assessed the difference in the labor cost as between Germany and the United States is $20 per ton. The one-fifth of a cent duty amounts to nothing in the way of protection. It will do nothing for the industry It is utterly impossible, as shown by mere statement, which I am certain is correct, for any industry in this country to survive a situation of that kind.

Three-fifths of a cent per pound would reduce the difference in cost from $20 to about $5 or $6, and still the American manu-

facturer would be at that disadvantage plus his disadvantage in freight rate. Actually, here in the United States he pays a greater freight rate to reach his eastern market from his point of production than is paid by the manufacturer in England who ships his stuff from Liverpool to New York.

One thing I wanted to emphasize before the Senate, and especially to members of the committee, was that whereas it is perfectly true that this country is now one of nine nations which have agreed, as among themselves, not to indulge in chemical warfare, nevertheless, there are many other great and powerful nations in this world, some of them distinctly inclined toward militarism and aggression, who are not parties to that agreement and who, in my humble judgment, will never abide by it or live up to it if they are once engaged in some great, vital war, and if we, by permitting the shrinkage of this industry, rob this country of facilities to manufacture chemical-warfare gases in case of need, in case they are used against our soldiers, and in case we are compelled, in order to save our lives, to reply to that attack in kind, if we are stripped of facilities for meeting that attack we shall find ourselves, as a Nation, in a desperately dangerous condition. This industry, which produces a product which is the base of every gas used in war, is potentially an arsenal of defense for the United States. I plead with my colleagues in the Senate that it be not permitted to die.

I think a duty of three-fifths of a cent per pound is actually not high enough to cover the actual differences in the cost of labor and transportation, and I think I have shown that by the figures; but with three-fifths of a cent, as fixed by the House, there is a chance that it will live.

I know this is a committee amendment, and very naturally the Members of the Senate, in large numbers, have confidence in the judgment of the committee. I am not going to ask a roll call on this. I wanted to call attention to this situation as emphatically as I could, in the hope that perhaps the members of the Senate Finance Committee might change their minds about it, or at least meet the conferees of the House with fairly open minds, for in some respects, Mr. President, this matter may become vital to the United States.

Mr. FLETCHER. Mr. President, I rose to ask the Senator how he could harmonize his statement that this industry required this additional protection, in order that it might live, with the statistics as to imports and exports. For instance, the duty under the act of 1913, which continues up to this time, was one-tenth of a cent per pound. The main plants appear to be at Niagara Falls, two in Michigan, and one in California, manufacturing chlorine, and they were able to manufacture so that under the duty of one-tenth of a cent a pound the importations in 1918 were only 540,131 pounds, in 1919 they were 341,812 pounds, in 1920 they were 2,474,617 pounds, and in 1921 they were 6,154,912 pounds, whereas in 1918 we actually made and exported to other countries under that duty of a tenth of a cent a pound 13,060,401 pounds; in 1919 a total of 21,619,736 pounds, in 1920 a total of 48,826,348 pounds, and for the first nine months of 1921 we exported 12,045,336 pounds, most of that going to Argentina, Canada, Brazil, and Spain; so that under the present duty of one-tenth of a cent a pound we are almost keeping out all importations, and at the same time we are exporting these vast quantities, ranging in 1920 to 48,826,348 pounds.

Mr. WADSWORTH. What is the figure for the first nine months of 1921?

Mr. FLETCHER. Twelve million pounds.

Mr. WADSWORTH. Surely the Senator sees the significance of the difference in the importation. That is at the rate of sixteen million a year instead of forty-eight million for 1920. It has dropped 200 per cent in one year, according to those figures.

Mr. FLETCHER. There were very much larger exportations than importations.

Mr. WADSWORTH. If the Senator will look at the increase of the importations he will find that they have increased twenty times.

Mr. FLETCHER. It may be that they are actually selling in foreign markets cheaper than in the home market. I do not know as to that.

Mr. WADSWORTH. The importations, starting from next to nothing, something like 300,000 pounds, have jumped to 6,000,000 pounds in two years.

Mr. FLETCHER. They appear to be increasing.

Mr. WADSWORTH. The exportations have dropped from 48,000,000 pounds to a basis of 16,000,000 in one year.

Mr. FLETCHER. According to these figures; but they gradually increased from 13,000,000 in 1918 to 48,000,000 in 1920.

Mr. WADSWORTH. During the war and for the first two years after the war, before Europe had a chance to get on its feet, and some of these chemical industries began operating again, it is perfectly true that we had about the only free commerce and free credit. We built up in this country during the war a chlorine industry almost twice as great as we possessed before the war, but the figures which the Senator has read show very clearly the tendency to-day. The importations since Europe had a chance to get on her feet have increased twenty-fold and the exportations in the last year have decreased 200 per cent. It will not take more than a year longer to have those two lines cross, the American exportation constantly going downhill, and the foreign importations constantly going uphill. It is utterly impossible to keep it up at that rate.

Mr. McCUMBER. Mr. President, I shall cite just a few figures concerning this. In 1914 the United States production was 310,000,000 pounds. That was at a time when we had one-tenth of a cent duty. At the same time I think we were importing about 80,000,000 pounds, or somewhere near that. In 1919 the production fell off to 177,000,000; but I think that may be attributed to the importation of liquid chlorine, which is to quite a considerable extent taking the place of the powder. The commercial importance of the bleaching was promoted by imposition of a duty of one-tenth of a cent per pound in October, 1897.

The industry supplies the greater part of the domestic consumption. The imports were 6,155,000 pounds during the first nine months of 1921, and that, of course, with only this very small rate. The committee took all of these matters into consideration, including the present rate of one-tenth of 1 per cent per pound, the rather small proportion of the importations, and a comparison of the importations with a like law. Under the Payne-Aldrich law the duty was also one-fifth of 1 cent, and even at that time the imports of bleaching powder ranged only from 80,000,000 to 100,000,000 pounds, while our domestic output was about 310,000,000 pounds. Therefore we thought that one-fifth of 1 cent would be sufficient protection at this time.

Mr. SMOOT. Mr. President, I think I can tell the Senator from New York and the Senate why the importations increased in the first nine months of 1921.

In the first nine months of 1921 the foreign price, the invoice price, was 2 cents a pound. The American manufacturers did not try to meet that cut price, because the foreign valuation in 1920 was 3 cents a pound. The American manufacturers have not only met the price but they are selling to-day for 1.6 cents per pound. That is the generally quoted price for which anybody in the United States can purchase it. The pre-war price was 1¼ cents, so that the rate we have given, one-fifth of 1 cent, is 25 per cent ad valorem duty. It is demonstrated that they can make this commodity about as cheaply here as anywhere in the world. I have not any doubt that the rate we have put on here, one-fifth of 1 cent a pound, will protect the industry in the United States.

Mr. President, I fully recognize the importance of the industry, and I would not like to support any kind of a rate that would in any way destroy the industry of the United States. If I did not believe that one-fifth of a cent per pound would be ample to take care of it, I would not vote for it upon the floor of the Senate. But from all the information that we have about it the committee believe that one-fifth of a cent a pound is sufficient.

Mr. JONES of New Mexico. Mr. President, I can not help feeling that the Senator from New York is unduly alarmed about the situation.

Mr. FLETCHER. Mr. President, will the Senator permit me to interrupt him?

Mr. JONES of New Mexico. I yield.

Mr. FLETCHER. One-fifth of a cent a pound, according to the present valuation of 2 cents a pound, would be 50 per cent ad valorem. The unit value given now on importations is two-tenths of a cent a pound, or one-fifth, so that a one-fifth of 1 cent duty would be 50 per cent ad valorem.

Mr. JONES of New Mexico. The commodity is a very important one in the country, and I believe, unless some good reason be shown for imposing a high duty, that we ought not to impose it. I call attention to the fact that this commodity is used for the purpose of bleaching pulp and paper stock and cotton and linen in the textile mills and laundries. That is a general consumption.

Of course, the Senator from New York makes a very strong appeal. He puts it upon the basis of preserving a war material, but I can not feel that the Senator is justified in his view that the industry is in danger. Before the war we were producing this commodity in very large quantities, and now we are not only producing it in very large quantities but we are export-

ing it. The production during the last year for which we have any information, as I recall, was over 300,000,000 pounds, and the importations were about 6,000,000 pounds for the first nine months of 1921. The price of the importation was 2 cents per pound. One-fifth of 1 cent makes quite a large percentage. I have not been able to find anything in the information which we are able to get through the usual sources giving any reason for apprehension about the industry. On the contrary, the Tariff Commission says:

The fact that we are now supplying our own consumption and that during the 1918 fiscal year we exported over 13,000,000 pounds is sufficient indication of the development of the bleaching-powder industry in the United States.

Another item:

The pre-war price of bleaching powder was practically constant at about $25 per ton.

That is 1¼ cents per pound, making it, as the Tariff Commission says, one of the cheapest chemical products. The last imported price of which we have any information was 2 cents per pound, or $40 per ton.

Mr. SMOOT. I will say to the Senator that the foreign price has been cut.

Mr. JONES of New Mexico. That is the latest we have in the statistics furnished.

Mr. SMOOT. That is the latest the Tariff Commission report has given, but in the Monthly Summary of Foreign Importations for March, I will say to the Senator, he will see that the price has been cut.

Mr. JONES of New Mexico. To what amount?

Mr. SMOOT. I think I can give it to the Senator, but it will take a little time to look it up. I think it is either 1 cent or a little over 1 cent per pound.

Mr. JONES of New Mexico. The price of this commodity became very high during the war and it has not been reduced to pre-war prices so far as I am advised. The Senator from Utah doubtless will find the later figure in a moment, but the latest information I have is that it is still considerably higher than the pre-war price.

I would like to call to the attention of the Senator from New York the extent to which the importations have decreased. In 1910 the imports amounted to about $750,000, and they kept decreasing until in 1914 they amounted to only $416,000 and in 1915 $197,000. Then during the war period the situation was practically nominal. In 1919 the imports were only $6,787 and the duty was only $341. In 1920 the value of the importations was $6,834 and the duty only $488. The price given was 1.04 cents per pound, which would be about $30 per ton. That was the foreign valuation. Of course, there is transportation on that, the landing charges, and the profit on it after it reaches here. It strikes me that instead of increasing this above the committee recommendation we had better retain the present duty.

The industry has gotten along satisfactorily, and to increase the rate to one-fifth of a cent per pound, as the committee proposes, is an increase of 100 per cent over the present rate. The industry has thrived under the present rate of one-tenth of a cent per pound. I had intended to move to amend the rate suggested by the committee and put it back where it is now. The industry is thriving. Our production is over 300,000,000 pounds a year. We are exporting it by the millions of pounds. It strikes me we had better let well enough alone and let it stay where it is now. The price is higher now than it was before the war, and whatever little competition there may be will have a tendency to get the price back to pre-war figures.

After the amendment proposed by the Senator from New York is voted upon, unless it be adopted, I shall then propose to reduce even the amount proposed by the committee.

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

Mr. HEFLIN. Let us have the amendment reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 6, lines 3 and 4, the paragraph reads as follows:

Bleaching powder or chlorinated lime, three-fifths of 1 cent per pound.

The committee proposes to strike out "three-fifths" and insert "one-fifth."

Mr. WADSWORTH. Mr. President, I have offered no amendment. I simply expressed the hope that the committee amendment would be agreed to.

Mr. JONES of New Mexico. I thought the Senator had proposed an amendment.

Mr. WADSWORTH. Oh, no.

Mr. FLETCHER. The vote comes on the adoption of the committee amendment.

Mr. SMOOT. If we reject the committee amendment, then the three-fifths of a cent remains in the bill.

Mr. JONES of New Mexico. I thank the Senator for making clear the parliamentary situation. Then I would move at this stage to strike out one-fifth and insert one-tenth.

Mr. McCUMBER. That can be done, of course. That is an amendment to the committee amendment.

Mr. HEFLIN. That would be in order now.

Mr. JONES of New Mexico. I wish to state, from information which I have just had called to my attention, that the pre-war foreign price was 1 cent per pound or $1 per 100.

The present foreign price ranges from $1.60 to $1.75 per hundred. To that must be added, of course, the cost of transportation and the duty, whatever it may be, and the profits of the importer. We are using in this country about 300,000,000 pounds of it and are exporting it in large quantities. Therefore, I move to strike out "one-fifth" and to insert "one-tenth."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. 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 in paragraph 22, on page 7, line 14, after the word "distilled," to strike out "and" and insert "or"; and in line 15, after the word "expressed," to strike out "and" and insert "or," so as to read:

PAR. 22. Chemical elements, and chemical and medicinal compounds, preparations, mixtures, and salts, distilled or essential oils, expressed or extracted oils,

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 8, paragraph 24, line 9, before the words "per centum," to strike out the numerals "25" and to insert the numerals "35," so as to read:

PAR. 24. Chloral hydrate, terpin hydrate, thymol, urea, and glycerophosphoric acid, and salts and compounds of glycerophosphoric acid, 35 per cent ad valorem.

Mr. McCUMBER. I ask that that amendment may be passed over, at the request of the Senator from Missouri [Mr. SPENCER].

The VICE PRESIDENT. Without objection, the amendment will be passed over.

Mr. WADSWORTH. I desire to address a question to the Senator from North Dakota [Mr. McCUMBER], referring again just for a moment to paragraph 13. I referred in my remarks on that paragraph to the absence of any reference to liquid chlorine. I believe that the question of liquid chlorine should be taken into consideration by the conferees on the bill, at least.

Mr. SMOOT. Liquid chlorine, I will say to the Senator from New York, is provided for in paragraph 5 under a rate of 25 per cent.

Mr. WADSWORTH. If that is correct I am, of course, satisfied.

The next amendment of the Committee on Finance was, on page 9, paragraph 25, line 14, to strike out the word "toluylenediamine" and to insert "tolylenediamine."

Mr. KING. Mr. President——

Mr. SMOOT. I will say to my colleague that that amendment is simply to change the spelling of the word in order to get it correct. Of course, I know the Senator has no objection to that.

Mr. KING. I have no objection to that, but I desired it understood that we were not to proceed with the consideration of paragraphs 25 and 26 at this time.

Mr. McCUMBER. There are a number of words in the bill, the Senator from Utah will observe, where the letters are thrown together indiscriminately and a word is supposed to result therefrom, but in some cases the admixture is not properly made, and it is therefore necessary to make corrections.

Mr. KING. I have no objection to that, if the understanding is that after disposing of those inconsequential matters the paragraphs will be passed over.

Mr. McCUMBER. All of paragraph 26 may be passed over.

Mr. KING. I desire that both paragraphs 25 and 26 may be passed over.

Mr. McCUMBER. Let all of paragraph 26 be passed over and also let the remainder of paragraph 25 be passed over.

Mr. KING. I understood the paragraphs relative to the coal-tar products and their derivatives would be passed over until we reach those provisions in the bill which deal with the embargo.

Mr. McCUMBER. I do not know that I desire to go that far at the present time, but I am inclined to think probably that may be the best way to dispose of them. Anyway, we may pass them over for the present. I will ask if the amendment correcting the spelling of the word on page 9, line 14, has been agreed to?

The VICE PRESIDENT. The amendment has not yet been agreed to.

Mr. KING. If the Senator will pardon me for a moment——

Mr. McCUMBER. Let us agree to the amendment correcting the spelling.

Mr. KING. Very well; of course, I have no objection to that.

Mr. HARRISON. Is section 25 going to be passed over now?

Mr. McCUMBER. When the amendment shall have been agreed to, I ask that paragraph 25 be passed over.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 9, line 14.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment proposed by the Committee on Finance will be stated.

The next amendment reported by the Committee on Finance was, on page 15, paragraph 27, line 17, before the word "linoleate," to strike out the word "sulphate" and to insert "sulphate and."

Mr. KING. I desire to suggest to the chairman of the committee, with respect to paragraphs 25 and 26, in view of the fact that they are inseparably connected with the dye embargo, that they go over until we reach that subject, because if the paragraphs be taken up now I shall be compelled to enter into a discussion of the dye embargo and then perhaps to discuss it later on, and it will not be in the interest of saving time.

Mr. McCUMBER. I think that we shall probably either do that or advance the dye embargo for a discussion before we reach it regularly, so that we may connect them in some way. I do not wish, however, at the present time to say positively which would be the better way; but we can go right on now to paragraph 27 and dispose of that.

Mr. KING. When that is done, shall we take a recess until to-morrow?

Mr. McCUMBER. I desire to proceed until 10 o'clock.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 15, line 17, which has been stated. [Putting the question.] Without objection, the amendment is agreed to. The next amendment proposed by the Committee on Finance will be stated.

The next amendment proposed by the Committee on Finance was, on page 15, paragraph 27, line 10, after the word "linoleate," to insert "10 cents per pound."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of New Mexico. Mr. President, I did not understand the action which was being taken. I supposed that the amendment was merely a correction of the spelling of a word in the other paragraph about which we were talking. Is this a correction in paragraph 27?

Mr. SMOOT. The amendment correcting the spelling of a word was agreed to, and now we have proceeded to another amendment.

Mr. JONES of New Mexico. The amendment now pending is to strike out the word "sulphate" and to insert the words "sulphate and," and after the word "linoleate" to insert the words "10 cents per pound."

Mr. SMOOT. The first amendment was agreed to. The second amendment is to insert the words "10 cents per pound." That is the amendment which is now pending. Instead of having a 30 per cent ad valorem duty, we provide a specific duty.

Mr. FLETCHER. To what ad valorem duty would 10 cents a pound be equivalent?

Mr. SMOOT. The price of this commodity is about 52 cents a pound, and a specific duty of 10 cents would be a 20 per cent ad valorem duty.

Mr. FLETCHER. There is another amendment to increase the House rate on cobalt salts from 25 per cent to 35 per cent.

Mr. SMOOT. The duty on all other cobalt salts is fixed at 30 per cent ad valorem. In the House bill the same rates were provided for the sulphate and linoleate as for the salts, but we did not think that there ought to be as much on the sulphate and linoleate as on the cobalt salts, and we increased the duty on the salts, and on the other items decreased the equivalent ad valorem.

Mr. JONES of New Mexico. I merely want to make a very short statement about this duty and call attention to the fact that the price for the first nine months of 1921 was nearly twice what it was in 1918. This seems to be a commodity the price of which not only has not come down since the war but has gone up. The raw material is found in Canada.

Mr. SMOOT. The Senator is referring to cobalt oxide. There is no amendment to that item.

Mr. JONES of New Mexico. I was merely calling attention to it as the base material out of which the other commodities are made. It is the basic material from which sulphate and linoleate are made.

Mr. SMOOT. Of course, if the Senator is laying a foundation for his observations, then I have nothing further to say.

Mr. JONES of New Mexico. That was my purpose in calling attention to it. The basic material comes from Canada, and it seems to me we ought not to put a duty on it, which would have a tendency to keep up the price. The oxide has risen in price already, and there is no reason why we should put up the price, so far as I can see, when the oxide is a material out of which the sulphate and linoleate are made. At any rate, Mr. President, there is not, so far as I am advised, any testimony anywhere to be found to justify this increase in the duty. Only one witness appeared before the committee, and his testimony did not take up over about an inch and a half of the printed record, and all he had to say about it was the amount of the duty which he thought he ought to have. That is all that I can find out about it in this record. Just one witness appeared and stated that he would like to have an increase in this duty, and he stated the amount that he wanted. There is no great flood of importations. The price of the basic material, cobalt oxide, is rising, and I do not see how there could be any flood of importations. It is a small matter, but I simply want to call attention to the circumstances under which this bill is written.

Mr. McCUMBER. Mr. President, possibly it will enlighten the Senate a little upon this subject to quote from the Summary of Tariff Information:

> Since Canada began producing cobalt in quantity the production of oxide in the United States has been very small. Canada furnishes nearly all of the world's supply. The output in 1919 (preliminary figures) of cobalt salts was valued at $104,970.
>
> The imports are almost entirely from Canada. They increased from 28,729 pounds in 1913 to 109,484 pounds in 1914 and to 238,934 pounds in 1916. The import during 1918 was 220,863 pounds.
>
> The large increase in imports of cobalt oxide has been accompanied by a marked decrease in imports of cobalt ore, which was free of duty under the acts of 1909 and 1913.

It will be seen, therefore, that, as Canada's output has supplied the United States market, we have ceased to be a manufacturer, and the question arises, with cobalt ore free, whether it is better to manufacture the articles here or whether they should be almost solely manufactured in Canada rather than in the United States.

Mr. JONES of New Mexico. May I call the attention of the Senator to the fact that he has been giving us the figures as to oxide, and not sulphate or linoleate?

Mr. McCUMBER. The first amendment relates to oxide, and that is the reason I discussed it.

Mr. JONES of New Mexico. The first amendment does not relate to the oxide, Mr. President. It relates to the sulphate and the linoleate. There is no change suggested by the committee in the rate fixed by the House on the oxide.

Mr. SMOOT. That is right, but I will say to the Senator that the rate on the oxide is only about 10 per cent. The oxide today is worth about $2.

Mr. JONES of New Mexico. Twenty cents a pound.

Mr. SMOOT. That would be just about 10 per cent.

Mr. JONES of New Mexico. About 10 per cent.

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

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 15, line 19, after the word "cobalt," it is proposed to insert the words "salts and," so as to read:

> and all other cobalt salts and compounds.

The amendment was agreed to.

The ASSISTANT SECRETARY. After the word "compounds" on line 19, and after the comma, the committee proposes to strike out "25" and to insert "30," so as to read:

> and all other cobalt salts and compounds, 30 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I realize that the amendment is going to be adopted. There is no suggestion of information at all about it, and I do not care to take up time in referring to these matters. They may appear very small to us, but they are of very considerable consequence to the people directly interested in them.

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

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 15, line 24, after the word "known," it is proposed to insert within parentheses the words "except compounds of cellulose known as vulcanized or hard fiber," so as to read:

Compounds of pyroxylin, of other cellulose esters or ethers, or of cellulose, by whatever name known (except compounds of cellulose known as vulcanized or hard fiber), etc.

Mr. KING. Mr. President, I presume that the committee have transferred the words found in lines 24 and 25, "except compounds of cellulose known as vulcanized or hard fiber," to paragraph 29a.

Mr. SMOOT. That is correct.

Mr. KING. I should like to ask the chairman of the committee the reason of the change there, unless it was for the purpose of increasing the rate to be carried by the product, and I will not say to conceal, but to avoid, full disclosure as to the comprehensiveness of the amendment?

Mr. SMOOT. The object of the amendment is to decrease the rate, and not only that, but to have this vulcanized or hard fiber in a paragraph by itself, so that we can find out through the reports from the Treasury Department just how much of it is imported into the United States. The object is first to decrease the rate, and then, for statistical purposes, a new paragraph is made. If this amendment had not been made, it would have carried a duty of 40 cents a pound, or 60 per cent ad valorem. On the hard fiber that is all out of reason. Therefore the committee, as I say, took out this item and made a new paragraph for the purposes I have already stated.

Mr. KING. I am inclined to think there was some propriety in excising those words from paragraph 29 and constituting them a new paragraph; but I am somewhat in doubt as to the effect of the words "made wholly or in chief value of cellulose" in the new paragraph.

Mr. SMOOT. If the product was not made from cellulose, we would not want to give it this amount of duty. You see, it has to have a compensatory duty, because it is made from camphor, and camphor has a rate of 6 cents a pound; and not only that, but if it were not made from cellulose the hard fiber would not carry this rate of duty.

Mr. KING. I am inclined to think that if we are not very careful there will be some interpretation placed upon paragraph 29, or the following one, not designed by the committee, but that will enable the manufacturers of certain products which are very important to the lives of the people to claim a higher rate of duty than the article should carry, for the reason that some part of it, and only a small part of the value of the product, consists of any form of celluloid.

To illustrate what I mean, take toothbrushes. One would suppose that the important part of the cost of a toothbrush would be the bristles, and I fancy that that is the most important part, and the bristles would carry a certain rate, either specific or ad valorem, that might be lower than the rate carried upon the various forms of cellulose or celluloid. If you have a clause in here which makes a rate upon bristles—and I am using that only as an illustration—the rate might be fair, but if you have another provision in the bill under the terms of which, if the bristles are used in connection with celluloid, though the celluloid might constitute but a very small part of the cost of the finished product——

Mr. SMOOT. I will say to my colleague this is not celluloid; this is cellulose.

Mr. KING. I am speaking now, if the Senator will pardon me, of pyroxylin.

Mr. SMOOT. Oh, well, that is another matter.

Mr. KING. I am not speaking of the cellulose alone; I am calling attention now to paragraph 29. I was discussing the two together. The latter part of my remarks related to pyroxylin. So far as I know now, I do not object to the transposition and excision of those words from paragraph 29 and carrying them over to paragraph 29a.

Mr. SMOOT. I want to say to the Senator that if they are not carried over, the rate on hard-fiber goods falling under 40 cents a pound would be 100 per cent; so we took them out and put them in a bracket by themselves, and made the rate only 35 per cent.

Mr. KING. So far as I know now, I have no objection to taking a pro forma vote on the amendment to insert the words "except compounds of cellulose known as vulcanized or hard fiber"; but I do not want to take a vote upon paragraph 29a to-night. I should like a little further opportunity to see the full significance of that provision.

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

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 16, line 4, the committee proposes to strike out "65 cents per pound and 25," and to insert "60," so that it will read:

Made into finished or partly finished articles, of which any of the foregoing is the component material of chief value, 60 per cent ad valorem.

Mr. KING. Mr. President, with my information—which I confess is somewhat limited—I am not satisfied with the rates which have been suggested for this paragraph. Undoubtedly they have been greatly increased over those of the Underwood-Simmons law, and I think that an examination of the Payne-Aldrich Act will show an increase over the provisions of that act.

Paragraph 17 of the Payne-Aldrich Act dealing with this subject reads:

Collodion and all compounds of pyroxylin or of other cellulose esters, whether known as celluloid or by any other name, 40 cents per pound; if in blocks, sheets, rods, tubes, or other forms, not polished, wholly or partly, and not made up into finished or partly finished articles, 45 cents per pound; if polished, wholly or partly, or if in finished or partly finished articles, except moving-picture films, of which collodion or any compound of pyroxylin or of other cellulose esters, by whatever name known, is the component material of chief value, 65 cents per pound and 30 per cent ad valorem.

That would seem to indicate that on those products perhaps the rate was higher than in the present bill.

Mr. SMOOT. The Payne-Aldrich rates were higher than those under the present bill, under the Senate amendment.

Mr. KING. Yes; I say, I am inclined to think that is true; but I shall offer an amendment to restore the rates of the Underwood-Simmons law as to this paragraph.

Mr. McCUMBER. May I ask the Senator a question? That is 40 per cent ad valorem, is it not?

Mr. KING. Forty and fifteen.

Mr. SMOOT. Twenty-five.

Mr. KING. It is 15.

Mr. SMOOT. No; partly finished articles, 25 per cent ad valorem.

Mr. KING. No; I think the Senator is wrong. Paragraph 25 of the Underwood Act provides:

Collodion and all other liquid solutions of pyroxylin, or of other cellulose esters, or of cellulose, 15 per cent ad valorem.

Mr. SMOOT. That is a different item entirely. In this bill that is in paragraph 28.

Mr. KING. It is in paragraph 25 of the Underwood Act.

Mr. SMOOT. Read the next provision, please.

Mr. KING. I say it is in paragraph 25 of the Underwood Act and deals with compounds analogous to those considered here.

Mr. SMOOT. No; this deals with liquid solutions, and that is an entirely different thing.

Mr. KING. Oh, well, the language is "solutions of pyroxylin, or of other cellulose esters, or of cellulose."

Mr. SMOOT. But that is the liquid solution.

Mr. KING. To be sure; I understand.

Mr. SMOOT. That is 15 per cent, it is true; but what we are discussing now is the compounds of pyroxylin or of other cellulose esters, of whatever name, and the rate on those is 25 per cent.

Mr. KING. The Senator misunderstood me. I intended to deal with the whole subject together——

Mr. SMOOT. Oh! I thought the Senator was dealing only with the paragraph that was before us.

Mr. KING. And I wanted to call the attention of the Senate to the fact that I shall move to restore the Underwood rates upon all of those items that might be denominated pyroxylin or pyroxylin compounds or divisions or groups.

Mr. SMOOT. If the Senator wants that done, then he will have to wait.

Mr. KING. I will have to move up one or the other of the paragraphs.

Mr. SMOOT. In fact, it would not be in order at this time.

Mr. KING. Oh, I understand that. My idea was to treat the entire subject at one time if we could, and, if we could not, to indicate now in advance to the committee what my view is with respect to the matter, and if I could not offer that amendment now because it dealt with another paragraph, that I would do so at a later date.

Mr. SMOOT. Then I should think the Senator would accept these amendments, because they are all decreases, and then, when we get into the Senate, offer the whole thing as a substitute.

Mr. KING. That might be done, although I am not satisfied with the rate which is provided in the paragraph which is under consideration.

Mr. McCUMBER. I think it might interest the Senator to get the purchasing prices in the foreign countries and in the United States, as shown by the Reynolds report. If he will take paragraph 25, celluloid dressing combs, celluloid in blocks, and hand-finished celluloid, he will find that the foreign value per dozen is $4.57; 36 cents is the landing charge, and there is a 40 per cent duty, making $1.62. The same article is sold for $10.75 in the United States. The American selling price of practically a like article is $9.25, but the foreign selling price is $4.57. The Senator can see that it could easily take the 60 per cent duty to equalize the cost prices at home and abroad.

Mr. KING. Mr. President, I will speak frankly to the Senator and say that there are a good many jokers in this provision. A moment ago, in a sort of an indirect comment to my colleague, I imperfectly pointed out what I conceived to be one of the dangers to be apprehended. Permit me to call the attention of the learned chairman to this language, lines 2 and 3, page 16:

Made into finished or partly finished articles, of which any of the foregoing is the component material of chief value.

It is obvious that under a construction which may be placed upon this language articles of common use may be greatly enhanced in value, to the damage of the people and to the great advantage of the manufacturers of pyroxylin in its various forms. I gave toothbrushes as an instance a moment ago. I refer to that because it is one which is so apt.

Mr. SMOOT. That exact wording has been in not only the Underwood law but in the Payne-Aldrich law as well, and in every law since we began the manufacture of celluloid in this country. I will say frankly to my colleague that I do not see how we could do otherwise. We have to have something of chief value, because these goods are made in connection with at least a half dozen—it may be a dozen—different articles. They are combined with other commodities and made into all sorts of toys and all sorts of articles. We must have a chief value somewhere, or else we would not know how to impose the duty. It is impossible to do it otherwise.

Mr. KING. Mr. President, I do not think my colleague is quite accurate; at least, if he is, I have not been advised of the facts as they exist. Let me call attention to paragraph 17 in the act of 1909, and paragraph 25 in the act of 1913. As I understood my colleague, he stated that the same language to which I called attention was found in the other laws.

Mr. SMOOT. In substance.

Mr. KING. Let us see if it is found there. I call attention to the act of 1909, paragraph 17. I do not think the language is exactly as it is in this bill, nor could it be construed as being the same.

Mr. SMOOT. There is a slight change in the wording. For instance, in the act of 1909 it is provided, "not polished, wholly or partly." That is not in this bill. There is a slight change, but the result is exactly the same.

Mr. KING. It is provided in the bill under consideration, "Articles, of which any of the foregoing is the component material of chief value." That language is not so broad as the language in the act of 1909, or the language in the act of 1913. I will not take the trouble to put the language of those two acts into the record, but even if it were true that the same language was found in a former law, I would regard it as unfortunate to adopt such language. I would regard it as unfortunate that it was adopted then, and I would think we should not adopt it now, particularly in view of the fact that, as I believe, this bill will perpetuate, or is calculated to perpetuate, high prices, and to give to the manufacturers of pyroxylin compounds a superior advantage.

I believe that pyroxylin can be manufactured very much cheaper now and in the future than it has been in the past, because the processes have been developed and improvements will be made, so that economies and cheapness will result in the future. But with the high prices under the provisions of this bill the purchaser would not get the advantage in those articles where any component part of the product was pyroxylin.

Mr. SMOOT. Unless we use those words, I can not conceive how it would ever be classified in entering this country. In the act of 1909 these words were used:

By whatever name known, if the component material of chief value.

That is what we say in this. In the act of 1913 it was provided:

By whatever name known, if the component material of chief value.

As I said to my colleague, there are many articles made of celluloid only partly. We have to decide in what class those goods will fall. That is not only true of celluloid, but it is true of the woolen schedule, it is true of the cotton schedule, it is true of every schedule we have in this bill. We have to impose a duty upon the article according to the component material of chief value.

Mr. KING. Will my colleague permit a question?

Mr. SMOOT. Certainly.

Mr. KING. As I recall, in the Payne-Aldrich law and the Underwood law, brushes, as an illustration, would come under this particular paragraph.

Mr. SMOOT. Yes; because of the very fact that it was so stated there in the paragraph itself.

Mr. KING. Notwithstanding the fact that some component part of the brushes was pyroxylin, or some form of pyroxylin. Under the wording of this paragraph, as I interpret it, brushes would be transferred to this paragraph and bear the duty this paragraph lays, if any part of the brush consisted of pyroxylin, or any of the compounds of pyroxylin.

Mr. SMOOT. If it is the component material of chief value, that is true.

Mr. KING. That is what I was complaining of, and because of the control of these products by the trusts, the chief value will be the pyroxylin products rather than the bristles or the other constituent parts of the brush. That is the danger.

Mr. SMOOT. The Senator refers to what trust? Japan absolutely controls the camphor of all the world. If there is any trust, it is in Japan. The Government there controls it; it controls the price. It says what we have to pay for it whenever it comes from Japan.

Mr. KING. The suggestion just made by my distinguished colleague may not lead us from the issue now under consideration. Conceding all that my colleague says, that Japan has a monopoly of the camphor, we do know that synthetic camphor is being produced in the United States, and that the production of synthetic camphor in the United States will increase tremendously with the development of the chemical industry in our country, so that we are not and will not be dependent upon Japan for camphor, unless we wish to be.

Mr. SMOOT. The camphor plants in the United States are closed down, and are begging for an increase from 6 cents to 25 per cent on camphor, and they will never start up with the rate we have fixed in this bill. I know that the St. Louis concern has made an offer that they want 25 per cent until they produce a certain quantity in the United States. The committee have granted that request.

ORDER FOR RECESS.

Mr. McCUMBER. Mr. President, may I ask both Senators to yield to me? I ask unanimous consent that when the Senate closes its session for this calendar day it agree to recess until to-morrow at 11 o'clock.

Mr. KING. May I supplement the unanimous-consent request just submitted by the Senator by asking that when the minute hand reaches 12 o'clock this evening we recess until 11 o'clock to-morrow?

Mr. McCUMBER. I would ask for a recess right away if we could get a vote upon this proposition.

Mr. KING. I desire to discuss this matter somewhat.

Mr. McCUMBER. The Senator has no objection to a recess until 11 o'clock to-morrow?

Mr. KING. No; I have not.

Mr. McCUMBER. Let us get the unanimous consent.

Mr. KING. I have no objection to it.

Mr. UNDERWOOD. Mr. President, I wish to be perfectly agreeable to the Senator and allow him to regulate the matter of the hours to suit himself. It is his business, as he is in charge of the bill. But I ask him, for information, if he proposes to have a night session to-morrow night?

Mr. McCUMBER. I think not, because some work has to be done in the Senate Chamber to-morrow night, which will take until Sunday night.

Mr. UNDERWOOD. Will the Senator, for the convenience of the Senate, state at what time he expects the Senate to take a recess to-morrow evening?

Mr. McCUMBER. I think about 5 o'clock. I now ask unanimous consent that when the Senate closes its session for this calendar day it agree to recess until to-morrow at 11 o'clock.

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

CONTRACTS FOR FUTURE DELIVERY OF COTTON AND GRAIN.

Mr. HEFLIN submitted the following resolution (S. Res. 290), which was referred to the Committee on Agriculture and Forestry:

Whereas cotton and grain are two of the prime necessities of life in more general public use than any other commodities produced in the United States and the welfare of almost every citizen is dependent on the same; and

Whereas it is openly alleged and generally believed that the prices of said necessities of life are fixed and controlled by transactions for future delivery of the same made by the New York Cotton Exchange, New Orleans Cotton Exchange, and Chicago Board of Trade, respectively; and

Whereas it appears that the number of bales of cotton involved in transactions on said cotton exchanges for future delivery and the number of bushels of grain involved in transactions on said Chicago Board of Trade for future delivery in any one year exceeds by ten to fourteen times all the cotton and grain raised in the United States for the same period; and

Whereas it appears that in order to more effectually insure the domination of prices and control of the market for such necessities, the New York Cotton Exchange and New Orleans Cotton Exchange, and Chicago Board of Trade keep a record of every transaction in cotton or grain, respectively, made on such exchanges or board of trade, but refuse to permit continuous quotations of prices on the same to be disclosed to the public except under such circumstances as to be of little value; and

Whereas it appears that said cotton exchanges and said Chicago Board of Trade have entered into contract for the delivery to and transmission by certain telegraph companies of its continuous quotations of prices of said necessities of life sold for future delivery with such restrictions and conditions attached as to even more effectually insure the control of the market of said necessities of life by said cotton exchanges and board of trade; and

Whereas a monopoly or control of the prices and markets of any of the necessities of life by either individuals or corporations is injurious to the public interest; now, therefore, be it

Resolved, 1. That the President of the Senate be, and he is hereby, authorized and requested to appoint a committee of five Members of the Senate to take into consideration the relations of transactions for future delivery on the cotton exchanges and boards of trade in the United States to prices of cotton and grain. Also, whether said cotton exchanges or boards of trade, or either of them, and if so which, attempt to affect the prices of commodities dealt in by their members for future delivery by refusal to give to the public the continuous quotation of prices of the respective commodities dealt in by such exchanges or boards of trade, or in any other way; also, to ascertain whether said exchanges or boards of trade, and if so which, have entered into any contract with any corporation or individual for delivery to and transmission by said corporation or individual of the quotations of prices on said exchanges, and the terms and conditions of the said contract.

2. That said committee shall have power to send for such persons and papers as may tend to throw light on the subject under investigation and to administer oaths to all witnesses.

3. Said committee may hold meetings in the city of New York, New Orleans, or Chicago, in addition to Washington, if, in their opinion, the public interests would be promoted thereby.

4. Said committee shall report their findings of fact and conclusions of law, together with recommendations, to the Senate.

DEDICATION OF THE LINCOLN MEMORIAL.

Mr. CURTIS. Mr. President, I report favorably from the Committee on Rules a resolution regarding the attendance of the Senate on the ceremonies at the dedication of the Lincoln Memorial, and I ask for its immediate consideration.

The resolution (S. Res. 291) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Senate accept the invitation to attend the ceremonies at the dedication of the Lincoln Memorial, May 30, 1922, at 2.30 o'clock p. m.; that a recess be taken at 1.30 o'clock p. m. on the day of May 30 until 11 o'clock on the morning of May 31; and that at the taking of the recess at 1.30 p. m. on May 30 the Senate, accompanied by its officers, shall proceed to the Lincoln Memorial.

Resolved further, That the Sergeant at Arms be directed to make the necessary arrangements to carry out this order.

PROHIBITION OF OPIUM.

Mr. CURTIS. Mr. President, from the Committee on Finance I make a favorable report with an amendment on a bill and ask unanimous consent for its immediate consideration. I will state that it is House bill 2193, the so-called narcotics bill. It is drawn to carry out the provisions of the agreement at The Hague in 1912, and it was passed by unanimous vote in the House.

Mr. UNDERWOOD. Mr. President, I am not familiar with this proposed amendment of the law. I was the chairman of the Ways and Means Committee when we reported the bill which is the present narcotic act, and Congress passed it, and I am heartily in favor of carrying out the treaty arrangements of this country in reference to the importation of opium. But my understanding was that at the time the bill which is the present law was passed it did carry out the terms of the treaty. It was prepared largely by the State Department, and I understood that the treaty arrangement had been complied with. I would like to have some statement as to what is the change in the conditions.

Mr. CURTIS. The existing law does not carry out fully the agreement, and this is simply to go on with the Harrison Act. It does not repeal any part of it, but strengthens it and complies fully with the obligations of the treaty.

Mr. UNDERWOOD. I was asking the Senator to what extent this supplements the treaty where it was not carried out before?

Mr. CURTIS. The bill provides for a commission of three—the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce—to which these matters are referred. It provides for a penalty to all those who violate the narcotic act. It provides for a penalty for the carriage of narcotics in vessels if it is knowingly done. It also provides a penalty to any merchant who handles the narcotics knowingly. I think I have stated briefly the only things that it provides.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. UNDERWOOD. I will state that I am, of course, in favor of the enforcement of this law. Under other circumstances I would ask that a bill of this importance be given a fuller opportunity for consideration, but I realize, the tariff bill being before the Senate, that if it is not considered in this way the bill will probably be delayed for quite a while, and I have no desire to delay the enactment of it into law. Therefore I shall make no objection to its immediate consideration, although I think under ordinary circumstances a bill of such importance should be taken from the calendar and considered in the usual way.

Mr. CURTIS. I agree with the Senator, and if it were not for the fact that the bill had been unanimously considered in the House, with every member of the House committee favorable to it, every member of the Senate committee favorable to it, and that it has been referred to the three departments for report and they are all favorable to it, I would not ask to have it taken up now.

Mr. UNDERWOOD. I will say to the Senator that I realize the very great importance of the measure to the American people in the enforcement of the law. The peculiar conditions of the bill are such that I am willing to grant unanimous consent, but bills of such importance should ordinarily await their turn on the calendar.

Mr. CURTIS. I agree with the Senator.

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill (H. R. 2193) to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended, which was reported from the Committee on Finance with an amendment, on page 6, lines 24 and 25, to strike out the words "to a penalty equal to the value of the narcotic drugs" and to insert in lieu thereof: "(1) If the narcotic drug is smoking opium, to a penalty of $25 an ounce, and (2) if any other narcotic drug, to a penalty equal to the value of the narcotic drug"; so as to make the bill read:

Be it enacted, etc., That sections 1 and 2 of the act entitled "An act to prohibit the importation and the use of opium for other than medicinal purposes," approved February 9, 1909, as amended, are amended to read as follows:

"That when used in this act—

"(a) The term 'narcotic drug' means opium, coca leaves, cocaine, or any salt, derivative, or preparation of opium, coca leaves, or cocaine;

"(b) The term 'United States,' when used in a geographical sense, includes the several States and Territories and the District of Columbia;

"(c) The term 'board' means the Federal Narcotics Control Board established by section 2 of this act; and

"(d) The term 'person' means individual, partnership, corporation, or association.

"SEC. 2. (a) That there is hereby established a board to be known as the 'Federal Narcotics Control Board' and to be composed of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. Except as otherwise provided in this act or by other law, the administration of this act is vested in the Department of the Treasury.

"(b) That it is unlawful to import or bring any narcotic drug into the United States or any territory under its control or jurisdiction; except that such amounts of crude opium and coca leaves as the board finds to be necessary to provide for medical and legitimate uses only, may be imported and brought into the United States or such territory under such regulations as the board shall prescribe. All narcotic drugs imported under such regulations shall be subject to the duties which are now or may hereafter be imposed upon such drugs when imported.

"(c) That if any person fraudulently or knowingly imports or brings any narcotic drug into the United States or any territory under its control or jurisdiction, contrary to law, or assists in so doing, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of any such narcotic drug after being imported or brought in, knowing the same to have been imported contrary to law, such person shall upon conviction be fined not more than $5,000 and imprisoned for not more than 10 years.

"(d) Any narcotic drug imported or brought into the United States or any territory under its control or jurisdiction, contrary to law, shall (1) if smoking opium or opium prepared for smoking, be seized and summarily forfeited to the United States Government without the necessity of instituting forfeiture proceedings of any character; or (2), if any other narcotic drug be seized and forfeited to the United States Government, without regard to its value, in the manner provided by sections 3075 and 3076 of the Revised Statutes, or the provisions of law hereafter enacted which are amendatory of, or in substitution for, such sections. Any narcotic drug which is forfeited in a proceeding for condemnation or not claimed under such sections, or which is summarily forfeited as provided in this subdivision, shall be placed in the custody of the board and in its discretion be destroyed or delivered to some agency of the United States Government for use for medical or scientific purposes.

"(e) Any alien who at any time after his entry is convicted under subdivision (c) shall, upon the termination of the imprisonment imposed by the court upon such conviction and upon warrant issued by the Secretary of Labor, be taken into custody and deported in accordance with the provisions of sections 19 and 20 of the act of February 5, 1917, entitled 'An act to regulate the immigration of aliens to, and the residence of aliens in, the United States' or provisions of law

hereafter enacted which are amendatory of, or in substitution for, such sections.

"(f) Whenever on trial for a violation of subdivision (c) the defendant is shown to have or to have had possession of the narcotic drug, such possession shall be deemed sufficient evidence to authorize conviction, unless defendant explains the possession to the satisfaction of the jury.

"(g) The master of any vessel or other water craft, or a person in charge of a railroad car or other vehicle, shall not be liable under subdivision (c), if he satisfies the jury that he had no knowledge of and used due diligence to prevent the presence of the narcotic drug in or on such vessel, water craft, railroad car, or other vehicle; but the narcotic drug shall be seized, forfeited, and disposed of as provided in subdivision (d)."

SEC. 2. That sections 5 and 6 of such act of February 9, 1909, as amended, are amended to read as follows:

"SEC. 5. That no smoking opium or opium prepared for smoking shall be admitted into the United States or into any territory under its control or jurisdiction for transportation to another country, or be transferred or transshipped from one vessel to another vessel within any waters of the United States for immediate exportation or for any other purposes; and, except with the approval of the board, no other narcotic drug may be so admitted, transferred, or transshipped.

"SEC. 6. (a) That it shall be unlawful for any person subject to the jurisdiction of the United States Government to export or cause to be exported from the United States, or from territory under its control or jurisdiction, or from countries in which the United States exercises extraterritorial jurisdiction, any narcotic drug to any other country: *Provided*, That narcotic drugs (except smoking opium and opium prepared for smoking, the exportation of which is hereby absolutely prohibited) may be exported to a country only which has ratified and become a party to the convention and final protocol between the United States Government and other powers for the suppression of the abuses of opium and other drugs, commonly known as the International Opium Convention of 1912, and then only if (1) such country has instituted and maintains, in conformity with that convention, a system, which the board deems adequate, of permits or licenses for the control of imports of such narcotic drugs; (2) the narcotic drug is consigned to an authorized permittee; and (3) there is furnished to the board proof, deemed adequate by it, that the narcotic drug is to be applied exclusively to medical and legitimate uses within the country to which exported, that it will not be reexported from such country, and that there is an actual shortage of and a demand for the narcotic drug for medical and legitimate uses within such country.

"(b) The Secretary of State shall request all foreign Governments to communicate through the diplomatic channels copies of the laws and regulations promulgated in their respective countries which prohibit or regulate the importation and shipment in transit of any narcotic drug and, when received, advise the board thereof.

"(c) The board shall make and publish all proper regulations to carry into effect the authority vested in it by this act."

SEC. 3. That section 8 of such act of February 9, 1909, as amended, is amended to read as follows:

"SEC. 8. (a) That a narcotic drug that is found upon a vessel arriving at a port of the United States or territory under its control or jurisdiction and is not shown upon the vessel's manifest, or that is landed from any such vessel without a permit first obtained from the collector of customs for that purpose, shall be seized, forfeited, and disposed of in the manner provided in subdivision (d) of section 2, and the master of the vessel shall be liable (1) if the narcotic drug is smoking opium, to a penalty of $25 an ounce, and (2) if any other narcotic drug, to a penalty equal to the value of the narcotic drug.

"(b) Such penalty shall constitute a lien upon the vessel which may be enforced by proceedings by libel in rem. Clearance of the vessel from a port of the United States may be withheld until the penalty is paid, or until there is deposited with the collector of customs at the port, a bond in a penal sum double the amount of the penalty, with sureties approved by the collector, and conditioned on the payment of the penalty (or so much thereof as is not remitted by the Secretary of the Treasury) and of all costs and other expenses to the Government in proceedings for the recovery of the penalty, in case the master's application for remission of the penalty is denied in whole or in part by the Secretary of the Treasury.

"(c) The provisions of law for the mitigation and remission of penalties and forfeitures incurred for violations of the customs laws shall apply to penalties incurred for a violation of the provisions of this section."

SEC. 4. That such act of February 9, 1909, as amended, is amended by adding at the end thereof a new section to read as follows:

"SEC. 9. That this act may be cited as the 'narcotic drugs import and export act.'"

The amendment was agreed to.

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

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

The bill was read the third time and passed.

COLLECTION OF TAXES IN THE DISTRICT OF COLUMBIA.

Mr. JONES of Washington. Mr. President, I ask unanimous consent out of order to report with amendments from the Committee on the District of Columbia the bill (S. 3565) relating to the collection of taxes in the District of Columbia, and I submit a report (No. 702) thereon. I desire to say just this much about it. The bill simply provides for the payment of taxes twice a year in the District of Columbia instead of once a year as now, and it would be very helpful to meet the situation which confronts the District. The bill is urged by the District Commissioners. It is a short bill. If there is no objection, I would like to put it on its passage, and I ask unanimous consent for its present consideration.

Mr. UNDERWOOD. Mr. President, I have no objection to the Senator reporting the bill at this time and putting it on the calendar, but I hope he will not undertake to call it up for consideration until we have had the reflection of public sentiment in the District of Columbia with reference to it and have had some chance to consider it.

Mr. JONES of Washington. Very well. I will ask that the bill go to the calendar.

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

APPOINTMENT OF POSTMASTERS IN TENNESSEE.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters which I have received from the Civil Service Commission, together with copies of letters which I wrote to them. Inasmuch as I had certain other letters with reference to the matter printed in the RECORD some days ago, I assured the commission that I would also have these incorporated in the RECORD.

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

MARCH 15, 1922.

Hon. GEORGE R. WALES,
Civil Service Commission, Washington, D. C.

MY DEAR MR. WALES: Inclosed please find affidavit of G. R. Dickson, of Rutherford, Tenn., that explains itself. Please file this with the other papers.

Very sincerely yours,

KENNETH McKELLAR.

—

HOME EXCHANGE BANK,
Rutherford, Tenn., October 21, 1922 (should be 1921).

CIVIL SERVICE COMMISSION,
Washington, D. C.

GENTLEMEN: Knowing that J. W. Akin, of this place, is an applicant for postmaster at Rutherford, Tenn., and as he occupied the position of cashier of this bank for a term of two years, we feel that we are in a position to suggest a few reasons why his application should not have any consideration.

Mr. Akin, while cashier of the Home Exchange Bank, developed to be a financial supporter of the local bootleggers by undertaking to "carry checks as cash items" on these irresponsible parties who had no funds in the bank whatever, and on one occasion he was caught by an official of this bank in substituting a worthless "bootlegger check" for currency in the bank, and was threatened with immediate dismissal.

His actions showed distinct evidence that he was a participator in the bootlegging profits, and many other similar acts of underhand graft such as buying war savings stamps during the war from citizens and patrons of the bank at below par, by discouraging them as to their real value, and then cashing them at full value.

Mr. Akin was dismissed without honor by an overwhelming vote of the stockholders of this bank. Mr. Akin also represented the Continental Fire Insurance Co. at this place, and for reasons of this kind his bondsmen withdrew from his bond. He also represented an estate here as trustee, and his bondsmen withdrew from his bond. These facts can be substantiated by addressing the county court clerk, Hon. J. H. Burress, Trenton, Tenn.

On general principles he is disliked by both political parties, and has made himself repulsive to the people of this community. His appointment as postmaster would meet with an overwhelming disfavor.

I wish to say further that Mrs. Claris E. Akin, while working for this bank, was a partner with her husband, John W. Akin, in buying war savings stamps from the public and the proceeds were deposited to John W. Akin's credit.

G. R. DICKSON.

(Notary's certificate attached, signed by Broeck Cummings, N. P.)

—

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 17, 1922.

Hon. KENNETH McKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR McKELLAR: I beg to acknowledge receipt of your letters of March 14 and 15 inclosing copies of affidavits by Mr. Lyle W. Davidson and Mr. G. R. Dickson, of Rutherford, Tenn., in regard to the examination of Mrs. Claris E. Akin for postmaster for that place.

The post office at Rutherford, Tenn., is a third class, at which the salary of the postmaster is $1,600 per annum. The examination consists of the subjects of (1) accounts and arithmetic, (2) penmanship, (3) letter writing, and (4) business training, experience, and fitness. The examination was originally held there on August 13, 1921.

In addition to Mrs. Akin, there were several other competitors in the examination, including her husband, John W. Akin. Mrs. Akin attained ratings in the written subjects as follows: (1) Accounts and arithmetic, 100; (2) penmanship, 82; (3) letter writing, 78.

The papers of all candidates were rated and based upon the evidence obtained as a result of questionnaires sent by mail to references of all the candidates and various citizens of the community listed in the commercial directory. Mrs. Akin and her husband were each assigned a rating of 40 on the subject of business training, experience, and fitness because some of the persons who filled out questionnaires involved Mrs. Akin with her husband in transactions unfavorably in connection with a bank. Mrs. Akin appealed from this first rating, and the commission decided, in order to do justice to all concerned, to send personal representatives there to make an investigation of all of the facts. An investigation was accordingly conducted there on December 17, 1921, the inspectors interviewing 13 representative citizens of the community, among them Mr. G. R. Dickson, whose affidavit you forward with your letter. In regard to Mrs. Akin, all of the persons interviewed agreed that her character and standing in the community are good; that she is a capable, experienced woman, courteous and accommodating, and amply qualified for the position of postmaster. In view of all of the facts as ascertained in the personal investigation, the examiners recommended that her rating be increased from 40 to 83 on the subject of business training, experience, and fitness, which was done, giving her a general average of 87.50 in the examination and placing her name at the head of the eligible list. No change was made in the rating of John W. Akin, her husband. However, the ratings of several of the candidates were raised as a result of the review on the evidence obtained in

the personal investigation. The list of candidates and their ratings on the first examination by examiners was as follows:

ELIGIBLES.

	Per cent.
William W. Taylor (preference)	82.08
Lowell C. Rickman (preference)	79.23
Terrance A. Bone (preference)	76.58
Daniel E. Meadows (preference)	73.95
Lera Page	73.28
Carlos King (preference)	70.05

INELIGIBLES.

Mrs. Claris E. Akin	66.00
John W. Akin	56.83
Drew J. Rion	58.38
Felix M. Flowers	56.38
Joe Zaricor (preference)	65.90

The list made up after investigation and reexamination by the examiners is as follows:

ELIGIBLES.

Mrs. Claris E. Akin	87.50
William W. Taylor (preference)	85.58
Lowell C. Rickman (preference)	82.23
Terrance A. Bone (preference)	81.58
Daniel E. Meadows (preference)	77.45
Carlos King (preference)	75.05
Lera Page	73.78

INELIGIBLES.

Joe Zaricor (preference)	68.40
Drew J. Rion	62.38
Felix W. Flowers	57.88
John W. Akin	56.83

Very respectfully,

G. R. WALES, *Commissioner.*

(Personal.)

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 21, 1922.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: I notice that on pages 4587 and 4588 of the CONGRESSIONAL RECORD, covering yesterday's session, certain statements are made by you involving the integrity of the Civil Service Commission. They cover three principal cases.

As to the first of these, you state that you filed with the Civil Service Commission charges that you had already filed with the Senate against John W. Overall, apparently Republican national committeeman for the State of Tennessee, and that because the Civil Service Commission is "composed entirely of Republicans and anyone can understand that they would not care whether civil-service positions were bought or sold under them or not, if their Republican friends were interested," they took no action in regard to them. Your charges against Mr. Overall relate to what you term "trafficking in civil-service appointments."

I have carefully gone over your letter dated August 29, 1921, addressed to the Civil Service Commission, and the only specific case you mention is that of prohibition officer in the State of Tennessee, a position which is not in the classified service. You were advised in the commission's letter of September 1, 1921, in reply that such position is not in the competitive classified service, and that the case therefore was not within the commission's jurisdiction.

Your letter of August 29, 1921, also referred incidentally to the appointment of a rural carrier at Cheap Hill, Tenn., but gave no names and no testimony or evidence indicating that any one of the three persons whose names had been certified to the department for consideration in filling the position had paid money to Mr. Overall for any purpose whatsoever. You were advised in the commission's letter of September 1, 1921, of the names of these three persons, and that the department had not reported selection from among the three, and also were advised of the provisions of law and rules relating to trafficking in appointments, and that "if a prima facie case is submitted to the commission of violation of the Federal statutes, relating to trafficking or of the civil-service rules, the commission will submit it to the Department of Justice for prosecution or take such administrative action as may be appropriate."

The commission has not since heard from you in this connection, and your statement, therefore, on page 4132 of the CONGRESSIONAL RECORD, as to failure to take action, is not in accord with the facts.

The second case is mentioned on page 4132 of the RECORD, and relates to the presidential postmaster examination for McKenzie, Tenn. I am making inquiry into this case, which was handled in the routine procedure of the office, and will be glad to advise you of the facts within a few days.

As to the third case, mentioned on page 4133 of the RECORD, I quote below the commission's letter of March 17, 1922, giving you the facts:

"MY DEAR SENATOR MCKELLAR: I beg to acknowledge receipt of your letters of March 14 and 15, inclosing copies of affidavits by Mr. Lyle W. Davidson and Mr. G. R. Dickson, of Rutherford, Tenn., in regard to the examination of Mrs. Claris E. Akin for postmaster for that place.

"The post office at Rutherford, Tenn, is a third class, at which the salary of the postmaster is $1,600 per annum. The examination consists of the subjects of (1) accounts and arithmetic, (2) penmanship, (3) letter writing, and (4) business training, experience, and fitness. The examination was originally held there on August 13, 1921.

In addition to Mrs. Akin, there are several other competitors in the examination, including her husband, John W. Akin. Mrs. Akin attained ratings in the written subjects as follows: (1) Accounts and arithmetic, 100; (2) penmanship, 82; (3) letter writing, 78.

The papers of all candidates were rated and based upon the evidence obtained as a result of questionnaires sent by mail to references of all the candidates and various citizens of the community listed in the commercial directory. Mrs. Akin and her husband were each assigned a rating of 40 on the subject of business training, experience, and fitness, because some of the persons who filled out questionnaires involved Mrs. Akin with her husband in transactions unfavorably in connection with a bank. Mrs. Akin appealed from this first rating; and the commission decided, in order to do justice to all concerned, to send personal representatives there to make an investigation of all of the facts. An investigation was accordingly conducted there on December 17, 1921, the inspectors interviewing 13 representative citizens of the community, among them Mr. G. R. Dickson, whose affidavit you forward with your letter. In regard to Mrs. Akin, all of the persons interviewed agreed that her character and standing in the community are good; that she is a capable, experienced woman, courteous and accommodating, and amply qualified for the position of postmaster. In view of all of the facts as ascertained in the personal investigation, the examiners recommended that her rating be increased from 40 to 83 on the subject of business training, experience, and fitness, which was done, giving her a general average of 87.50 in the examination and placing her name at the head of the eligible list. No change was made in the rating of John W. Akin, her husband. However, the ratings of several of the candidates were raised as a result of the review on the evidence obtained in the personal investigation. The list of candidates and their ratings on the first examination by examiners was as follows:

ELIGIBLES.

	Per cent.
William W. Taylor (preference)	82.08
Lowell C. Rickman (preference)	79.23
Terrance A. Bone (preference)	76.58
Daniel E. Meadows (preference)	73.95
Lera Page	73.28
Carlos King (preference)	70.05

INELIGIBLES.

Mrs. Claris E. Akin	66.00
John W. Akin	56.83
Drew J. Rion	58.38
Felix W. Flowers	56.38
Joe Zaricor (preference)	65.90

The list made up after investigation and reexamination by the examiners is as follows:

ELIGIBLES.

Mrs. Claris E. Akin	87.50
William W. Taylor (preference)	85.58
Lowell C. Rickman (preference)	82.23
Terrance A. Bone (preference)	81.58
Daniel E. Meadows (preference)	77.45
Carolos King (preference)	75.05
Lera Page	73.78

INELIGIBLES.

Joe Zaricor (preference)	68.40
Drew J. Rion	62.38
Felix W. Flowers	57.88
John W. Akin	56.83

Very respectfully,

G. R. WALES, *Commissioner.*

It will be observed from this letter that all the persons interviewed at Rutherford, Tenn.—who were the leading citizens and business men of that community—without exception gave favorable testimony as to the good character and standing in the community of Mrs. Claris E. Akin, and these representative citizens included Mr. G. R. Dickson, who furnished you with an affidavit attacking Mr. Akin, the husband of Mrs. Claris E. Akin. The testimony secured by the commission's representatives while at Rutherford corroborated the affidavit of Mr. Dickson that Mr. Akin apparently is not the type of citizen desired for postmaster, but Mr. Dickson and all other persons spoke highly of Mrs. Akin. The department, of course, is not obliged to select Mrs. Akin, as two other eligibles were certified with her, but it seemed clear to the commission that her experience as assistant postmaster and her personal qualifications clearly entitled her to a place among the highest three eligibles.

I am assured that now the matter is brought to your personal attention, you will do the commission the common justice of having this letter presented to the Senate and printed in the RECORD.

Very truly yours,

G. R. WALES, *Commissioner.*

MARCH 24, 1922.

Hon. GEORGE R. WALES,
Civil Service Commission, Washington, D. C.

MY DEAR SIR: Your letter of the 21st received and noted. I will take pleasure in putting this in the RECORD and also put at the same time the charges I made to the commission in regard to the Overall matter and your letter of refusal to take cognizance of the charges. In my judgment your explanation of the Rutherford matter is wholly without merit. It seems impossible on the face of it that your examining aids could have found that Mrs. Akin was entitled to only 66 on the examination and 87.50 on the review of the examination. Of course, the inspector on the reexamination heard only one side of it. This is perfectly manifest.

I am called out of the city to-morrow, but as soon as I get back I will take the matter up and will be sure to have your letter go in the RECORD.

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 27, 1922.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: We beg to acknowledge receipt of your letter of March 24, 1922, in further relation to the examination for postmaster at Rutherford, Tenn., and to thank you for granting the suggestion in our letter of March 21 that such letter be printed in the RECORD.

In your letter of March 24 you speak of our letter of refusal to take cognizance of charges you made to us in regard to the Overall matter. I shall appreciate it if you will kindly advise me if you refer to our letter of September 1, 1921, although I assume it must be that letter, for I am not able to find any other of the sort. By reference to your letter of August 29, 1921, you will note that the specific case you mention is that of prohibition officer, and in our letter of September 1, 1921, we pointed out that appointment to the position of prohibition officer is by statute entirely outside our jurisdiction.

We endeavored in our letter to you of March 21, 1922, to make clear the fact that the only reason that Mrs. Akin failed of attaining a high place among the eligibles on the first rating was because some of the testimony we have secured by mail seemed to involve Mrs. Akin with her husband in transactions unfavorably in connection with the bank, and that accordingly her rating on the subject of business training, experience, and fitness, as in other cases of personal unfitness because of questionable honesty, had been made as low as 40. Upon Mrs. Akin's appeal from this action the commission, as in other such

cases and in order to do justice to all concerned, sent personal representatives to Rutherford for the purpose of finding the exact facts. The result of this investigation, which included the testimony of 13 representative citizens of the community, showed that Mrs. Akin had suffered an injustice in the rating of 40 on the subject of business training, experience, and fitness, because these 13 representative citizens testified uniformly to her good character and standing in the community. Thereupon the commission, as in other such cases, corrected its previous action and gave her the rating to which she would have been entitled in the first place in the absence of testimony against her honesty.

I am sorry that I can not agree with you that the investigators in the personal examination heard only one side of the case, because the 13 witnesses were representative of the community and leading citizens and business men of the community, and as was previously stated to you, one of such witnesses was Mr. G. R. Dickson. It will be noted further that the personal investigation of the case confirmed the original action taken in Mr. Akin's case.

Very sincerely yours,

G. R. WALES, *Commissioner.*

—

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 19, 1922.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: The commission has been awaiting publication in the CONGRESSIONAL RECORD of its letter to you under date of March 21, 1922, which you stated in your letter of March 24 would be so published; but inquiries at the Capitol indicate that you are still absent from the city.

In our letter of March 21 we stated that we would advise you of the facts connected with the examination for presidential postmaster at McKenzie, Tenn. They are as follows:

The Post Office Department reported under date of May 19, 1921, the existence of a vacancy in the position of postmaster at McKenzie, Tenn., giving the salary as $1,900 per annum. There were hundreds of other vacancies reported at the same time, and the commission was not able to announce an earlier examination date for the McKenzie vacancy than September 24, 1921.

The salary of $1,900 named by the department placed the office within the third class, and accordingly the examination that was announced included 50 per cent written tests and 50 per cent "business training, experience, and fitness." The examination resulted as follows:

	General average (per cent).
Paul M. Ware (preference; includes a bonus of 5 per cent)	86.25
Jack H. Marshall (preference; includes a bonus of 5 per cent)	84.25
James W. Marshall (preference; includes a bonus of 5 per cent)	80.93
Wallace H. Cannon	77.95
Henry G. Snead (preference; includes a bonus of 5 per cent)	75.83
Elmer T. Sparks	74.75
Andrew Ernest Argo	69.30

Under the former administration the Post Office Department held that it was within its discretion, when an office was advanced from the third class to the second class, to call for a new examination under the somewhat different standards for the latter class of office. In explanation of this it may be stated that at third-class offices the postmaster has considerable clerical work to perform and must himself handle the finances of the office, and for this reason the written tests are given; whereas in the second-class office and the first-class office the duties become more and more administrative and executive, with less personal clerical work, as the office grows larger.

Acting under this practice of the former administration the Post Office Department advised the commission that the salary of the postmastership at McKenzie, Tenn., had been increased to $2,300, thereby making it a second-class office, and requested that a new examination be held under the standard for a second-class office.

In view of this long-standing practice the request of the department was complied with, and examination announced for March 14, 1922, without the case being brought to the personal attention of the commissioners. As soon as it did come to the attention of the commissioners that the first examination had resulted in several well-qualified eligibles, it took the matter up with the Post Office Department and has canceled the second examination, the results of the first examination, namely, September 24, 1921, being recertified to the Post Office Department.

Very truly yours,

G. R. WALES,
Commissioner.

—

AUGUST 29, 1921.

CIVIL SERVICE COMMISSION,
Washington, D. C.

DEAR SIRS: I prefer the following charges against John W. Overall:

FIRST.

My resolution is as follows:

"*Resolved*, That the Post Office Committee of the Senate be, and is hereby, authorized and instructed to investigate the alleged violations of the civil-service act and the alleged selling or trafficking in Federal offices in Tennessee by John W. Overall, Republican national committeeman and alleged referee in patronage matters in that State."

SECOND.

I call your attention to the following letter:

NASHVILLE, TENN., *May 22, 1921.*

DEAR DUDLEY: I have been on the road for past four weeks, and I am in for to-day. Was out to see Mr. Overall last night and suggested to him it would be nice for his friends for him to be in Washington looking after us fellows he had indorsed and was going to indorse, and I suggest we should chip in and pay his expenses, and I, for one, would be glad to do so. I am writing to several I know he is going to indorse and asking them if they feel like it to write Mr. Overall, stating to him I had suggested this and inclose check for small amount if they felt like it. I assure you it will be good money spent, and if you feel able to kick in, say $10, do so. If not, it is all right. If he fails to indorse you I will pay your amount. I know positively he is going to put you over when the time comes if he can, and it is a 20-to-1 bet he can.

However, do as you think best. I never mentioned to him who I was going to write to. With best wishes,

Your friend,

TOM P. MAY.

Mr. May, as the newspaper articles and admissions hereinafter referred to show, is the Tennessee treasurer of the Republican committee, and has his office with Mr. Overall in Nashville, and is virtually the active manager of the office, Mr. Overall being national committeeman. Mr. Dudley J. Shivers is chairman of the Republican committee of Cheatham County, at Ashland City, and is also a member of the Republican congressional committee. He is an applicant for the postmastership at Ashland City. He was also interested in the appointment of a rural carrier at Chapel Hill, Tenn., called in the correspondence Cheap Hill. This letter of May 22, 1921, was written from Mr. Overall's office in Nashville and by his manager of that office. It was written after a talk with Mr. Overall, probably out at his house in Nashville. Evidently he talked about the letter he expected to write to secure these contributions for expenses. I call your especial attention to the last sentence of the letter, "I never mentioned to him who I was going to write to." In other words, this letter was not only written by Mr. Overall's agent but it was written from Mr. Overall's office in Nashville, and after a conference with Mr. Overall on the subject, and evidently after full approval upon the part of Mr. Overall. The only limitation that Mr. May makes as to the conference was "I never mentioned to him who I was going to write to." The relationship between May and Overall is most important, because the May letter is just as much Overall's letter and more than it is May's letter. It was written after full consultation. It was written with the full approval, and it brought the checks which Mr. Overall accepted, as he himself admits, as will be shown hereinafter.

THIRD.

In response to the foregoing letter on July 5, 1921 Mr. Shivers wrote the following letter to Overall:

ASHLAND CITY, TENN., *July 5, 1921.*

Hon. JOHN W. OVERALL,
Nashville, Tenn.

MY DEAR SIR: I am in receipt of a letter from Tom P. May, suggesting that we make a contribution to you in order to take care of your expenses while you are in Washington looking after our interests, and I think the suggestion well taken. I am herewith forwarding you a check for $10, which I trust you will accept. I realize that it is quite an expense on you to take these trips and takes up much of your time, and feel that we should show our appreciation in this manner.

Please inform me if you have had any reference to the matter of appointment of a rural letter carrier for the Cheap Hill, Tenn., post office. Examination was held for this vacancy on May 4, and I understand that the applicants have just recently received their grades. Please let me hear from you as soon as possible after receiving reference to this matter.

With kindest personal regards,

Very respectfully,

DUDLEY J. SHIVERS,
Chairman Republican Executive Committee Cheatham County and Member Sixth Congressional Committee.

It will be noted that Mr. Shivers delayed writing to Mr. Overall nearly six weeks. Why, it is not explained. Perhaps Shivers wanted to investigate and see whether he could get his office or not before he gave up his money. At all events, he must have satisfied himself, because on July 5 he sent the check for $10. It was not for a campaign fund, but it was for Overall's "expenses," and for the purpose of showing "appreciation" for the office he expected to get. From my reading of this letter, I am in some doubt as to whether Mr. Shivers intended the $10 as compensation or "appreciation" of the Ashland City post office he expected to get, or the Chapel Hill rural carrier, which he wanted for his friend. It is perfectly evident that Mr. Shivers did not consider that he was giving $10 to the Republican national campaign committee. He took May at his word and supposed that he was paying Mr. Overall for the office or for the two offices, as the case may be.

FOURTH.

That Mr. Overall understood the matter perfectly, that he understood that Mr. May was acting for him in collecting this money, and that Mr. May had explained the situation to him, is perfectly apparent from the following letter:

NASHVILLE, TENN., *July 7, 1921.*

Mr. DUDLEY J. SHIVERS,
Ashland City, Tenn.

MY DEAR MR. SHIVERS: I am in receipt of your letter of the 5th instant with inclosure, for which please accept my thanks.

The matter of appointing a rural carrier at Cheap Hill, Tenn., has not been referred to me yet. Perhaps, as you know, the department has been referring to me the three having the highest grades, and I am allowed to select one from the three for appointment.

Whenever this appointment is referred to me I will consult you about the matter and appoint any one of the eligibles that you may desire.

Yours very truly,

JOHN W. OVERALL,
Republican National Committeeman.

Mr. Overall knew that Shivers was an applicant for the Ashland City post office. He knew that Shivers had a friend that he wanted to be rural carrier. Shivers had written to him that his letter inclosing $10 was in answer to a letter from Tom P. May, from Mr. Overall's own office. There can not be any question, after reading this letter, that Mr. Overall understood the situation perfectly, ratified it, and confirmed it, if he had not instigated it. He received the money and agreed to appoint the rural carrier, anyway. He said that he would "appoint any one of the eligibles that you (meaning Shivers) may desire." In other words, he had received Shivers's money, receipted for it, and was going to give the office to whomsoever Shivers wanted to have it. In this way his agent, Mr. May, would not have to return the money under his agreement.

A more barefaced trafficking in petty Federal offices has never come to my notice, and I am sure it has never come to the notice of you or any member of the committee.

FIFTH.

In this connection I call your especial attention to pages 7 and 8, section 47, of Instructions to Applicants for Rural Carrier Examinations, as follows:

"In all cases selections shall be made with sole reference to merit and fitness and without regard to political considerations. No inquiry shall be made as to the political or religious opinions or affiliations of any eligible, and no recommendation in any way based thereon shall be received, considered, or filed by any officer concerned in making selections or appointments. Any such recommendation in writing forwarded to any such officer shall be at once returned to the writer, with atten-

tion invited to the purport of this order, and attention hereto shall be similarly directed in connection with any verbal recommendation. Where it is found that there has been a violation of these provisions by any officer concerned in making selections or appointments, such fact shall be cause for the immediate removal of such officer from the service, and the commission shall make prompt report of any such case for appropriate action to the Postmaster General, or as to presidential appointees, to the President. The appointment of the rural carrier concerned, if effected, shall be canceled."

I want also to call your attention to section 33, on page 5 of the civil service instructions, which is as follows:

"All contracts which involve traffic in public office are illegal, and any consideration paid or accepted or offered or agreed to be paid or accepted to induce the resignation of a public officer, or to secure his influence in procuring or aiding to procure any appointive office or place from the Government of the United States or from any officer of department thereof has been held to constitute bribery and is a felony, rendering both the briber and the person bribed punishable under section 112 or other sections of the Criminal Code of the United States."

The foregoing transactions are shocking violations of the spirit, if not the letter, of these rules. It not only involves trafficking in public office but it is an illegal sale of offices by Mr. Overall. In this connection I will say that on August 29 I wrote a letter to the Civil Service Commission calling attention to these facts.

SIXTH.

Mr. Overall, after a disclosure of these letters by me in the CONGRESSIONAL RECORD, came to Washington and gave out an interview, which was taken down by Jesse S. Cottrell, of Washington, correspondent of the Nashville Banner. In this interview, on August 15, Mr. Cottrell thus quotes Mr. Overall:

"That Colonel Overall is disturbed over the publicity that has been given of what he terms misinterpreted letters and misconstrued statements is evident, and he so admits, but he says he will go before any tribunal or committee and gladly tell all about the situation.

"To-day he talked freely, clarifying the statement issued in Nashville considerably. He says he set about, several months ago, to collect the deficit of $14,000 asked of Tennessee Republicans by the national committee, and did so, and has paid it, and that a small balance remains in banks at Nashville and Memphis which is carried for actual expenses of the Republican organization in Tennessee. Recently while he was on his farm, with instructions that he did not under any circumstances desire to handle matters politically or of a business nature, Tom May, State treasurer—of the Republican committee—sent letters to Republicans over the State, asking for a collection, saying that he thought it would be a generous thing for them to contribute to pay the expenses of Colonel Overall to Washington at various times."

You will note that the May letter, first quoted above, absolutely contradicts Mr. Overall on this subject. Mr. May writes to an applicant for the post office at Ashland City and says to him: "If he—meaning Overall—fails to indorse you, I will pay your amount." In other words, Mr. May says that after going up and talking to Mr. Overall in his home about the matter, that if Mr. Overall does not get the office for this applicant that he, May, will refund the applicant's contribution. You must recall the relationship between May and Overall. They are employees of the same political committee, Mr. May being under Mr. Overall. The two talked the question over, and Mr. May writes to this and other applicants for offices in Tennessee, in which he asks them to contribute, not to the campaign fund, but to Mr. Overall's expenses to Washington. The applicant sent the money to Mr. Overall with this distinct understanding with his agent, Mr. May. In other words, Mr. Overall is to deliver the goods or the money is to be refunded by his agent, Mr. May.

If this is not a barter and sale of offices, if this is not trafficking in office, if this is not the use of political influence in securing civil-service positions, then I would be glad to know what it is and what is considered trafficking in public office.

SEVENTH.

Mr. Cottrell then further quotes Mr. Overall in said published article:

"Colonel Overall was entirely ignorant of this (May's writing to these applicants), he says, and when five or six checks came in, ranging from $5 to $25, he simply indorsed them as national committeeman and had them placed to his credit as such, where the funds now are, thinking they were to meet any future amount charged as a deficit and to other expenses, since small sums were coming in at intervals throughout the year."

We thus have the evidence that Mr. Overall accepted this check; that he still holds this and other checks from other applicants for civil-service positions in Tennessee. There has been no refunding of the money, and it is immaterial whether the money was collected for Mr. Overall personally or for his expenses to Washington, or as contributions to the Republican campaign fund. In any event, it is a corrupt transaction, and under no circumstances, I submit, should the Civil Service Commission permit an office, however humble it may be, to go to this man who seems to have had Mr. Overall's indorsement, or to any other man having his indorsement. From a civil-service standpoint, owing to the inhibitions against the use of political influence contained in its rules, the transaction is more corrupt if the money thus obtained was used for political purposes than if it went to Mr. Overall personally.

EIGHTH.

Again quoting from Mr. Cottrell's published article, Mr. Overall is quoted as follows:

"Not until the Dear Dudley letter began to be talked of and had been shown did he know what was going on, and then he immediately notified Mr. May to cease absolutely such requests."

In other words, no question was asked about these checks, no investigation was made by Mr. Overall, though he had talked it over with Mr. May, until the letters became more or less public. It will be recalled that the letters were dated July 5 and 7. In this connection Mr. Overall convicts himself. He says that as soon as he learned that these letters were being sent out by Mr. May to applicants for civil-service positions and checks were coming in in answer to such letters of Mr. May he immediately gave instructions to Mr. May to cease absolutely such requests. If the requests were right, why did he give Mr. May these instructions? If it was right to receive this money, why did he not continue to receive it? If it was right for him to sell his influence in the Ashland City post-office matter or the Chapel Hill rural carrier matter for $10, why isn't it right for him to sell his influence for all other positions of like kind in Tennessee? Evidently Mr. Overall came to the conclusion it was wrong after it had been found out or he would not have directed Mr. May to cease absolutely such requests. Of course he knew it was wrong, and everybody knows it is wrong, and no civil-service office should be disposed of in this way. But it will be noted that while Mr. Overall stopped the practice he did not refund the moneys that had already been collected.

NINTH.

To Mr. Lewis, the correspondent of the Knoxville Sentinel, Mr. Overall said for publication:

"In a few instances I have received contributions from applicants for office which I have invariably applied to the deficit account, these checks having been sent to defray my expense to Washington, and they were likewise applied to the deficit."

It is thus seen that there could be no question about Mr. Overall receiving the money. The checks that passed through the Broadway National Bank of Nashville contain his indorsement, "John W. Overall, N. C." This admission further makes it apparent that the contributions came from applicants for office. Mr. Overall uses these words: "I have received contributions from applicants for office."

Why is Mr. Overall, a member of the National Republican Committee, receiving contributions from civil-service applicants for office? It is perfectly apparent from these statements of Mr. Overall that civil-service appointments in Tennessee are going to the applicants who send the money to him and not as a result of any civil-service examination that may be held under the auspices of the Civil Service Commission down there.

TENTH.

A man by the name of Bond Harmon, of Memphis, Tenn., wanted to be prohibition officer. He went to Mr. C. B. Quinn, of Memphis. Mr. Harmon likewise made a contribution of $10 to the deficit, giving the money to Mr. Quinn. On June 29, 1921, Mr. Harmon received the following letter from Mr. Quinn:

DEAR BOND: I am returning the $10 you gave me for the deficit I am collecting for the national committee and which you so kindly gave me. I can't support you—meaning for prohibition officer—for reasons best known to us both. I appreciate what you have done for me and will reciprocate when I can. Am sorry matters have so shaped.

Yours truly,

C. B. QUINN.

As to this matter the Knoxville Sentinel of August 15, in the article above referred to, quotes Mr. Overall as saying:

"In regard to the Bond Harmon check at Memphis, I know absolutely nothing about it. I am informed that Quinn collected the $10 from Bond Harmon, applying it to his subscription on the deficit fund. Quinn had subscribed $100 to the fund. I said I thought he had been overgenerous and suggested that he collect among his friends money to cut down his subscription, and this check, I understand, was so applied."

So that it seems that Mr. Quinn was doing in Memphis what Mr. May was doing in Nashville, to wit, taking up a collection from applicants for office. In this statement Mr. Overall says that he suggested to Mr. Quinn that he collect among his friends. In Mr. May's case he said he did not know Mr. May was going to do it. Evidently Mr. Overall could not indorse Mr. Harmon, and so the $10 was returned to him.

ELEVENTH.

In July, 1920, a rural-route carrier living at Smithville, Tenn., which is in Dekalb County, was carrying the mail from Watertown, in Wilson County, to Smithville over a tollgate road owned by said John W. Overall. While driving to Smithville the carrier's horse fell through a bridge, and almost killed himself and threw the carrier out of the buggy and lacerated his arm and injured him very greatly, the arm becoming so inflamed that at one time it looked as if it was very serious. The carrier brought suit against Overall for damages, and thereupon Overall sent his agent to the carrier, and this agent told the carrier that if he did not withdraw his suit against Overall that Overall would have the department to discharge him, that he had it within his power to do so. Overall had refused to pay for the horse hire while the horse was laid up and refused to make any reparation. The carrier, being a poor man and dependent upon his carrier's position for a livelihood for himself and family, was compelled to dismiss the suit in order to hold his place. These facts will be substantiated by proof.

TWELFTH.

Complaints have come in to me that he had a nonresident appointed postmaster at Gallatin, Tenn., notwithstanding the fact that there were several excellent Republican applicants for the place who were residents of Gallatin. A mass meeting of citizens generally was held in Gallatin to protest against the appointment of a nonresident postmaster at this place. Complaints have also come from Lewisburg, in Marshall County, where the postmaster was appointed at the instigation of Overall; and also at Waynesboro, in Wayne County, where Mr. Overall's appointee, it was claimed, was under indictment. Also, complaint has been made respecting the appointment of rural carrier at Murfreesboro.

These complaints which I have and will furnish to the committee, for the most part have come from Republicans.

THIRTEENTH.

Prominent Republicans all over the State have openly and in many cases through the newspapers stated that there should be an investigation and the matter sifted to the bottom. Four of the five Republican Congressmen in the State have given out interviews about these letters, in which interviews they have stated that there should be an investigation. Congressman SCOTT made the following statement:

"If what has been reported in the newspapers is true with reference to certain members of the Republican organization in Tennessee, the matter should be immediately investigated. The Republicans of Tennessee can not afford to let conditions of this character go unchallenged. Out of fairness to the accused, I would suggest that the State executive committee should be reconvened and a special committee designated to investigate these charges. If found untrue, the accused should be vindicated, and if found guilty, resignation immediately demanded."

Congressman CLOUSE, of the fourth district, made the following statement:

"The resolution introduced by Senator MCKELLAR was only called to my attention at a late hour last night, and having no knowledge of the facts upon which the charges are predicated, I hesitate to comment thereon further than to say that it is inconceivable to me that anyone connected with the Republican organization of Tennessee would in any wise be influenced in his recommendations of various applicants, and I truly hope that when the facts are all made to appear that this matter will be cleared up to the entire satisfaction of all concerned. Whatever the facts may be, the charge is of such a character as demands a speedy investigation in order that, if false, the accused may be vindicated, and if found to be true, that the Republican Party, with its hundreds and

thousands of active leaders in different parts of the State, may be purged of any complicity in or countenance of such unworthy tactics."

Congressman REECE, of the first district, gave out the following statement:

"I have no formal statement to give out, but I feel that in the interests of the party and its future there should be an investigation of these reports by the proper tribunal. My district is not locally concerned in the situation, but in the interest of the party in Tennessee we can not afford to pass this matter by unnoticed. In fact, the party welfare demands an investigation, and I hope that such will be held at once."

Congressman BROWN, of the third district, stated as follows:

"I have read the resolution introduced in the Senate by Senator MCKELLAR, and some of the newspaper publications. This resolution, of course, has no reference to post offices in the five congressional districts represented in Congress by Republican Congressmen, because Mr. Overall has no connection with the distribution of such patronage in those districts. As I understand, Mr. Overall has been acting as referee and charged with the responsibility of making recommendations with respect to the appointment of postmasters, rural carriers, etc, in the five Democratic congressional districts. It has always been customary for the national committeeman in Tennessee to do this. I can not believe that John Overall has been trading in the post offices or any other kind of offices. John Overall has been many times honored by the Republican Party in Tennessee and has always borne the reputation of an honest man. I am sure that he will welcome an immediate and complete investigation either by the Post Office Committee of the Senate or by the State Republican committee, or any other responsible authority, and I am sure that such an investigation will not disclose any effort by Mr. Overall to compromise his political influence."

In addition, Mr. Overall himself gave out the following statement to the public:

"I have wired to Washington requesting a thorough examination of the charges preferred against me by Senator MCKELLAR and have also requested our State chairman, Mr. Gore, to call the State committee together and to make a thorough examination of the State."

Thus it will be seen that four out of the five Republican Congressmen in Tennessee, and Mr. Overall himself, desire an investigation.

FOURTEENTH.

In closing, I wish further to suggest that the contention made by Mr. May and Mr. Overall that this money was to be used as expense money to Washington is contradicted by the statement of Mr. Overall in his letter of July 7:

"Perhaps, as you know, the department has been referring to me the three having the highest grades, and I am allowed to select one from the three for appointment."

If Mr. Overall has an agreement with the Post Office Department, as he alleges, whereby he selects the one of the three eligibles for appointment, a trip to Washington about these offices is wholly unnecessary and no applicants for office should be required to pay such expense in whole or in part, even under the barter and sale system which is here shown to exist. Mr. Overall could sit in his office at Nashville or in his home at Nashville and select for appointment these civil-service applicants just as well as he could do it in Washington, and perhaps better. Of course, the statement that it is for expense money to Washington is a subterfuge, and the statement that it was to make up a deficit of the national committee is untrue, as shown in the sixth paragraph hereof by the admission of Mr. Overall himself, who says that such deficit had already been paid. But to whomsoever the money was to go, it was a corrupt collection of money, admittedly from applicants for office, and it has never been restored nor have the receivers of the money been punished.

In making these charges, I am simply repeating charges already widely published in my State. I make them in the interest of an honest administration of the civil-service and other laws and in the hope of preventing a further corrupt trafficking in public offices in my own State.

Very sincerely yours,

KENNETH MCKELLAR.

ELECTION OF SENATORS.

Mr. MCKELLAR. I enter a motion to discharge the Committee on Rules from the further consideration of Senate resolution 289, adding to the Standing Rules of the Senate a rule relative to statements of receipts and expenditures of candidates for nomination or election for United States Senator. I understand that the motion will go over under the rule.

The VICE PRESIDENT. The motion will be entered.

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 10 minutes spent in executive session the doors were reopened; and (at 10 o'clock and 15 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Saturday, May 13, 1922, at 11 o'clock a. m.

NOMINATION.

Executive nomination received by the Senate May 12 (legislative day of April 20), 1922.

UNITED STATES MARSHAL.

Thomas J. Kennamer, of Alabama, to be United States marshal, northern district of Alabama, vice Henry A. Skeggs, whose term expires May 18, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 12 (legislative day of April 20), 1922.

MEMBER OF THE FEDERAL FARM LOAN BOARD.

Robert A. Cooper to be a member of the Federal Farm Loan Board.

COMMISSIONER OF FISH AND FISHERIES.

Henry O'Malley to be Commissioner of Fish and Fisheries.

RECEIVER OF PUBLIC MONEYS.

Peter G. Johnston to be receiver of public moneys at Blackfoot, Idaho.

POSTMASTERS.

CALIFORNIA.

William F. Hanell, Patterson.
William E. Edwards, Westmoreland.

FLORIDA.

Thomas Roden, Fort Pierce.
Rhea W. Pherigo, Kissimmee.

IDAHO.

Charles C. Henderson, Kamiah.

ILLINOIS.

Arthur L. Patterson, Grayville.

LOUISIANA.

John A. Moody, Cotton Valley.
Moses Biggs, Grayson.
Maggie E. Jones, Ringgold.

NEW YORK.

G. Frank Van Keuren, Allaben.
Hattie D. Lyon, East Setauket.
Annabel Wood, Hilton.
Anna M. Auch Moedy, Rosendale.
Andrew Wishart, Setauket.

TEXAS.

Hubert L. Ford, Bellevue.
John W. Robbins, Clyde.
William W. Sloan, Falfurrias.
George P. Harden, Groom.
Alice M. Smith, Livingston.
Joe H. Victery, New Willard.
Walter C. Vickers, Omaha.

VIRGINIA.

William D. Austin, Buena Vista.

WASHINGTON.

Frank G. Sanford, Bucoda.
Elva N. Hamilton, Mansfield.

WITHDRAWAL.

Executive nomination withdrawn from the Senate May 12, 1922.

POSTMASTER.

Charles A. Allen to be postmaster at Milaca, in the State of Minnesota.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 12, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. WALSH.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord, God Almighty, we most gratefully acknowledge Thy providence to be as the rock of ages that has withstood the tests and testimonies of time. We bless Thee that the broken "rock" shows us the best way to live, namely, the way of sacrifice and service. Be pleased to direct our President with great wisdom. Be with the entire citizenship of our country, and strengthen it with a growing reverence for law and authority. Bless every life with great peace, and lead us in our deliberations. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

READJUSTMENT OF THE PAY OF THE ARMY, NAVY, ETC.

Mr. MCKENZIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois [Mr. MCKENZIE].

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. KRAUS. Division, Mr. Speaker.

The House divided; and there were—ayes 37, noes 6.

Mr. KRAUS. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Indiana makes the point that there is no quorum present. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. Those in favor of the motion that the House resolve itself into the Committee of the Whole House on the state of the Union will, as their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken, and there were—yeas 265, nays 2, not voting 162, as follows:

YEAS—265.

Ackerman	Fairchild	Larsen, Ga.	Robsion
Almon	Fairfield	Larson, Minn.	Rodenberg
Anderson	Faust	Lawrence	Rogers
Andrew, Mass.	Favrot	Layton	Rose
Andrews, Nebr.	Fenn	Lazaro	Rossdale
Appleby	Fess	Leatherwood	Rouse
Aswell	Fisher	Lee, Ga.	Rucker
Barbour	Fordney	Lehlbach	Sabath
Bell	Foster	Lineberger	Sandlin
Benham	Free	Linthicum	Schall
Bird	Freeman	London	Scott, Mich.
Black	French	Longworth	Scott, Tenn.
Blakeney	Frothingham	Lowrey	Shaw
Bland, Ind.	Fuller	Luce	Shelton
Bland, Va.	Fulmer	Luhring	Sinclair
Bond	Funk	Lyon	Sinnott
Bowers	Gahn	McClintic	Smith, Idaho
Bowling	Gallivan	McCormick	Speaks
Box	Garner	McDuffie	Sproul
Brennan	Garrett, Tenn.	McKenzie	Stafford
Brooks, Ill.	Garrett, Tex.	McLaughlin, Mich.	Steagall
Brown, Tenn.	Gensman	McSwain	Stedman
Browne, Wis.	Gernerd	Madden	Steenerson
Buchanan	Glynn	Magee	Stephens
Bulwinkle	Greene, Vt.	Mapes	Stoll
Burroughs	Griffin	Michener	Strong, Kans.
Burtness	Hadley	Miller	Summers, Wash.
Burton	Hammer	Mills	Sumners, Tex.
Byrnes, S. C.	Hardy, Colo.	Millspaugh	Swank
Byrns, Tenn.	Harrison	Mondell	Tague
Cable	Haugen	Montague	Taylor, N. J.
Campbell, Kans.	Hawes	Montoya	Temple
Cannon	Henry	Moore, Ill.	Ten Eyck
Cantrill	Herrick	Moore, Va.	Thomas
Carew	Hersey	Moores, Ind.	Thompson
Carter	Hickey	Mott	Tillman
Chalmers	Hill	Murphy	Timberlake
Chandler, N. Y.	Himes	Nelson, Me.	Tincher
Chandler, Okla.	Hoch	Nelson, A. P.	Tinkham
Chindblom	Hogan	Newton, Minn.	Towner
Christopherson	Hooker	Norton	Tucker
Clague	Hukriede	Ogden	Tyson
Clarke, N. Y.	Hull	Oldfield	Upshaw
Clouse	Husted	Oliver	Vaile
Codd	Hutchinson	Olpp	Vestal
Cole, Iowa	Jacoway	Overstreet	Vinson
Cole, Ohio	Jefferis, Nebr.	Padgett	Volstead
Collier	Jeffers, Ala.	Paige	Wason
Colton	Johnson, Ky.	Park, Ga.	Watson
Connally, Tex.	Johnson, Miss.	Parker, N. J.	Weaver
Cooper, Ohio	Johnson, Wash.	Parks, Ark.	Webster
Cooper, Wis.	Jones, Tex.	Patterson, Mo.	Wheeler
Crowther	Keller	Pou	White, Kans.
Cullen	Kennedy	Pringey	White, Me.
Dale	Ketcham	Purnell	Williams
Dallinger	Kincheloe	Quin	Williamson
Deal	King	Radcliffe	Wilson
Denison	Kinkaid	Raker	Wise
Doughton	Kirkpatrick	Ramseyer	Woodruff
Dowell	Kissel	Rankin	Woods, Va.
Drewry	Kline, N. Y.	Rayburn	Wright
Dunbar	Kline, Pa.	Reece	Wyant
Dunn	Knutson	Reed, W. Va.	Yates
Dupré	Kraus	Rhodes	Young
Echols	Lampert	Ricketts	
Elliott	Lanham	Roach	
Evans	Lankford	Robertson	

NAYS—2.

Huddleston	Sisson

NOT VOTING—162.

Ansorge	Connolly, Pa.	Gorman	Kleczka
Anthony	Copley	Gould	Knight
Arentz	Coughlin	Graham, Ill.	Kopp
Atkeson	Crago	Graham, Pa.	Kreider
Bacharach	Cramton	Green, Iowa	Kunz
Bankhead	Crisp	Greene, Mass.	Langley
Barkley	Curry	Griest	Lea, Calif.
Beck	Darrow	Hardy, Tex.	Lee, N. Y.
Beedy	Davis, Minn.	Hawley	Little
Begg	Davis, Tenn.	Hayden	Logan
Bixler	Dempsey	Hays	McArthur
Blanton	Dickinson	Hicks	McFadden
Boies	Dominick	Hudspeth	McLaughlin, Nebr.
Brand	Drane	Humphreys	McLaughlin, Pa.
Briggs	Driver	Ireland	McPherson
Britten	Dyer	James	MacGregor
Brooks, Pa.	Edmonds	Johnson, S. Dak.	Maloney
Burdick	Ellis	Jones, Pa.	Mann
Burke	Fields	Kahn	Mansfield
Butler	Fish	Kearns	Martin
Campbell, Pa.	Fitzgerald	Kelley, Mich.	Mead
Clark, Fla.	Focht	Kelly, Pa.	Merritt
Classon	Frear	Kendall	Michaelson
Cockran	Gilbert	Kiess	Moore, Ohio
Collins	Goldsborough	Kindred	Morgan
Connell	Goodykoontz	Kitchin	Morin
Mudd	Ransley	Smith, Mich.	Underhill
Nelson, J. M.	Reavis	Smithwick	Vare
Newton, Mo.	Reber	Snell	Volgt
Nolan	Reed, N. Y.	Snyder	Volk
O'Brien	Riddick	Stevenson	Walters
O'Connor	Riordan	Stiness	Ward, N. Y.
Osborne	Rosenbloom	Strong, Pa.	Ward, N. C.
Parker, N. Y.	Ryan	Sullivan	Wingo
Patterson, N. J.	Sanders, Ind.	Sweet	Winslow
Perkins	Sanders, N. Y.	Swing	Wood, Ind.
Perlman	Sanders, Tex.	Taylor, Ark.	Woodyard
Petersen	Sears	Taylor, Colo.	Wurzbach
Porter	Shreve	Taylor, Tenn.	Zihlman
Rainey, Ala.	Siegel	Tilson	
Rainey, Ill.	Slemp	Treadway	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.
Mr. Dickinson with Mr. Briggs.
Mr. Knight with Mr. Smithwick.
Mr. Bixler with Mr. Goldsborough.
Mr. McArthur with Mr. Bankhead.
Mr. Shreve with Mr. Stevenson.
Mr. Perlman with Mr. Hayden.
Mr. Kleczka with Mr. Davis of Tennessee.
Mr. Connell with Mr. Riordan.
Mr. Smith of Michigan with Mr. O'Brien.
Mr. Boies with Mr. Brand.
Mr. Graham of Pennsylvania with Mr. Fields.
Mr. Stiness with Mr. Humphreys.
Mr. Kearns with Mr. Lea of California.
Mr. Davis of Minnesota with Mr. Dominick.
Mr. Beedy with Mr. Barkley.
Mr. Fitzgerald with Mr. Martin.
Mr. Coughlin with Mr. Driver.
Mr. Patterson of New Jersey with Mr. Wingo.
Mr. Kahn with Mr. Taylor of Colorado.
Mr. Griest with Mr. Kindred.
Mr. Perkins with Mr. Logan.
Mr. Kendall with Mr. Drewry.
Mr. Newton of Missouri with Mr. Crisp.
Mr. Langley with Mr. Clark of Florida.
Mr. Strong of Pennsylvania with Mr. Sullivan.
Mr. Maloney with Mr. Hudspeth.
Mr. Atkeson with Mr. O'Connor.
Mr. Winslow with Mr. Sanders of Texas.
Mr. McPherson with Mr. Kitchin.
Mr. Kiess with Mr. Ward of North Carolina.
Mr. Michaelson with Mr. Hardy of Texas.
Mr. Sanders of New York with Mr. Collins.
Mr. Butler with Mr. Rainey of Illinois.
Mr. Reed of New York with Mr. Gilbert.
Mr. Wurzbach with Mr. Blanton.
Mr. Darrow with Mr. Mead.
Mr. Gorman with Mr. Sears.
Mr. Bacharach with Mr. Taylor of Arkansas.
Mr. Osborne with Mr. Mansfield.
Mr. Siegel with Mr. Kunz.
Mr. Kopp with Mr. Campbell of Pennsylvania.
Mr. Volk with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the purpose of further considering the bill H. R. 10972, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Strike out section 2 and insert in lieu thereof:

"SEC. 2. That any commissioned officer in any of the services mentioned in the title of this act who receive allowances for quarters as provided herein shall not receive any increase of pay for sea duty."

Mr. STAFFORD. Mr. Chairman, under existing law persons connected with the Navy and the Coast Guard Service are en-

titled to 10 per cent additional pay while on sea duty. There is no additional pay allowed under existing law, so far as the Army is concerned, for field duty. The section reported by the committee attempts to reduce the pay for sea duty from 10 per cent to 5 per cent. The amendment that I propose is to eliminate entirely any pay for sea duty.

Under existing law commissioned officers connected with the Navy and the Coast Guard Service receive no allowance for quarters. In this bill they receive allowance in addition to the $1,000 or more of increased pay—allowances ranging from the lowest grade, period 1, of $480 a year to $1,500 in some instances. We are giving that increased allowance for quarters to the Navy and to the Coast Guard Service, which they do not have to-day.

We are also giving them additional allowance for rations, amounting to several hundred dollars a year. Now, this provision for field duty in the Army is absolutely unworkable, and if you increase the pay, as you do or are doing in committee, not only the base pay, amounting in many instances to several thousand dollars, but adding to that allowances for quarters ranging from $480 to $1,500, why should you increase their pay still more under the guise of sea and field duty? In the Postal Service, when you send men out in the Railway Mail Service you do not give them any additional pay for being away from their homes on field duty. In the inspectors' service you do not provide anything additional to them for doing their duty away from their offices. The place of duty for the Coast Guard and for the Navy is on the sea. Seventy or eighty per cent of the officers connected with the Navy perform their duty at sea.

Now, let us be a little reasonable. If by this act we are increasing the base pay of all these Coast Guard officers and naval officers several hundred dollars, and in some instances several thousand dollars, and adding to that allowances for quarters in varying amounts running from $480, the lowest, up to $1,500, which is going pretty far, why should the committee attempt to graft on the military service an extra percentage of pay for field duty when in war commissioned officers get an additional rating? When that emergency comes we can provide for that just as we did in the late war.

Mr. SCOTT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SCOTT of Michigan. Under what condition does the Coast Guard get the additional allowance?

Mr. STAFFORD. I have taken the authority of those who have stated it on the floor that section 1571 is broad enough to cover that.

Mr. SCOTT of Michigan. I understand, if the gentleman will permit, that the ruling of the comptroller was to the effect that the Coast Guard might come under that, but I have never known of an instance where the Coast Guard came in under it.

Mr. STAFFORD. I am glad the gentleman called that to my attention. We are giving the Coast Guard a higher increased pay than any other branch of the service, and yet it is proposed here to add to the pay of naval officers for sea duty a million dollars additional. The expense for quarters alone will run into several million dollars in allowances to naval officers.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes longer in order to answer questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. McKENZIE. Mr. Chairman, I would like to ask the gentleman from Wisconsin a question.

Mr. STAFFORD. I will be glad to answer.

Mr. McKENZIE. Of course, the gentleman heard my statement in connection with this question yesterday?

Mr. STAFFORD. Yes.

Mr. McKENZIE. I want to ask the gentleman if in his amendment he does not provide that naval officers at sea, not receiving commutation allowance, may have the right to draw 5 per cent sea duty?

Mr. STAFFORD. Yes. I understand that there is no person under this bill at sea or at home who will not receive commutation of quarters.

Mr. McKENZIE. One moment. I do not understand that it is the gentleman's purpose to add to this bill expenses which we do not incur. This bill provides that officers at sea without dependents shall not receive commutation of quarters.

Mr. STAFFORD. I beg the gentleman's pardon. Every person, whether he has dependents or not, gets commutation of quarters, both at sea and at home. I thought the gentleman was acquainted with his own bill. Section 6 provides for an allowance for quarters to every person; and every person, whether he has a dependent or not, receives the minimum allowance of two rooms, at $20 per month each, or $40, namely, $480 a year. Will the gentleman dispute that?

Mr. BYRNES of South Carolina. Yes. If I understand the gentleman correctly, and if he will read to the end of the section, he will see the language "but no rental allowance shall be made to any officer without dependents by reason of his employment on field or sea duty."

Mr. STAFFORD. I notice that provision, yes; and I have that marked for elimination. [Laughter.]

Mr. BYRNES of South Carolina. I am glad the gentleman has it marked. That provision as I read it is a saving clause only, so that no additional allowance for quarters will be granted him if he has no dependents by reason of his sea duty.

Mr. STAFFORD. We are seeking by the proposed amendment to prevent any increase of pay being granted to any commissioned officer in the service who is receiving an allowance for quarters. Grant what the gentleman says is true. Nevertheless, does the committee contend that in addition to allowing them from $480 to $1,500 for quarters we are to add to that 5 per cent for pay?

It is true that I should have preferred the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE] yesterday evening, but with the few Members here, it was not given that consideration which should have been given to it. I have drafted it in this form. If it is adopted you may rest assured it will be in the proper form, so that no one shall get sea-duty pay who gets an allowance for quarters.

Mr. EVANS. What does the gentleman propose to do as to field duty?

Mr. STAFFORD. It eliminates field duty altogether. The members of the Army never receive anything for field duty.

Mr. EVANS. Does the gentleman's amendment cure the difficulty?

Mr. STAFFORD. Yes; it eliminates it entirely.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MONDELL. Mr. Chairman, there is very considerable doubt as to the advisability of a provision under which the Army is to receive an increase of 5 per cent for what is called field duty. It seems to me rather questionable as a matter of principle and quite impossible as a matter of administration. I think it would be very difficult, indeed, to draw any regulation under the provisions of this section for that class of duty. The bill provides that field duty shall be defined for the purposes of this act as "service in mobilization." Well, such services might be very temporary.

Concentration.

I do not know just what that includes. It might be a service of a few days, whatever concentration is.

Instruction.

Many officers, including retired officers, are engaged in the work of instruction in educational instructions. Are they entitled to field pay, 5 per cent? Undoubtedly they would be under this language.

Service in campaigns.

Of course, if there is to be any field pay, that is the condition under which it would be justified—service in campaign. But it covers also service—

In simulated campaign or on the march.

An organization leaves a post for a two, or three, or four, or five, or six day practice march, or it may from its post engage in a simulated campaign. Just when does the field pay begin and when does it end? It strikes me that unless the committee has it very clearly in mind how this provision shall be administered, and can make that very plain, we should be very slow in adopting a provision of this kind. This is entirely new, and not urged by the Army, as I understand, but for the purpose of equalizing, it is said.

Mr. McKENZIE. Equalizing upward.

Mr. MONDELL. We always equalize upward, never equalize downward. It is said it is for the purpose of equalizing conditions between the Army and the Navy. Now, I do not know enough about naval service to have a very clear idea as to whether the Navy should in time of peace have 5 per cent or any per cent extra for sea duty. I am very glad to listen to any argument gentlemen can make, but as the matter now appeals to me I do believe this provision for 5 per cent additional field pay for the Army is not only very questionable as a matter of

policy, but I believe it is absolutely unworkable as a matter of practice and administration.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Vermont.

Mr. GREENE of Vermont. I quite agree with what the gentleman has said, and I understand that the Army never solicited this thing, but that it has been put in here in an attempt to equalize between the two services. But let us go back of that. Why would it not be the right idea to strike both out? Why should not a sailor go to sea?

Mr. MONDELL. That is his business.

Mr. GREENE of Vermont. A sailor should go to sea, just the same as a soldier should go into the field. That is his business. Why can we not equalize as between the two services by striking both out?

Mr. MILLS. I think the gentleman from Vermont is right.

Mr. MONDELL. I want to make clear my attitude in regard to this bill. We must have legislation on this subject. I desire to support the committee, but I think it is incumbent upon the committee to prove the wisdom of every provision in their bill. I think this is of very doubtful wisdom.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield to me?

Mr. MONDELL. If I have the time.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw my amendment and submit in lieu thereof the following, which will obviate all question as to the condition called to my attention by the gentleman from South Carolina [Mr. BYRNES]. I propose as a modification of my amendment to strike out section 2 and in lieu thereof insert the following:

SEC. 2. That no commissioned officer, while on field or sea duty, shall receive any increase of his base pay by reason of such duty.

Mr. MONDELL. Will the gentleman yield? Is that substitute necessary?

Mr. GREENE of Vermont. That is just what I was going to ask.

Mr. STAFFORD. Yes; because under existing law naval officers receive 10 per cent additional for sea duty, and there must be some positive enactment of law in order to rescind that legislative provision.

Mr. OLIVER. Mr. Chairman, let the amendment offered by the gentleman from Wisconsin be reported.

The CHAIRMAN. The Clerk will report the proposed modification.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out section 2 and insert in lieu thereof the following:

"SEC. 2. That no commissioned officer, while on field or sea duty, shall receive any increase of his base pay by reason of such duty."

The CHAIRMAN. Is there objection to the gentleman modifying his amendment?

Mr. PADGETT. Mr. Chairman, I do not desire to lose the right to make a point of order against the amendment.

Mr. STAFFORD. What is the point of order?

Mr. PADGETT. That it is substantially what was voted down yesterday evening under the Bulwinkle amendment.

The CHAIRMAN. The question is, Is there objection to the gentleman modifying his amendment?

Mr. PADGETT. If I make no objection to the modification, does that preclude me from making my point of order?

The CHAIRMAN. It does not.

Mr. PADGETT. All right.

The CHAIRMAN. Is there objection to the requested modification?

There was no objection.

Mr. PADGETT. Now, I make my point of order that this is substantially the same amendment that was voted down yesterday evening.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] makes the point of order that the amendment as now modified is the same amendment in substance that was voted down yesterday.

Mr. STAFFORD. If there is any modification, as I take it, it is not for the Chair to pass upon the effect of the amendment. It has been ruled frequently that if there is any change in the phraseology of the amendment, that is sufficient to make it in order.

Mr. OLIVER. The amendment that the gentleman has offered would be absolutely meaningless, for the reason that you have no existing law that gives——

The CHAIRMAN. The question is on the point of order.

Mr. MONDELL. I move, as a substitute for the amendment of the gentleman from Wisconsin, to strike out the paragraph.

Mr. BYRNES of South Carolina. I make the point of order that that is the same amendment.

The CHAIRMAN. If no gentlemen desires to be heard, the Chair will rule on the point of order.

The objection of the gentleman from Tennessee [Mr. PADGETT] is to the amendment to his amendment offered by the gentleman from Wisconsin. In the judgment of the Chair the point of order is not well taken. It is not in substance or in form like the one decided yesterday.

Mr. MONDELL. Mr. Chairman, I have offered a substitute to strike out the section, and I understand the gentleman from South Carolina has made a point of order.

Mr. BYRNES of South Carolina. I did; that it is the same amendment that was considered and voted upon yesterday afternoon.

Mr. MONDELL. Mr. Chairman, I was not present when the amendment was debated last evening, and so I am not informed as to the parliamentary situation.

The CHAIRMAN. The Chair is informed that there was no motion to simply strike out the section; the motion was to strike out the section and insert, so that point of order is not well taken.

Mr. MONDELL. The point of order is overruled?

The CHAIRMAN. Yes.

Mr. MONDELL. Mr. Chairman, I do not desire to take up the time of the committee, but it does seem to me very clear that the provisions of this section are questionable, of doubtful wisdom and propriety. I think they should go out.

Mr. McKENZIE. Mr. Chairman, I wish simply to state that the committee in writing this section was trying to do what we believed the fair thing to both services. We put them on a parity; we cut down sea pay by 50 per cent. If it is the judgment of the House that this section should be eliminated from the bill, that is one thing. It would be logical to strike it out; but it is illogical and inconsistent to undertake to discriminate, as does the amendment of the gentleman from Wisconsin.

Mr. KING. What does the gentleman want?

Mr. McKENZIE. I am for the bill.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BYRNES of South Carolina. If the amendment of the gentleman from Wyoming should carry, the existing law will prevail.

Mr. McKENZIE. Certainly; and that is 10 per cent sea pay.

Mr. KNUTSON. I would like to ask the gentleman from Illinois a question.

Mr. McKENZIE. I yield.

Mr. KNUTSON. Did the committee give careful consideration to this particular phase of the bill?

Mr. McKENZIE. We certainly did.

Mr. KNUTSON. That is good enough for me.

Mr. MONDELL. The committee has admitted that no one asked for this provision so far as the Army is concerned, and the reading of the paragraph itself makes it very clear that it would be utterly impossible to administer it. There is no question about that.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. NEWTON of Minnesota. As I understand, the committee provides for 5 per cent increase in pay for field service and does away with the 10 per cent additional pay for foreign service and sea service.

Mr. McKENZIE. Yes.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. GREENE of Vermont. If you are going to take away from the Army officer something you have not given him yet—the 5 per cent—why do you insist that the naval officer shall keep it? Where is the fairness in it? Both men are supposed to go into the service for the sake of performing their duty, and when one goes to sea and the other goes into the field one gets something for it and the other does not.

The CHAIRMAN. The question is on the modified amendment of the gentleman from Wisconsin.

Mr. STAFFORD. May we have it again reported.

The CHAIRMAN. Without objection, the Clerk will read the amendment.

The amendment was again read.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word. It seems to me that the amendment offered by the gentleman from Wisconsin ought to prevail. It seems to me that no commissioned officer ought to receive this additional pay. If the amendment offered by the gentleman from Wyoming should prevail, it would leave on the books a provision by which the officers of the Navy would re-

ceive additional pay of 10 per cent for duty at sea. If the amendment offered by the gentleman from Wisconsin prevails, it will wipe from the books that provision allowing a naval officer extra pay. I do not see why any naval officer or land officer should receive extra pay for doing his plain duty—for doing the very things he enlisted to do and that he is commissioned to do. [Applause.] This bill provides for additional pay for field duty, and it names a number of things that shall constitute field duty, every one of which is a duty that these officers should perform even in peace times. In time of peace there should be no extra pay for these ordinary duties. If he is not to do these things, for God's sake what is he to do? Absolutely nothing. We propose by this bill to give him extra pay for doing the plain simple thing that he has enlisted to do. [Applause.]

Mr. MONDELL. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. MONDELL. I have no objection to the adoption of the amendment of the gentleman from Wisconsin. My only reason for offering the substitute was that personally I am not sufficiently clear as to the wisdom in regard to the sea pay. But that is a matter that can be considered later. Certainly there should be no such thing as field pay.

Mr. McLAUGHLIN of Michigan. I am willing to receive information, but, as it appears to me, I can see no reason for giving officers extra pay for doing their duty. Why should not naval officers go to sea? What are they commissioned for? To sit around the clubs in Washington; to sit in the barracks and quarters? What is a naval officer expected to do?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McKENZIE. Mr. Chairman, I ask for a vote.

Mr. OLIVER. Mr. Chairman, I ask for recognition for two minutes.

Mr. PADGETT. Mr. Chairman, I ask for recognition in opposition to the motion of the gentleman from Michigan [Mr. McLAUGHLIN].

The CHAIRMAN. The Chair will recognize the gentleman from Alabama.

Mr. OLIVER. Mr. Chairman, I want to call the attention of the gentleman from Wisconsin [Mr. STAFFORD] to the fact that his amendment as drawn does not accomplish the purpose he has in mind. In other words, no naval officer, under existing law, is now entitled to any increase in base pay by reason of sea service. He is now entitled to 10 per cent on his longevity and base pay for sea service, but this 10 per cent is not a part of his pay, either base or longevity, but is additional compensation, the term "compensation" being an inclusive word embracing all pay and allowances. Pay is one thing in naval law and compensation another, and in the drafting of the gentleman's amendment he has overlooked the fact that he is dealing with a technical subject; and what he should do, if he wishes to accomplish his purpose, is to provide that it shall not operate to increase pay or compensation. Then he will have covered the subject.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to again modify my amendment by striking out the word "base" and, after the word "pay," inserting the words "or compensation."

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to again modify his amendment in the manner in which the Clerk will report. Is there objection to the proposed modification? [After a pause.] The Chair hears none.

Mr. KING. Mr. Chairman, may we have it now reported.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Modified amendment by Mr. STAFFORD: Page 7, line 4, strike out section 2 and insert in lieu thereof the following:

"SEC. 2. That no commissioned officer while on field or sea duty shall receive any increase of his pay or compensation by reason of such duty."

Mr. PADGETT. Mr. Chairman, I rise in opposition to the amendment. I hope that the amendment will not prevail. For many years there has been the sea pay of officers, recognizing that there is an equity, a justice in allowing a little more pay to an officer at sea than on shore. That applies to the marines, to the Navy, to the Coast Guard. It is 10 per cent at the present time. In making the general adjustments the committee in apportioning and adjusting these different changes and rates which they have made in the bill reduced this from 10 per cent to 5 per cent. It is fair and just that it should go as it is now to the Navy, the Marine Corps, and the Coast Guard. If there is objection to its going to the Army, the whole proposition should not be killed and this injustice done to these three services that are required to leave home, to shift from place to place, from time to time, and have additional expense piled upon them because the committee, in a sense of justice and equity, have attempted to assimilate the Army to the conditions of the Navy, the Marine Corps, and the Coast Guard. I hope the amendment, in all justice and fairness, will be voted down.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. GRIFFIN. Is the gentleman aware that the officers of the Navy are now getting commutation of quarters, which amounts in certain cases to over $1,000 a year, that they never got before?

Mr. PADGETT. That depends on where they are getting it, and who. There are some who do not get it.

The CHAIRMAN. The question is on the amendment as modified offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. PADGETT) there were—ayes 73, noes 44.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read.

Mr. WALSH (interrupting the reading). Mr. Chairman, there is a motion pending to strike out the paragraph.

Mr. MONDELL. Mr. Chairman, I withdraw that motion.

Mr. WALSH. I object to its being withdrawn.

The CHAIRMAN (Mr. FESS). The amendment agreed to was in the nature of a substitute, and, therefore the motion to strike out has no effect.

Mr. WALSH. The amendment which was agreed to was a perfecting amendment. It struck out the text and inserted some new text, and there was pending at the time that that was voted upon a motion to strike out the entire section.

The CHAIRMAN. A motion to strike out a paragraph being pending and the paragraph then being perfected by an amendment in the nature of a substitute, a motion to strike out necessarily follows. That precedent is to be found in 5792, Hinds' Precedents.

Mr. MONDELL. Mr. Chairman, I am willing to withdraw the substitute, because I am satisfied with the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That when officers of the National Guard or of the reserve forces of any of the services mentioned in the title of this act are authorized by law to receive Federal pay, those serving in grades corresponding to those of colonel, lieutenant colonel, major, captain, first lieutenant, and second lieutenant of the Army shall receive the pay of the sixth, fifth, fourth, third, second, and first periods, respectively. In computing the increase of pay for each period of three years' service, such officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of this act, or in the National Guard, or in the Organized Militia prior to July 1, 1916, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force or Marine Corps Reserve Force, when confirmed in grade and qualified for all general service, with full time for all periods during which they have performed active duty under reserve commissions, and with one-half time for all other periods during which they have held reserve commissions.

Mr. GREENE of Vermont. I think, Mr. Chairman, it is only fair to say that the earnestness of the gentleman from Mississippi has caused him to overlook a few facts. The fact is that in the present constitution of the Regular Army men have not been retained in their war-time rank; nothing of the kind whatever. It was specifically provided in the war-time legislation that whatever temporary rank was given to officers of the Regular Army because of their increased command during the period of the war, they should upon the arrival of peace revert to their old status and files in the Regular Establishment. And everyone of them did.

Mr. SISSON. The gentleman does not contend that these officers got no promotion in the war?

Mr. GREENE of Vermont. I do not know anything about the indirect causations of the war any more than I can figure out what the mathematics of war may be as to the question of high prices. I say, as a matter of law, the law did not give any permanent advance in commission.

Mr. SISSON. For example, you take the second lieutenants, and there are only 77 in this whole Army.

Mr. GREENE of Vermont. The answer to that is as simple as A B C. In 1920 we passed in this Congress the Army reorganization act, which increased the commissioned personnel of the United States Regular Army at least double, or very nearly double. And there were 5,000 or 6,000 or 7,000 vacancies to fill, and it was provided in that Army reorganization act that at least 50 per cent of those vacancies should go to the emergency officers of the World War, and that the remaining 50 per cent should be taken by the officers of the regular service already in the Army. There were advancements and promo-

tions, and that leads to the very thing I want to speak of in behalf of this bill.

These advancements and promotions came after the war as a result of the increase of the commissioned personnel of the Army and do not relate to the war at all. It was specifically laid down in all war-time legislation that no matter what the temporary rank or promotion any officer of the Regular Army got during the war, he must at the close revert to his old status in the files, and he did. What promotion he got was because of the Army reorganization act. If you had had this bill in operation when the Army reorganization act went into effect, these men whose increases in salaries you are talking about as being too much, considering their years and length of service, would never have received those raises, because it is one of the fundamentals of this bill that mere promotion and grade in the Army do not increase the pay, but there must go with it longevity of service, so that officers must earn that increase in pay as well as the increase in grade. That is where the contrast is. You would have saved millions of dollars if this very law had been in effect then.

What is the effect of it? Under this law, if a man gets an advanced grade through accelerated promotion before he has had sufficient length of service, he will not thereby get his pay increased, but must wait until his service in years has brought him into a higher-pay grade. On the other hand, in cases of long-continued service without promotion, if the policy of this Congress in years to come should be that we would diminish the Army, for instance, it would mean that good men, getting along 35 or 40 years of age, who had gotten no further than the captaincy, and who might never be promoted through the remainder of their service, would get an increase in pay for longevity which is reasonable and just. Everybody will concede it. There is the explanation of the whole thing. It works both ways.

If we had had this law in operation two years ago we would have saved money, and there would not have been all this talk about the acceleration of promotion and the raid upon the Treasury that came from it.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. GREENE of Vermont. Mr. Chairman, may I have three minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GREENE of Vermont. I think, gentlemen, if you will permit me to say it in all frankness—because, after all, I think it is simply a reminder; you intended to do it, and will do it—we ought to look at this matter of pay of the Army as a purely impersonal one, and regard the Army as a purely impersonal permanent institution. We are not simply providing pay here for men whom we personally identify as having recently received accelerated promotions. We are not by this bill simply passing out money to some fellow of whom we say he has got his pay raised too fast and ought not to have any more now. We are providing for the men in the service now and for the generations of unknown men who are to follow them. If it does so happen that a few of these young men have, by reason of accelerated promotion, which was brought about by the increase of the Army by reason of the enactment of the Army reorganization act, got into grades and pay that are beyond their years, you may take it as a certainty that from that very fact they will stay in their grades in what is called "a hump" in the service for many years to come, without rapid promotion hereafter.

The very fact that they started out with rapid promotion means, in accordance with any actuary's tables, that they will remain for a long time in suspense in the grades they are in now. So that this question is not that of paying some men whom we now identify as having been too rapidly promoted, but it is laying down a basis of pay for the Army as an institution, so that when these men pass out one by one the flow of their successors will be compensated on a reasonable and just basis, and it will prevent our having the perhaps unusual and unfair allotment of pay in some instances, judging by years of service, that is now possible under existing law.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. Yes.

Mr. KING. I am very glad to hear this explanation of the gentleman. Then we shall have some officers of the same grade receiving different amounts of pay for doing the same service.

Mr. GREENE of Vermont. If the gentleman will consult the philosophy of the bill he will find——

Mr. KING. I have consulted the bill, but not the philosophy.

Mr. GREENE of Vermont. Let me pose, then, for a moment as a philosopher. [Laughter.] The theory is that it is not mere grade that determines pay. In fact, the grade may not determine the pay at all if a man lacks years of service for the change in the pay period. So that when one man may be at the foot of the majors and the other at the top, they are both majors, but they have a different degree of longevity of service, and they get pay accordingly. [Applause.]

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. BLAND of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BLAND of Indiana offers the following amendment as a new section: "That all persons who have entered the Regular Army as commissioned officers shall be entitled to compute 50 per cent of their commissioned service in the National Guard and Organized Militia, whether in State or Federal service, or both, for longevity pay."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order, or make a point of order, whichever the gentleman would like me to do.

Mr. BLAND of Indiana. I would like the gentleman to reserve the point of order.

Mr. STAFFORD. Very well.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, a message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On March 26, 1922:

H. R. 10559. An act making appropriations for the Departments of Commerce and Labor for the fiscal year ending June 30, 1923, and for other purposes.

On March 31, 1922:

H. R. 9606. An act to authorize the Secretary of the Interior to extend the time for payment of charges due on reclamation projects, and for other purposes.

On April 1, 1922:

H. J. Res. 263. Joint resolution authorizing the purchase of land for cemeteries for American military dead in Europe and the improvement thereof.

On April 6, 1922:

H. R. 9979. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

H. J. Res. 282. Joint resolution to authorize the Secretary of War to incur obligations for construction and maintenance of roads, bridges, and trails in Alaska, said obligations to be paid from the appropriation for the fiscal year ending June 30, 1922; and

H. R. 9633. An act to extend the provisions of section 2305, Revised Statutes, and of the act of September 29, 1919, to those discharged from the military or naval service of the United States and subsequently awarded compensation or treated for wounds received or disability incurred in line of duty.

On April 7, 1922:

H. R. 8815. An act to amend the act of March 1, 1921 (41 Stat. 1202), entitled "An act to authorize certain homestead settlers or entrymen who entered the military or naval service of the United States during the war with Germany to make final proof of their entries"; and

H. J. Res. 257. Joint resolution to appoint a commission for the exchange of sites for a post-office and courthouse building at New York, N. Y., between the Federal Government and the officials of the city of New York;

H. R. 9604. An act for the acquisition of a post-office site at Madison, Wis.; and

H. R. 10297. An act to extend the limitations of time upon the issuance of medals of honor, distinguished service crosses, and distinguished service medals to persons who served in the Army of the United States during the World War.

On April 11, 1922:

H. R. 2558. An act for the relief of Richard P. McCullough;

H. R. 7870. An act for the relief of I. C. Johnson, jr.; and

H. R. 8832. An act to provide for the exchange of certain lands of the United States in the Tahoe National Forest, Calif., for lands owned by William Kent.

On April 14, 1922:

H. J. Res. 7. Joint resolution to amend section 2 of the joint resolution entitled "Joint resolution to authorize the opera-

tion of Government-owned radio stations for the use of the general public, and for other purposes," approved June 5, 1920.

On April 15, 1922:

H. J. Res. 249. Joint resolution authorizing the Secretary of the Interior to donate and grant certain buildings in Alaska to the Woman's Home Missionary Society of the Methodist Episcopal Church.

On April 20, 1922:

H. R. 10864. An act to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide for the construction of additional hospital facilities and to provide medical, surgical, and hospital services and supplies for persons who served in the World War, the Spanish-American War, the Philippine insurrection, and the Boxer rebellion, and are patients of the United States Veterans' Bureau.

On April 21, 1922:

H. R. 10429. An act authorizing the Comptroller General of the United States to allow credits to and relieve certain disbursing officers of the War and Navy Departments in the settlement of certain accounts;

H. R. 2556. An act to advance Maj. Benjamin S. Berry to the permanent rank of major;

H. R. 7589. An act for the relief of Maj. Ellis B. Miller; and

H. J. Res. 309. Joint resolution appropriating $1,000,000 for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission.

On April 25, 1922:

H. J. Res. 274. Joint resolution authorizing the commissioning in the Marine Corps of midshipmen under certain conditions;

H. R. 7234. An act for the relief of Miles Swift;

H. R. 8460. An act to authorize the occupation and use of certain lands in Alaska by Ketchikan Post, No. 3, American Legion, and for other purposes;

H. R. 9710. An act authorizing extensions of time for the payment of purchase money due under certain homestead entries and Government-land purchases within the former Cheyenne River and Standing Rock Indian Reservations, N. Dak. and S. Dak.; and

H. R. 927. An act for the relief of Capt. Fred S. Johnston.

On April 26, 1922:

H. R. 2004. An act for the relief of Frank Ferrin;

H. R. 3057. An act for the relief of George Van Derburgh Brown;

H. R. 3270. An act for the relief of Estella Barnett; and

H. R. 8342. An act to empower the Attorney General of the United States to fix the compensation of clerks of the United States district courts.

On April 28, 1922:

H. J. Res. 57. Joint resolution making the provisions of section 2296 of the United States Revised Statutes applicable to all entries made under the homestead laws and laws supplemental and amendatory thereof;

H. R. 1009. An act for the relief of H. C. Mullins, his wife, and minor children;

H. R. 2393. An act to provide for the establishment on the Mississippi River of a fish-rescue station, to be under the direction of the Bureau of Fisheries of the Department of Commerce;

H. R. 3346. An act for the relief of the heirs of Oscar Chrysler;

H. R. 5762. An act providing for a municipal park for the city of Butte, Mont.;

H. R. 5820. An act to place Albert Hamilton on the retired list of the United States Marine Corps;

H. R. 6686. An act for the relief of George Ciszek and Anna Ciszek; and

H. R. 7415. An act to correct and amend the service and military record of Herbert Langley, United States Marine Corps.

On April 29, 1922:

H. R. 10740. An act authorizing the use of special canceling stamps in certain post offices; and

H. R. 5588. An act to repeal section 5 of an act entitled "An act to establish the Lassen Volcanic National Park in the Sierra Nevada Mountains, in the State of California, and for other purposes," approved August 9, 1916.

On May 1, 1922:

H. R. 9671. An act to amend section 87 of the Judicial Code; and

H. R. 8690. An act to add a certain tract of land on the island of Hawaii to the Hawaii National Park.

On May 2, 1922:

H. R. 7272. An act for the relief of Monroe B. Shealy; and

H. J. Res. 319. Joint resolution making available funds for preserving and protecting, in the present flood emergency, the levees on the Mississippi River, its tributaries and outlets, not under the jurisdiction of the Mississippi River Commission.

On May 3, 1922:

H. R. 2158. An act to provide for the monthly payment of pensions.

On May 6, 1922:

H. R. 10240. An act to extend the time for the construction of a bridge across the Savannah River near Halleys Ferry and between the counties of Anderson, S. C., and Hart, Ga.; and

H. R. 10407. An act authorizing the counties of Jasper, S. C., and Chatham, Ga., to construct a bridge across the Savannah River at or near Savannah, Ga.

On May 8, 1922:

H. R. 10007. An act for the relief of certain persons to whom, or their predecessors, patents were issued to public lands in the State of Minnesota under an erroneous survey made in 1876.

On May 11, 1922:

H. R. 10730. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11547. An act making an appropriation for additional hospital facilities for patients of the United States Veterans' Bureau;

H. R. 10941. An act authorizing the Postmaster General to grant permission to use special canceling stamps or postmarking dies; and

H. J. Res. 268. Joint resolution extending the operation of the immigration act of May 19, 1921.

READJUSTMENT OF THE PAY OF THE ARMY, NAVY, ETC.

The committee resumed its session.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. BLAND of Indiana. Mr. Chairman and gentlemen, I am convinced that in determining the service upon which to base the pay of a Regular Army officer several different kinds of experience should count. I understand that you compute the service of the West Point graduate. There are something like 400 men, officers, to-day in the Regular Army that were officers of the National Guard. These men necessarily are hand picked. They had to stand the test. You men who were here in Congress during the war will understand that there was a very decided sentiment over this country to the effect that the National Guard officers were being discriminated against and that the test made for them was of the hardest. Be that as it may, they have stood the test, and they are in the service by virtue of their efficiency.

Do you mean to contend that 20 years of service in drilling a company, in keeping the boys together and interested in the service, in intimately learning to know the soldier and his life, and in caring for him and getting him ready for the great conflict that came upon us suddenly—do you mean to say that that service does not qualify him as an officer of the United States Army? And if it does, and if a man is given pay on account of length of service, why should you not give him credit for his service in the National Guard when you give him credit for his service in the Regular Army? To deny that credit is to do him wrong.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. In a moment. Now, it is true that the officer of the National Guard was not in actual training duty all the time. But while he only drilled twice a week, his mind was constantly with his company and his heart was constantly with it, and it was his guidance that made it possible for the National Guard to be ready when this war came on to furnish the Rainbow Division to the Allies.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. I promised to yield first to the gentleman from Massachusetts.

Mr. WALSH. Do you compute this service and duty as a state of mind or active duty?

Mr. BLAND of Indiana. It was active duty as well as a state of mind, if you wish so to characterize it. It was active duty on the part of the National Guard officer in drilling his company and there were a lot of other duties aside from the mere drilling of his company. That service was given before the war, and it is given now. [Applause.]

You say we ought to give a Regular Army officer more pay on account of his length of service. Do you mean to say that the National Guard is not entitled to a similar kind of consideration when it comes to a matter of pay? You say he was serving the State. Well, if he was serving the State the Government should not complain. That service and experience is now

given to the Government. If that special and unselfish experience goes to the Government we ought to be proud of it and not discriminate against him on account of it.

Mr. LINEBERGER. Will the gentleman yield now?

Mr. BLAND of Indiana. Yes.

Mr. LINEBERGER. Is it not a fact, as was stated here yesterday, that the average term affecting all these officers is less than three years—two years and a half—and is it not a fact that many of these National Guard officers served on the border for as much as two years?

Mr. BLAND of Indiana. I think that is true.

Mr. LINEBERGER. That service was just as active as any Regular Army service, and most of the men affected were picked from among the officers who had had the most experience with troops.

Mr. BLAND of Indiana. As it is now, gentlemen, you are going to be charged with having written this bill at the behest of the Regular Army West Point officers, and I will tell you that you ought at least to show some sympathy for the man who voluntarily, without being bound by any shackles, has been serving his country and State. And surely in making a proper and just pay for our Army officers, the man who has not been drawing a salary, who has not been hooked up with the Government, the man who put his heart into the work voluntarily, the man who has given the best that is in him to the service, ought to be taken care of also. When the Government picks him out as a Regular Army officer and retains him, those who make the selection know that they are getting good record of service and a good service. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINEBERGER. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that the time of the gentleman from Indiana be extended five minutes. Is there objection?

There was no objection.

Mr. GREENE of Vermont. When the gentleman praises the National Guard officers, we all join him in that praise.

Mr. BLAND of Indiana. You are willing to praise them but you are not willing to help them when the time comes to do so.

Mr. GREENE of Vermont. I want you to find some standard by which you can judge a National Guard officer. The words "National Guard" do not mean all that they imply. Some of the National Guard is not national, and some of it is not a guard in some States. You know it and I know it, and that is one of the troubles; because where are you going to get an absolute standard by which you shall compute and compare the service of one National Guard officer with that of another?

Mr. BLAND of Indiana. Those who compute the service of the National Guard officer and give him credit for 50 per cent of it will have no trouble in determining what is service and what is not.

Mr. GREENE of Vermont. You have got to do it under a general law.

Mr. BLAND of Indiana. I have little doubt that in case of doubt, the doubt will be resolved against him.

Mr. GREENE of Vermont. Would you call service in some inside office job, which under the national defense act is given a commission, comparable with service with troops of the line?

Mr. BLAND of Indiana. I would no more want to pass on the technical details of what is National Guard service than I would want to pass upon what is certain kinds of service of a Regular Army officer under certain provisions of this bill.

Mr. GREENE of Vermont. But the Regular Army officer is in constant employment, night and day. It is his job. The National Guard officer serves a few days at a time. Where will you get your standard? We must enact the standard into law.

Mr. BLAND of Indiana. It is not difficult to tell whether a man is or is not an officer in the National Guard or Organized Militia.

Mr. COOPER of Ohio. Can the gentleman give the House some information along this line? I have been told that only about 2 per cent of the officers who lost their lives or were wounded during the World War were Regular Army men; that the others were National Guard officers and Volunteers.

Mr. BLAND of Indiana. I do not know the percentage, but I know that the gentleman's thought is correct. The Rainbow Division went out from the National Guard. They saw the elephant. They were put in the line early, and they kept them there until the war was won. [Applause.] And I want to say to you that some of the officers of the Rainbow Division very nearly lost the privilege of bringing their regiments home, because the Regular Army fellow wanted the honor of bringing them home. I think some of them were deprived of the privilege. [Applause.] We had men stand up here yesterday and say that the National Guard officers had the honor of being the head of the National Guard. I want to say that honor is all they ever did get, and if you leave it to the Regular Army officers, honor is all they ever will get. [Applause.]

Mr. LINEBERGER. Is it not a fact that the cynical, cold-blooded attitude of the Regular Army men and of those gentlemen who are eternally defending them in that attitude had a great deal to do with the difficulties that the National Guard experienced in France?

Mr. BLAND of Indiana. I have no doubt of it. Gentlemen, I do not mean to say that the regulations of the Army should be measured by the standard of the National Guard or the Organized Militia, but I do feel that when you go to pay these 400 men you certainly can give them credit for a part of their service. I am only asking you to give them 50 per cent credit for their National Guard commissioned service, and I think the House ought to grant it.

Mr. STAFFORD. Mr. Chairman, I make the point of order.

Mr. GREENE of Vermont. I rise in opposition.

Mr. STAFFORD. Let the point of order be disposed of first. I make the point of order that the amendment is not germane to this portion of the bill.

The gentleman from Wisconsin, my colleague Mr. COOPER, says it is a new section. True, but that does not destroy the rule that in the consideration of bills amendments offered must be germane to that part of the bill which is under consideration. I wish to call the Chair's attention to the fact that on yesterday when section 1 was under consideration, that part which provides for longevity pay to which this amendment directly relates, this amendment in substance was offered twice in a different form and rejected by the committee. Twice was it offered and by this committee rejected. It is substantially the same amendment.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. CONNALLY of Texas. Were the amendments in the identical language?

Mr. STAFFORD. Not the identical language, and it would have been in order to offer this after the rejection of the other amendments.

Mr. CONNALLY of Texas. But the gentleman a short time ago said that if there was any change in the language it would make it in order.

Mr. STAFFORD. My position is still in harmony with the statement I then made. We are not considering to-day section 1; we are making some progress. I say now for the benefit of the gentleman from Texas that on yesterday when section 1 was under consideration, which provides for longevity pay, even after the rejection of similar amendments, if this amendment or a similar amendment had been offered, it would have been in order. But section 1, I call the attention of the Chair to the fact at the bottom of page 5 and the top of page 6, is the only paragraph in this bill that relates to longevity pay. The proposal was offered twice yesterday in connection with that paragraph. The paragraph reads as follows:

> For officers hereafter appointed no service shall be counted for purposes of pay except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President. For officers now in the service all service which is now counted in computing longevity pay, and service as a contract surgeon serving full time, shall be included in the computation.

That is the only paragraph in this bill that relates to longevity pay. As I say, a similar amendment was offered twice to that paragraph during the consideration of section 1, and it was in order at that time. No point of order was made against it, because it was properly in order and germane to that paragraph of the section. Now, however, it is offered as a new section. I call the attention of the Chair to section 5822, Hinds' Precedents, where it says "an amendment inserting an additional section should be germane to the portion of the bill where it is offered." The Chair in making that ruling used this language:

> The Chair decides that we have passed the point in the bill at which it might have been offered. We shall never finish the bill unless some rule of this kind is observed. There is a provision in the bill for the completion of marine hospitals, and after that clause of the bill was passed the Chair ruled that amendments properly applicable to that clause of the bill at the time it was under consideration could not be received or entertained by the committee afterwards.

That is the logic of my objection.

The CHAIRMAN. What does the gentleman say as to the next section, 5823, of Hinds' Precedents?

Mr. STAFFORD. That is not applicable to this case. That says "an amendment germane to a bill as a whole but hardly germane to any one section may be offered at an appropriate

place with notice of motion to strike out the following section which it would supersede." That is not a parallel case.

Mr. Chairman, on yesterday this amendment was offered twice in substance at its proper place where it provides for longevity pay. If the Chair will examine the amendment, he will see that it provides for longevity pay. It would have been in order if it had been offered to section 1.

The CHAIRMAN. Does not the section relate to National Guard pay?

Mr. STAFFORD. It does not deal with longevity pay. Section 1 is the only provision in the bill that relates to longevity pay. This amendment relates exclusively to longevity pay. It seeks to increase the pay of these commissioned officers in the Army who have had prior National Guard service to the extent of 50 per cent of the service they performed while connected with the National Guard or Organized Militia. That amendment, substantially, was offered yesterday at the proper place in the bill. If there was nothing in this bill that related to longevity pay, and it being a general bill, then it would be in order to offer the amendment of this purport as a new section. But there being a provision in the bill as reported relating to longevity pay, it is not in order at this place. If we are going to make any progress at all, it should have been presented at the time when we were considering the paragraph in section 1. It was considered yesterday and rejected, and the fact remains that the House can never make any progress if after the proponents of an amendment have been defeated when the paragraph was under consideration they can offer it subsequently as a new section. We will never make any progress in bills of the Committee of the Whole if that fundamental rule is to be violated, that in consideration of a paragraph of the same general purport, after it has passed the section to which it is germane, it can again be considered.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GREENE of Vermont. I direct the gentleman's attention to the fact that section 3 does not relate to permanent officers of the Regular Army. It relates to officers of the National Guard and reserve forces.

Mr. STAFFORD. Section 3 has nothing to do with longevity pay of permanent officers.

Mr. BLAND of Indiana. Mr. Chairman, I do not seek to attach this provision to any particular portion of the bill, as the Chair has noted. It is an amendment to the bill. If an amendment in the way of a new section is germane to the bill, and is within itself a subject matter that can well be in a separate section, there is no logic in excluding it as a separate section. On the contrary, the logic rests with making it a separate section. The gentleman from Wisconsin [Mr. STAFFORD] has stressed the proposition that it should have followed section 1, because there was where the longevity pay was under consideration.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Not now. If I had offered this as a separate section, to follow section 3, the gentleman's argument could only apply in so far as that it would not be germane to the section. I ask the Chair to look at the amendment and look at section 3. If we desired to attach it to section 3 it can very well go on there, because we are discussing the question of the National Guard pay. It could well go on there, I think, as an amendment, but we are not going that far. But we are not contending that it is attached to section 3. We offer it as a separate matter and contend that it is entitled to take a place in the bill.

The CHAIRMAN. Does the gentleman's amendment apply to the National Guard officers or the Regular Army officers?

Mr. BLAND of Indiana. The service of National Guard officers as National Guard officers.

The CHAIRMAN. The amendment refers to all persons who had entered the Regular Army. They are Regular Army men, considered as coming from the National Guard?

Mr. BLAND of Indiana. Yes.

The CHAIRMAN. Then, are they National Guard officers or Regular Army officers?

Mr. BLAND of Indiana. They are Regular Army officers, but the subject that we are considering is the matter of giving credit for their service as National Guard officers. Congress has the right to amend the bill by inserting a separate section, if that section is a subject matter that can be well made a separate section.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. GREENE of Vermont. That section deals with the pay of National Guard officers. How can the gentleman introduce into it a provision in respect to the pay of permanent Regular Army officers?

Mr. BLAND of Indiana. Because we are discussing the question of credit for service. We are not discussing the question of the National Guard pay.

Mr. HUSTED. Mr. Chairman, I think the gentleman from Wisconsin is advocating a very rigid and inelastic construction of the rule, which is not supported by the decisions of the House. Of course, an amendment must be germane to the section to which it is offered, or germane to the portion of the bill to which it is offered, if the amendment be offered in the form of a new section, but that is not construed so rigidly as the provision that the amendment must be germane to the section to which it is offered. If it is generally germane to the portion of the bill to which it is offered, it is sufficient.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. In a moment. This is an amendment which relates to pay, and this is the portion of the bill which relates to pay. This is an amendment which is not covered in any form by any preceding section of the bill. It is not in the first section. There is nothing relating to longevity pay for National Guard officers in that section. This, as a matter of fact, is really new matter and should properly be brought in as a separate section. Where is it offered? It is offered after section 3 which relates to National Guard officers, which relates to the pay of National Guard officers, which relates to pay based on length of service, and this is a mere modification. The fact that section 1 relates to longevity pay should not make any difference. This is in the portion of the bill relating to pay, and section 3 itself provides that in computing the increase of pay for each period of three years' service the officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of the act. I contend that to hold so strictly as to say that this separate section must be offered only after the section particularly referring to longevity pay is too strict and rigid a construction of the rule.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. GREENE of Vermont. The gentleman will remember that the first section relates to pay, longevity or what not, of permanent officers. The third section relates to pay of such as are temporary officers, like National Guard folks. The amendment relates to the pay of permanent officers.

Mr. HUSTED. Oh, yes; it relates to the pay of permanent officers, but they want to include one-half of their services as commissioned officers of the National Guard in computing that pay, and that in itself is enough to let this amendment in as a separate section at this point.

Mr. STAFFORD. Mr. Chairman, the gentleman from New York stated that in section 1 there is no provision for the pay of officers now in the service.

Mr. HUSTED. I did not say anything of the kind. The gentleman is mistaken. I said that there was no provision in section 1 relating to longevity pay for officers of the Regular Army who had been officers of the National Guard, based on their service in the National Guard, and there is nothing there relating to it.

Mr. STAFFORD. Section 1 is all pervading, if the Chair will permit, because on page 6 in the paragraph to which I directed the attention of the Chair it provides, and it is the only paragraph in the bill that does so provide, for the pay of officers now in the service. That section provides:

> For officers now in the service all service which is now counted in computing longevity pay, and service of a contract surgeon serving full time, shall be included in the computation.

The purpose of this amendment is longevity pay. I call the attention of the Chair to the Manual, section 777:

> Under the later practice an amendment should be germane to the particular paragraph or section to which it is offered, and an amendment inserting an additional section should be germane to the portion of the bill to which it is offered.

There is no question whatsoever that this amendment provides for the increase of pay of those Army officers who have had National Guard service. Increase of pay how? By longevity service. The amendment was presented yesterday, and properly so, but was rejected twice. I repeat again, if the committee is going to adopt a rule that after we have passed one section of the bill which covers the subject of pay of those now in the service it will be permissible to offer an amendment which was germane to the paragraph under consideration in a prior portion of the bill, and to again consider it, we will never make headway; we will never make progress.

The main purpose that any Member of the House should have in offering an amendment is that he should have oppor-

tunity to have it considered. They have had that opportunity, they have tested the sense of the House. They have not been asleep at the switch and the House has expressed itself twice on this very amendment or a similar previous amendment. Suppose the House now rejects it, will it be in order hereafter every time a section is read to offer the amendment anew? The Chair will realize we will never make headway after the sense of the House has been tested on an amendment and it is rejected if you may offer it anew on succeeding sections or paragraphs in the bill, when the only paragraph in the bill to which it relates is covered by another section which has been read.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. STAFFORD. I will.

Mr. COOPER of Wisconsin. Does the gentleman allege that the pending amendment is not germane to the bill?

Mr. STAFFORD. It is germane to section 1, because it deals specifically with longevity pay, with the pay of officers now in the service who have had prior service.

Mr. COOPER of Wisconsin. Then the amendment offered by the gentleman from Indiana [Mr. BLAND] is germane to the bill?

Mr. STAFFORD. Germane to section 1; yes.

Mr. COOPER of Wisconsin. Well, it is germane to some portion of the bill?

Mr. STAFFORD. That is the purpose of the rule.

Mr. BLAND of Indiana. Just a minute. If this amendment were adopted, would it in effect or by implication repeal or modify any other provision of this bill?

Mr. STAFFORD. It would modify directly section 1 of the paragraph to which I have called attention time and time again, and which relates to officers now in the service so far as longevity pay is concerned. It would directly qualify that. It was voted upon yesterday.

Mr. BLAND of Indiana. It does not necessarily repeal; it merely widens the scope of the longevity of service of an officer to determine the pay; that is all.

Mr. STAFFORD. We have had the matter up, and the proper time was when we were considering that subject matter.

Mr. BLAND of Indiana. It is not in conflict.

Mr. NEWTON of Minnesota. I want to call the attention of the gentleman to page 19, section 14, that has reference to the National Guard, and I would like to get the opinion of the gentleman if it should be voted down, each section following, whether it could be again offered following section 14.

Mr. STAFFORD. I prefer not to consider that question in connection with this discussion. If the Chair is going to hold this amendment is in order, then the Chair will have to hold that every time it is offered in a modified form it can be so modified and offered, but the time for its consideration was under section 1, and it was offered then and the House rejected it.

Mr. BLAND of Indiana. It is not the contention of the gentleman that if it is offered and defeated as a separate section that it could be offered as a separate section——

Mr. STAFFORD. That is the logic of the gentleman's position.

Mr. BLAND of Indiana. It is not.

Mr. STAFFORD. I will say the gentleman offered it where it was proper to offer it and it was rejected, and now he wishes to contradict himself and say it can be offered at any time.

The CHAIRMAN (Mr. FESS). The Chair is ready to rule. The gentleman from Wisconsin [Mr. STAFFORD] makes the point of order on the amendment offered by the gentleman from Indiana [Mr. BLAND] on the basis that the amendment which would have been in order after section 1 is not in order here because there is not anything mentioned in section 3 in regard to longevity, and also on the basis that section 3 deals with National Guard pay, while the amendment deals with longevity pay of Regular Army officers. The question is an exceedingly close one. There is no question that the amendment is in order if offered at the right place on the general rule that if the amendment would be germane to the bill it might be introduced at any point, without waiting for the complete reading of the bill and then introducing it at the end.

Mr. STAFFORD. If the Chair will permit, I think, with all deference to the Chair, he did not understand my position. I said it would not be in order following section 1, but only in order as qualifying the paragraph at the bottom of page 5 and top of page 6 that relates to longevity pay.

The CHAIRMAN. If the amendment is germane to the bill it is not necessary to introduce it at any particular point in the bill. That very question is set out in paragraph 5823 of Hinds' Precedents, volume 5:

> An amendment germane to a bill as a whole, but hardly germane to any one section, may be offered at an appropriate place—

And so forth.

On the matter of germaneness, therefore, the Chair is clear that the amendment does not need to be introduced at any particular point. On the question of continuous operation of permitting the amendment to be introduced time after time after it has been voted on, if this were a case of that sort, there would be no doubt as to the rule, but this amendment is not the amendment which was introduced yesterday. The Chair has read the amendment introduced yesterday as printed in the RECORD, and while it has the same principle it is different in its details. The Chair is of the opinion that it would be a strained construction of the rule of germaneness to say that you could not introduce this amendment as a new section at any place except after section 1. The Chair is also not convinced that there is delay in legislation by permitting the amendment to be introduced in a different form from that of the day before. Therefore the Chair will overrule the point of order.

Mr. McKENZIE. Mr. Chairman, I desire to make a brief statement in connection with this matter. The argument was made on yesterday, so it is not necessary to have further argument, in my judgment. I simply wish to state that in the consideration and preparation of this bill by the joint committee and later on by the special committee of the House this question did not come up for consideration.

It was not brought to our attention. We simply wrote the bill along the line of taking in all the character of service now given to officers in counting for longevity. After the bill was written our attention was called to this matter by some of the ex-service men in the House, who seemed to be very much interested in it, and who came and conferred with some of us on the committee in regard to it. And I said to them, as I have stated now, that we did not have the matter up for consideration; that it was not considered by the committee; that I had no prejudice in the matter, however, and if they wanted to submit their amendment in the House, that was up to them; but I could not accept any amendment to this bill, being chairman of the committee, and hoping to see the bill go through without any amendment. I want to make this statement in justice to these gentlemen and in justice to the committee, and I hope the House will vote upon it as quickly as possible in order that we may proceed with this bill, which we hope, above all things, to get completed to-day.

Mr. LINEBERGER. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. LINEBERGER. As I understand, the gentleman himself has no prejudice against the amendment. He simply desires to see his bill go through, like all chairmen of committees on the floor of the House, without any amendment?

Mr. McKENZIE. I made a statement of the facts.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. McKENZIE. I will.

Mr. NEWTON of Minnesota. Yesterday the House took action upon the question of civilians entering the Army above the rank of second lieutenant, whether by way of the National Guard or from the training camps or from any other source, and turned down the proposition. Now, does the gentleman think that it would be dealing fairly and equitably with an emergency officer who did not happen to have National Guard service to his credit not to provide him with the compensation that he would be entitled to because of the work that he is doing?

Mr. McKENZIE. I would say to my good friend that I do not think the cases are parallel. But I want the gentleman to understand that I am not making an argument for or against the proposition.

Mr. NEWTON of Minnesota. The gentleman says the cases are not parallel. They are to this extent, that under the present bill the Regular is cared for and the emergency officer, whether he is from the National Guard or from other service, is not cared for.

This amendment would take care of the National Guard officer, but would still leave the other emergency officer out on the limb. Is not that it?

Mr. FISH. Mr. Chairman, as I understand this amendment, it provides that 50 per cent credit shall be given to National Guard officers for their former commissioned service in the National Guard. We have already voted down an amendment providing 100 per cent credit and also voted down one for 75 per cent credit. Although I voted with my colleagues, my service-men colleagues, yesterday in favor of the 75 per cent amendment, I did so with a mental reservation. But I do believe that former National Guard officers should have some credit for their service in the guard. [Applause.] This amendment that we are about to vote on provides for 50 per cent credit, and I think we should be able to agree on giving at least that amount of recognition to the former National Guard officers now in the Regular Army. I desire to point out, Mr.

Chairman, that 82 per cent of these National Guard officers came from seven large States, like Ohio, Massachusetts, New York, Wisconsin, California, and Pennsylvania, and one or two others. It seems a matter of simple justice that we should give them some credit, and why can we not agree on this amendment providing for 50 per cent? Mind you, the best men in the National Guard went into the Regular Army. They had to be the best officers, or the Regular Army would not have taken them. Most of these officers served on the border in 1917. And are you going to say to them that they can not get any credit for that service when they were actually serving the Federal Government on the border, although under the bill it is not computed as such?

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. FISH. No; I can not yield.

Mr. FROTHINGHAM. I have not talked at all.

Mr. FISH. This is the first time that I have opened my mouth on this bill. I hope that we can agree on this 50 per cent amendment.

Mr. GREENE of Vermont. Mr. Chairman, I move to strike out the last word.

I do not believe any principle ought to be compromised, whether it is 50-50, or anything else. I do not believe any proposition of that kind ought to prevail in this House. I want to call attention to one practical thing about this. We know, in the first place, that in no organized profession in the world do people bring in with them as candidates any longevity that they may get by reason of something that they did previous to going into that profession. You would not do it in the case of the bar or any other place where it required certain qualifications to make candidates competent. Where has the National Guard ever been standardized so that we can tell what service to count? A governor may give a commission to a man, he may have a nice honorary position on his staff, and then when he goes into the United States Army immediately he gets years of alleged service credited to him for pay purposes.

I do not deny, nobody can deny, that there was some splendid material in the National Guard that did go into the Regular Army. There is more outside that did not. But you have got to have a law with some justice. If a man goes into the profession of arms at 21 from the outside, nobody gives him credit for any time that he was actually in business. But if he goes in at 30 or 35 as second choice, you want Uncle Sam to pay him for all the time he was outside before he made up his mind the second time.

If you once recognize the proposition that you can give these men constructive service for pay purposes that puts them ahead of other men in the same files with them, the next move will be to put those men ahead of those same fellows in the same files for promotion purposes. And the Army reorganization act is based on the fact that a man must go up the line for promotion only according to his actual longevity as provided by that law. If you add this longevity to it for pay, the logic of it will be one more amendment, and you add longevity to it for promotion, and he jumps over those he used to serve behind.

Mr. LINEBERGER. The gentleman, I think, is perhaps right; but there are a great many Members of the House who think that the Regular Army might be improved somewhat thereby. I know the gentleman is sincere in what he says, and I admire his frankness.

Mr. GREENE of Vermont. The gentleman has caused me to say something that out of good feeling I would not have said. He can not but feel that there is somewhere in the air, not far from Washington, an organized attempt to bring comment to bear off the Regular Army which would not bring credit to one of the institutions of our Government. And it also runs to the intention of injecting something into the Regular Army that would be like a burr under the saddle. It is also plain that it is not the intention to benefit the Regular Army as a whole as an American institution, but 400 men.

Mr. LINEBERGER. The gentleman has spoken in riddles. I am sure I have no idea whatsoever as to what the gentleman refers. And I think we would be glad to have him elucidate in order that we may find out at what he is driving.

Mr. GREENE of Vermont. I will. If you come into my nursery, I can make it plain.

Mr. LINEBERGER. I would like to have it in the record.

Mr. GREENE of Vermont. You introduced this subject on the question of improving the Regular Army. Some gentlemen who preceded you on this question also suggested remarks about the Regular Army that were not particularly complimentary.

Mr. LINEBERGER. Well, I think as American Congressmen we ought to be interested in improving every activity of the Government, the Army included.

Mr. GREENE of Vermont. So do I, but I believe in doing it the right way.

Mr. McSWAIN. Mr. Chairman, the genial and able and valuable gentleman from Vermont has just finished the same speech that he made yesterday on the same proposition. I am not going to take up the time of the committee to make the same speech on the same subject that I made yesterday. [Laughter.]

Mr. GREENE of Vermont. And I got just as much applause then as you did now.

Mr. JEFFERS of Alabama rose.

Mr. McKENZIE. Mr. Chairman, I move that the debate close on this amendment at the expiration of five minutes.

The CHAIRMAN. The gentleman from Illinois moves that the debate on this amendment close at the expiration of five minutes. The question is on agreeing to that amendment.

The motion was agreed to.

The CHAIRMAN. The gentleman from Alabama [Mr. JEFFERS] is recognized.

Mr. JEFFERS of Alabama. Mr. Chairman, I spoke yesterday on the amendment that I offered to the bill and I wish now to take a few minutes further in connection with this new section that has been offered by the gentleman from Indiana [Mr. BLAND].

I want to say that this proposition is not entirely new. It has been presented to Congress before, in different ways. I remember that a bill was introduced some months ago by our colleague, Mr. HILL, of Maryland, which bill provided that Army officers who had previous commissioned service in the National Guard should be allowed to compute that service in figuring longevity pay. His idea, as expressed in his bill, is the idea we have in fighting for this amendment, which I trust will carry.

The point has been raised here that men who are now in the Regular service, who are ex-National Guard officers, came into the Regular service of their own free will and accord and could have left it off had they wanted to. I want to call attention, my friends, to the fact that many of these valuable officers in the service to-day broke all the threads of their civil life, broke down their professions, cut loose from their positions in civil life and entered the service in time of stress; and I want also to again emphasize the point that I made yesterday, that when they entered the Army in time of need they not only entered it themselves, but they brought into it companies and battalions and regiments, and in organizing these companies and battalions and regiments they had, in many cases, consumed their own time and money; and if longevity pay is going to be given to anybody, some credits for longevity pay should be given to these men who gave themselves loyally to the development of the National Guard, and when the zero hour had come and there was fighting to be done those troops were ready to stand in the breach until our Army could be made ready. They not only stood in the breach, but they fought through the war with distinction. Now, their credit has been limited to only 50 per cent, and, God knows, that is little enough consideration. [Applause.]

Gentlemen talk here about their having gone in purely of their own volition, voluntarily forsaking civil occupations. They went to France and when they came back many of them found it impossible to get back their old jobs. They found mossbacks sitting on their jobs. When they went to France they were assured that their jobs would be open to them on their return, but they found themselves not able to get their jobs back again, notwithstanding all the promises that had been made to them. They suffered, therefore, very great loss and were under a distinct economic handicap.

Having broken completely the thread of civil life and finding, in many cases, only broken promises in place of former jobs, they looked over the field and decided to reenter the Army. They knew the Army game and loved it, but they reentered the Army not only because they loved the game but because their former professions had been lost to them and they were not able to get them back. Take the case of physicians, for example. They were promised their practice when they came back, but when they came back those promises were in many cases forgotten. And take young lawyers, just getting a little practice built up. They gave up their start in life, and when they came back they found that their practice was in the hands of others, and people forgot to see that they got that practice back again, as had been so fervently promised.

We have heard it stated that there is a propaganda on foot to have uncomplimentary things said about the Regular Army, and mention has been made of a "burr under the saddle." When the legislative representatives of the Army come to know and realize that there are people here who will check them in their deceitful methods it will be a good thing for the Army and for the country. They are not going to be able to put things

over as they have in the past, either by their own efforts or through cold-blooded spokesmen here.

I do not know anything of the "plain" propaganda that has been referred to by the gentleman from Vermont [Mr. GREENE], but I freely predict here that there will be more "burrs" inserted "under the saddle" all along the line until they come to recognize the fact that there are men here who have gained knowledge by experience in the Army game and who are going to check them right along. For the good of the Army organization of this country those men whose business it is to suggest Army legislation must not try to deceive this Congress and discriminate against any certain class or classes in the Army, but they must be fair and honest with Congress and the people of this country, and they must deal squarely with all those in the Army, and not continually try to take care especially well of certain classes in the Army and discriminate against others. Now, that is plain talk, but it is straight.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield right there?

Mr. JEFFERS of Alabama. I can not yield; I have not time. The gentleman was not interrupted by me, and I can not yield to him now.

These ex-National Guard men now in the Regular Army were already economically handicapped, many of them, and now you want to leave them handicapped by this bill.

They deserve better consideration and more nearly a square deal. They are amongst the most valuable and most desirable Army officers we have to-day. They are closer to the civilian population than any other set of officers that we have in the Army. They are not so far removed from the people and have a better conception of the relationship of the Army to the people of the country. They are not in the Army simply on account of having been picked up and educated at West Point. They were educated by their own people or by themselves. They served in the guard for the love of the soldier game and through loyalty to the country and to their communities. In developing these National Guard outfits they produced something—they produced the goods, and they also delivered the goods when the time came. They are well balanced; they are good officers. They are now in the service, and certainly are due this consideration that this new section would give them. I ask your support on this proposition. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "ayes" appeared to have it.

Mr. STAFFORD. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 40, noes 30.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That each commissioned officer on the active list, or on active duty below the grade of brigadier general or its equivalent, in any of the services mentioned in the title of this act, shall be entitled at all times, in addition to his pay, to a money allowance for subsistence, the value of one allowance to be determined by the President for each fiscal year in accordance with a certificate furnished by the Secretary of Labor showing the comparative retail cost of food in the United States for the previous calendar year as compared with the calendar year 1922. The value of one allowance is hereby fixed at 60 cents per day for the fiscal year 1923, and this value shall be the maximum and shall be used by the President as the standard in fixing the same or lower values for subsequent years. To each officer of any of the said services receiving the base pay of the first period the amount of this allowance shall be equal to one subsistence allowance, to each officer receiving the base pay of the second, third, or sixth period the amount of this allowance shall be equal to two subsistence allowances, and to each officer receiving the base pay of the fourth or fifth period the amount of this allowance shall be equal to three subsistence allowances: *Provided*, That an officer with no dependents shall receive one subsistence allowance in lieu of the above allowances.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 9, line 2, after the word "years," strike out all of lines 2 to 12, inclusive.

Mr. KRAUS. Mr. Chairman, I suggest the absence of a quorum.

The CHAIRMAN. The gentleman from Indiana suggests the absence of a quorum. The Chair will count. [After counting.] One hundred and fourteen gentlemen are present—a quorum. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the amendment be again reported. Without objection, the Clerk will again report the amendment.

There was no objection.

The amendment was again read.

Mr. MADDEN. Mr. Chairman, the effect of the amendment I have offered, if adopted, would be to reduce the number of subsistence allowances to any single officer to one, whereas the section as it reads provides that there may be anywhere from one to three, and the argument is made by those who favor the additional number of subsistence allowances that men with families are entitled to better consideration than men who have no families.

To that I reply that when you employ men in any walk of life you do not employ them because they have families or because they have not families. You employ them for the ability which they possess, and whether a man is married or not, he is expected to perform the duties for which he is employed, and no additional consideration is given to the man in the performance of the duties because he is married. The cost of these allowances under the section as it is presented by the committee would be $10,054,000 a year. We are entering upon a new field by granting allowances to officers in the Army.

Mr. BLACK. Will the gentleman yield for a question?

Mr. MADDEN. In just a moment. Up to this time they have not been given rations, and my contention is that they ought not to be given rations.

Mr. BLACK. Will the gentleman yield just there?

Mr. MADDEN. Yes.

Mr. BLACK. Is it not the view of the gentleman that the whole section ought to go out; that we ought not to start any of this ration business?

Mr. MADDEN. I would be perfectly willing to accept such an amendment.

Mr. BLACK. I will be very glad to offer one.

Mr. MADDEN. But I thought I would go along the lines of least resistance. I am frank to say that in the exercise of my own judgment I would move to strike out the entire section; but I was even willing to do something which I feel I ought not to do, and that the House ought not to do, in order to get something done, for up to the present time we have not been able by any argument to produce any effect on the bill leading in the direction of economy.

It is not denied that the intention of section 5 is to increase the pay of commissioned officers. But they do not come here and ask for increased pay in the bill. They come and ask you to give these men rations, and they fix the ration allowance at 60 cents a day, with the further provision that at some time in the dim, distant future the Secretary of Labor may ascertain the cost of the ration and certify that to the President of the United States, who will then be called upon to certify it to the Army, and thereby fix the cost from time to time through that circumlocution. Now, why should we pay $10,000,000 and more a year to start on a new activity which it has never been thought necessary to indulge in before? If the pay of the officers in the Army is not sufficient, why not say so in plain language? Why should we use the subterfuge of rations? Why should we call upon the President from year to year to fix the amount that may be allowed for rations?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I would like five minutes more.

The CHAIRMAN. The gentleman asks an extension of five minutes. Is there objection?

There was no objection.

Mr. MADDEN. Now, let us see where we are "at." In the first place, we grant to the officers of the Army housing facilities for their families when the officer is in the field. We grant them housing facilities, lighting, heating, and all that. We do more than that. We transport their children from place to place at the expense of the Treasury. That is a new engagement that we have taken on recently. Up to a short time ago there were no housing facilities allowed to the families of officers in the Army when the officer was away on duty. But we have changed that. Until very recently there was no transportation allowance made for the family of an officer, but we have changed that. And now we propose to feed the officer in addition to his pay. Are we ever going to stop? Is there no line to be drawn anywhere? Are we to continue forever to increase the expense of the Government in connection with the Army officer?

Mr. JOHNSON of Washington. This is money, not rations.

Mr. MADDEN. It is money, not rations, but it means the same thing.

Mr. JOHNSON of Washington. Will the same officer who gets money in lieu of rations be permitted to continue to buy rations at the Army rate?

Mr. MADDEN. Yes; that goes without saying. The gentleman from Washington would have to buy at the regular market rate, while the Army officer is permitted to buy at Government cost. We might just as well hand him the money as a new addition to his salary.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. McLAUGHLIN of Michigan. The wrong impression ought not to be given as to the advantage that the officer or enlisted man gets by buying at the commissary.

Mr. MADDEN. I do not want to give a wrong impression.

Mr. McLAUGHLIN of Michigan. He is charged the ordinary price. He is not buying from one who profiteers and charges an unreasonable price, but he has to pay, and everyone who buys at the commissary has to pay, a reasonable price.

Mr. MADDEN. I am making no complaint about that. I was simply stating a fact. It is a fact, is it not, that the gentleman from Michigan is not permitted to enjoy that privilege? It is also a fact that the Army officer is allowed to enjoy that privilege. Does anybody deny that? Is there any reason in the world why we should give an Army officer rations? I ask anybody here to answer. If it is to be increased pay, why do we not say so?

Mr. McLAUGHLIN of Michigan. Does the gentleman ask that as a question?

Mr. MADDEN. Yes.

Mr. McLAUGHLIN of Michigan. I am under the impression that this was allowed because the base pay was fixed accordingly, with the idea that this would be allowed. Otherwise the base pay would have been higher.

Mr. MADDEN. The base pay has already been increased by the bill.

Mr. McLAUGHLIN of Michigan. But the increase takes this into consideration.

Mr. MADDEN. Oh, yes. You add this on the top of that, and then you add something else on top of both, and before you get through nobody knows what the pay will be.

Mr. McLAUGHLIN of Michigan. The chairman of the subcommittee or of the commission, the gentleman from Illinois [Mr. McKENZIE], says I am right in that; that in fixing the base pay the committee took into consideration the fact that these allowances would be made.

Mr. MADDEN. Oh, yes; they did take that into consideration, undoubtedly; but in taking it into consideration they always equalize upward.

Mr. McLAUGHLIN of Michigan. But the gentleman from Illinois has approved the base pay which the other gentleman from Illinois, his colleague [Mr. McKENZIE], says was based taking into consideration that subsistence would be allowed also.

Mr. MADDEN. Well, but it never has been allowed. We have always had the base pay. There is no reason why we should add this to it. It is not justified. It can not be defended. It ought not to be permitted. I protest against it. [Applause.]

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment to strike out the section.

The CHAIRMAN. That is not in order now.

Mr. CONNALLY of Texas. Very well, I will offer it later. Mr. Chairman and gentlemen of the committee, I think the views of the gentleman from Illinois [Mr. MADDEN] are well founded. Of course, everybody who knows anything about this bill knows that this allowance purports to be for rations but is not intended for rations at all. The committee desires this provision in order to increase the base pay. It seems to me that if the committee had really wanted to increase the base pay it should have increased it and not come before the House with the pretense that officers in the Army are to be furnished with rations by the Government, when everybody knows that they are not going to be furnished rations; that it is not intended that rations be supplied. Never in recent years, so far as I know, have commissioned officers been furnished rations. Enlisted men are furnished rations, but commissioned officers have always borne their living expenses out of their pay. If the base pay in this bill is not high enough, the committee should have had the frankness to have made it high enough and not presented a device to raise it and yet not seem to raise it. It is provided under this bill, gentlemen will argue, that this makes a 60-cent ration, which means $219 a year.

Mr. MADDEN. Six hundred and fifty-seven dollars for certain officers.

Mr. CONNALLY of Texas. Certain officers would be allowed three rations, which would be $657 additional pay.

But the committee says it has a provision in the bill whereby the Secretary of Labor will certify the cost of the rations, and that every time the cost of a ration goes down 1 per cent the Secretary of Labor will certify to the President, and the President will reduce the allowance. That is a beautiful theory, but everybody knows that it is not practicable. Suppose the cost of living goes down 2 per cent, how much will it amount to? Not enough to pay for the bookkeeping. Everybody knows how the allowance is to be made. It is provided that the President shall make it. Of course, the President does not know anything about it; he is not going to make it. The Secretary of War will make it for the President. The Secretary of War is not going to fool with fixing rations, and so the Chief of Staff will make it for him. The Chief of Staff has no time to fool with fixing rations, so some major or captain down in the department will fix it for the Chief of Staff, and perhaps some second lieutenant will do it for him.

Mr. McKENZIE. Will the gentleman yield?

Mr. CONNALLY of Texas. I will.

Mr. McKENZIE. The gentleman does not want to be unfair. The bill provides the value of the rations shall be fixed on the certification of the Secretary of Labor to the President of the United States.

Mr. CONNALLY of Texas. Here is what the bill provides. The bill provides that the Secretary of Labor shall certify to the President the comparative cost of food in future years as related to that cost for 1922, and upon that the ration is to be determined. That is what is in the gentleman's bill.

Mr. JOHNSON of Washington. Does the gentleman make the prediction that the cost of the ration will ever be less than 60 cents?

Mr. CONNALLY of Texas. Of course, it will not, practically; it might be a fraction of 1 per cent.

Mr. JOHNSON of Washington. The maximum is 60 cents.

Mr. BLACK. And if the tariff bill passes it may be more.

Mr. OLDFIELD. Four and three-quarters per cent.

Mr. CONNALLY of Texas. I do not think it will differ over one-half of 1 per cent.

Mr. ARENTZ. The passage of the tariff bill will depend upon when the Democrats run out of words, will it not? [Laughter.]

Mr. CONNALLY of Texas. As long as the gentleman's party is in power there will be no tariff on words. Now, I am not antagonistic to the Army officers. I want them to have just compensation. But what I object to in this Army bill here is having to look on almost every page to see what the compensation is going to be. We have the base pay here on one page; turn over four or five pages and you have the longevity pay.

Somewhere else there is allowance for quarters; turn over three or four pages more and you find an allowance for rations which we do not intend to furnish, and which they do not want and would not eat if we did furnish them; and then further along, in another place, there is 5 per cent increase for field service. Somewhere else, if they are ordered away, they get 8 cents a mile allowance for travel and $7 per day for food. That is what is wrong with this bill, and the committee ought to have the courage to frame a bill so that the country will know what the pay is.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. BYRNS of Tennessee. How many bookkeepers does the gentleman think will be needed to keep these accounts?

Mr. CONNALLY of Texas. The gentleman from Tennessee, with his long service on the Committee on Appropriations, has a vivid idea of what it would take to do this bookkeeping.

Mr. McKENZIE. Will the gentleman yield?

Mr. CONNALLY of Texas. Certainly.

Mr. McKENZIE. Does the gentleman think it will require any more clerks to keep these accounts than it has on commutations in the different zones in the whole country?

Mr. CONNALLY of Texas. Commutation is not affected by zones; it is the heat and light; that is a good suggestion, to equalize the heat and light. I do not object to it. Take the quarters under the gentleman's bill. A major general, if he happens to be a single man—what does he do? He gets an allowance for six rooms.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. I ask for three minutes more.

The CHAIRMAN. The gentleman from Texas asks that his time be extended three minutes. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. There are not many major generals, but there are some of them, and a major general who is a single man is allowed nine rooms. Is not that right?

Mr. McKENZIE. Under the present law.

Mr. CONNALLY of Texas. What under this bill?

Mr. McKENZIE. Six.

Mr. CONNALLY of Texas. A major general?

Mr. McKENZIE. Yes. The gentleman would better read the bill.

Mr. OLIVER. That is correct.

Mr. CONNALLY of Texas. I thought I was going to somebody who knew what is in his own bill.

Mr. OLIVER. The amount, however, for six rooms is larger than the amount that he is allowed now for nine.

Mr. CONNALLY of Texas. Yes; I was about to call attention to that. He gets six rooms at $120 a month—$20 a room. An officer in the first pay period gets only two rooms.

Mr. OLIVER. In the first period. In order that the gentleman may remember the rooms, a man with dependents gets one more room than the period which he is in. If in the first period, he gets two rooms; if in the second period, three rooms; on up to the sixth period, and then he gets six rooms.

Mr. CONNALLY of Texas. Of course, what I had in mind was to draw the attention of the committee to the fact that these allowances are really not intended to supply rooms, but are devices for increasing the compensation. A major general is allowed six rooms under this bill, and was allowed nine under the other. I submit that no major general who is single has any business with six or nine rooms, but in order to get the increased compensation they create a fictitious allowance for six or nine rooms in order to give him the increase in pay.

Mr. MADDEN. And getting nine rooms he is allowed only $108 a month, while with six rooms he is allowed $120 per month.

Mr. CONNALLY of Texas. Of course, under the present law the room allowance is $12 a room and under this bill it is $20 a room.

Mr. KNUTSON. Is it not a fact that a six-room apartment in Washington that rented for $50 before the war rents now for $150 a month?

Mr. CONNALLY of Texas. Oh, I would say to the gentleman that I do not think the gentleman from Minnesota [Mr. KNUTSON], who is a single man, is entitled to as much allowance for rooms as some gentleman on the Republican side who has a large family. I have no objection to giving reasonably increased compensation, but I do object to making the fictitious allowances merely for the purpose of increasing the compensation. The theory upon which this bill is written in a measure tends to destroy ambition among the Army officers. If an officer once gets a place in the Army, his pay thereafter is fixed not by his rank or his efficiency but by how many years he remains in the Army. A man may be a major and get less pay than a captain, because the captain has been in the Army longer than the major has. Where is the incentive to promotion? Where is the incentive for efficiency if all you require for an Army officer to get increased pay is to be able to stay on the pay roll without being cashiered or court-martialed? I believe this whole system of pay is wrong. I believe the basis of pay that is regulated entirely by the length of service is a false basis and does not represent the proper elements that the Congress should adopt in fixing pay. I believe there ought to be an incentive to promotion.

Mr. McKENZIE. Mr. Chairman, I shall not take very much time to answer my friend from Illinois [Mr. MADDEN] or my friend from Texas [Mr. CONNALLY]. It is a matter of grave regret to me to know that my old friend from Illinois, a man for whom I have had the highest admiration, a man whom I have always felt had a big heart, a generous disposition, should take the position that he now does, and I have always thought that my good friend from Texas was animated by similar feelings, by the feelings which have animated heretofore my friend from Illinois. I love my friend from Illinois. We have been friends for many years. I know his condition in life. I know the beautiful home that he has near the city of Chicago, Du Page County, where he can enjoy life when he gets permission to leave this place where we all have to toil. I know the comforts and conveniences of life that he enjoys, and I am glad that he has them. I do not envy him those. I have always been glad to see him enjoy them, because most that he has in this world is the result of his own energy and industry. I envy no man the good things of this life, but I regret that with his experience, with his knowledge, he should take this floor and undertake for the lack of knowledge—I will put it that way—to mislead the Members of the House as to the meaning of this bill. He does not even have a conception of the great fundamental principle expressed in section 5. Neither does my good friend from Texas have the least conception of what the members of this committee were driving at. Is there a man here to-day, except my friend from Indiana [Mr. KRAUS], who would say that we should put the men of the Army and Navy and the Coast Guard and the Public Health Service and all of these services back to the pay of 1908 without an increase at all? That is the proposition submitted by the gentleman from Illinois.

Mr. EVANS. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. EVANS. Why not add the amount that was estimated here at 60 cents per day to the salary which is fixed as the base pay?

Mr. McKENZIE. I tried to explain that the other day in my opening speech. I said that for many years, since I have been a member of the Committee on Military Affairs, I have felt that it is an unjust thing to take from the Treasury of the United States and give to a major general, such as the one spoken of by the gentleman from Texas, $1,684 a year, this to a man who has not a soul dependent upon him, in order that he may live in luxury down here on Sixteenth Street or in the great clubs of this city. My contention has been all of the time that the base pay of these officers should be alike. This bill puts them on the same level. My contention has further been, when it comes to allowances, that we should not give to the man without dependents the same amount of money and allowances that we give to the man with a wife and little children.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLACK. Can the gentleman advance any better reason as to why the Government should pay a military officer 60 cents a day ration allowance than it should pay any civilian employee?

Mr. McKENZIE. I am sure my good friend is not serious when he asks a question like that, when he must realize that the men in the Army and the Navy and in these services are not permitted to go out into the world and make money on the side. They are held to their places, they are moved about from year to year. The prejudice against these men comes from the fact that we see some of them here in the city of Washington.

And I want to say to you, my good friends, these officers you see now in the city of Washington had moved many, many times. They have spent years on the border——

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKENZIE. I ask for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. They have spent years in Alaska; and finally after long years they get a term here in Washington. One gentleman of the Coast Guard—a very good officer—who is now serving a term in the city of Washington, told me that he spent 15 years at sea before he had an opportunity to come to the city of Washington. This bill provides that a single officer, like my good old friend, General Crowder, will get $960 less under this bill—$1,684 originally—than that which he has been drawing from the Government. But it goes a little further and says that a young man coming into the first period as a second lieutenant shall get $219. When he gets a little further in life, and perhaps his responsibility is greater, he gets $438, and the maximum he can get is $657. Gentlemen, we are not deceiving you by this bill, and we are not deceived. This is not a fund to buy flour with entirely. This gives an increase in this bill to those officers over the pay of 1908; and you gentlemen to-day, if you now want to turn around and vote against these men who are now in the Army and Navy and Marine Corps and the Geodetic Survey and the Public Health Service and say that while everybody else in the world has been getting some consideration we will not give you any—we will put you back to the pay of 1908. Why, my good friend from Illinois, when he talks about that increase of $10,000,000, he means it is an increase over the pay of 1908. Are you opposed to giving these men some increase over 1908?

Mr. BULWINKLE. Will the gentleman tell the House what the total cost will be for all branches of the service?

Mr. McKENZIE. I can only tell it in this way, that the cost of all branches of the Government will be about $15,000,000 less the first year under the present cost——

Mr. BULWINKLE. For subsistence?

Mr. McKENZIE. I have not figured that up, but I am willing to say it is $10,000,000.

Mr. JOHNSON of Washington. Then why go through the subterfuge of having an estimate by the Secretary of Labor? Can not we fix it at 45 cents or 50 cents or 60 cents? It is salary. It is not a ration to be eaten or in lieu of a ration, but money to be paid out on salary account under the thin guise of ration allowance.

Mr. McKENZIE. The gentleman does not get the fundamental idea of this bill.

Mr. JOHNSON of Washington. I think I have, and also I think this figure will never be less than 60 cents, and that there will be argument before us in a year or two to make it more than that.

Mr. McKENZIE. With the Secretary of Labor making his report and MARTIN MADDEN running the Committee on Appropriations he will see to that. The Secretary of Labor fixes the cost of a ration from year to year, based on cost of living. We fix the cost for this year at 60 cents; it might be 50 cents next year——

Mr. JOHNSON of Washington. But the officers do not get the ration; it is money.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CURRY. I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. I want to say to my friend from Washington that we call this subsistence allowance for a reason; not to give these men bacon and eggs, but to give them money, an increase in pay; I state that very frankly.

Mr. JOHNSON of Washington. I am in accord with the gentleman in the desire to properly pay our officers, but I want it to be done in the open. I am not afraid of the additional pay, but I do not want to see it carried in this disguise.

Mr. McKENZIE. If the gentleman thinks so, I will take the mask off; I want you to see it. We want to fix that as an increase in pay, and we call it subsistence allowance for the reason that subsistence is easily arrived at in the value. The Department of Labor estimates every year the cost of living. It is a fluctuating automatic increase or decrease in the pay of these officers. It will go down, possibly, hereafter, but it will never go up, and can not go up.

Mr. KLINE of Pennsylvania. Are you also increasing the pay of the privates while increasing the pay of the officers?

Mr. McKENZIE. Some enlisted men—I do not know what the gentlemen means when he says the privates. Does he mean men in the seventh grade, the lowest class in the Army and Navy? I will say that we are not reducing them and we are not taking one cent away from them, and the statement made yesterday that we are reducing the enlisted man is not a fact, because we are not reducing any of them. When an enlisted man comes in hereafter he will get $21 when he enters the service——

Mr. JONES of Texas. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. JONES of Texas. The gentleman said this was an increase over 1908?

Mr. McKENZIE. Yes.

Mr. JONES of Texas. Will the gentleman give the estimate of the added per cent of increase?

Mr. McKENZIE. I think it is about 20 per cent; it is not quite as much as the bonus.

Mr. HARRISON. Will the gentleman yield for this question: Whether in this arrangement as to pay of officers and dependents the subsistence is not made in this way to reflect in the cost of living?

Mr. McKENZIE. Absolutely.

Mr. HARRISON. That when the cost of living is increased the pay of the officers automatically increases?

Mr. McKENZIE. Yes; but not beyond the limit.

Mr. HARRISON. When it goes down the pay goes down?

Mr. McKENZIE. That is it. That is what it means. I thank the gentleman.

I want to say to you, my dear good friends, that this amendment offered by my friend, with all of his plausibility, with all of his talk for economy, and with all that goes with the power of a man at the head of the Appropriations Committee of the House, is an appeal to you men—to do what? To destroy this bill that we have worked on for months and months, harder than I have ever worked in my life, in order to do justice to these men and secure better treatment for them. I want to appeal to you now—it is not anything personal to me—but I want to appeal to you as Americans to stand up and defeat this amendment, because this amendment is offered for no other purpose than to destroy this bill. And if you do not defeat the amendment, you might just as well strike out the enacting clause. I do not want to see a friend of mine from Illinois do that. [Applause.]

The CHAIRMAN. Debate is closed on the amendment.

Mr. OLIVER. Mr. Chairman, I ask for recognition. I move to strike out the last word.

The CHAIRMAN. What is the position of the gentleman on the amendment?

Mr. OLIVER. I am for striking it out. I am opposed to this provision.

The CHAIRMAN. The difficulty is this, that the chairman of the committee ought to have the right to close debate on this amendment. If the Chair should allow the gentleman to speak at this time, he ought to allow some one else to speak. There has been plenty of debate, as it appears to the Chair, on this amendment.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent for five minutes on this amendment.

Mr. BYRNS of Tennessee. Mr. Chairman, a parliamentary inquiry. I would like to know whether the Chairman of the Committee of the Whole is in control of the debate and can determine the question as to whether the debate should proceed, or that the committee should determine it? The committee itself, as I understand, has not placed any limitation on the debate, and I insist that the gentleman from Alabama [Mr. OLIVER] has the right to move to strike out the last word, and continue to make those motions until the committee itself has acted.

The CHAIRMAN. The Chair will act within his rights, and not otherwise. The gentleman from Alabama asks unanimous consent to proceed for five minutes. Is there objection?

Mr. KNUTSON. Mr. Chairman, reserving the right to object, I would ask that the gentleman from South Carolina [Mr. BYRNES] be given an equal amount of time.

Mr. BYRNES of South Carolina. Mr. Chairman, I ask unanimous consent that the debate be continued for 10 minutes, 5 minutes to be given to the gentleman from Alabama [Mr. OLIVER] and 5 to myself.

The CHAIRMAN. Is there objection?

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, I understand that agreeing to that request would not preclude the right to offer additional amendments.

The CHAIRMAN. The Chair thinks not.

Mr. JOHNSON of Washington. I do not object.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina [Mr. BYRNES]? [After a pause.] The Chair hears none. The gentleman from Alabama [Mr. OLIVER] is recognized.

Mr. OLIVER. Mr. Chairman, I wish to emphasize again that the difference between the members of the subcommittee is not one as to whether the pay of the officer and enlisted personnel of the services, affected by this bill, should be increased over the 1908 pay schedule but rather one as to whether any needed increases should be provided for by permanent or by temporary legislation instead.

There is a sharp difference between members of the subcommittee as to a number of the provisions of the pending bill, not that those differences arise from a desire to deny adequate compensation to officers but from a desire to grant only proper and reasonable increases in pay and allowances, free from unjust discriminations, and to simplify officer pay, so that it may be fixed at an amount that you and others may know what in truth is the pay of officers in the several grades.

This bill in no way simplifies the matter of officer pay and allowances. You have added to it many new factors that will make it more difficult to determine. What are some of the factors added? You undertake to now give a ration allowance. Certainly, this has not been attempted for the past 50 years, and the very fact that we may have had it long years ago and abandoned it is good reason why it should not be again drafted on the law. You have added another item that is indefinite, involves unfair discrimination, not only as to officers now in the service but those who may hereafter enter, in that you permit the advancement to higher pay periods by reason of other than commissioned service to some officers and deny it to others. This involves an increase of $500 in the base pay alone of those so advanced.

You have been generous as to longevity pay by increasing the per cent from 40 to 50, and by removing, for the grades of colonels, lieutenant colonels, and majors, the present limitation of $1,000.

Mr. McKENZIE. I wonder if the gentleman has gone over the figures and realizes that for the coming year the longevity pay in this bill will be two hundred and thirty-five thousand and odd dollars less than it would be otherwise?

Mr. OLIVER. Figures are very misleading unless you are permitted to explain them in connection with the facts on which the calculations are made, but we are now discussing a matter altogether dissociated from mere totalities. I am referring to these matters to show the different items that enter into the compensation of officers under this bill, and thereby to demon-

strate that instead of simplifying the pay and compensation of officers, you have really further complicated the matter.

Now, if there be a desire to provide further pay for officers in the service, no good reason, I submit, can be given for providing a ration allowance. It does not comport with the dignity of an officer's commission to say that a part of his pay represents a 60-cents-a-day ration, or two or three 60-cents-a-day rations. Under such a system prior to 1870 it fell into disfavor because of its abuse. We have had nothing of this for 50 years, and I must confess to some surprise to hear it suggested at this late day. Under the old system some officers had worked their allowances up to 40 rations, together with servant assignments. Who knows to what extent this matter will again be abused if we undertake in this cheap, undignified way to provide pay for the commissioned personnel of our military services. Soon the cry will come, "Why, 60 cents will support no one, nor will two rations of 60 cents."

If you desire to provide further increased pay, vote it in a dignified way. Do not undertake to give it under the guise of a 60-cents-a-day ration.

Large additional officer pay will flow from the drastic changes of existing law, provided for in section 1 of the pending bill. As for me, I would much prefer voting gratuity allowances to officers in need rather than a 60-cents-a-day ration.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from South Carolina [Mr. BYRNES] is recognized.

Mr. BYRNES of South Carolina. Mr. Chairman, I think that I am partly responsible for the inclusion in the bill of this section. As has been stated by the gentleman from Illinois [Mr. MCKENZIE] in his opening speech, the purpose of this section is to provide an increase of pay over the pay of 1908.

The question was whether we should do what the gentleman from Alabama [Mr. OLIVER] says, provide for an increase of base pay, or provide for an increase in this way. He says that it is not dignified, but the question of dignity is not involved. If you had done what he suggested, and what the gentleman from Texas [Mr. CONNALLY] and the gentleman from Illinois [Mr. MADDEN] suggests and increased the base pay, then you would have increased the pay that the officer receives when he retires, because it is based upon the base pay. But when you make it a part of the allowance you save money, and the chairman of the Committee on Appropriations ought to be in favor of it.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. I can not yield in five minutes. In my hand I hold a chart showing the increased pay. Here is the 1908 scale, and the scale provided by this bill. If you vote for this amendment you take away from the first and second lieutenants and the captains every dollar of increase over the 1908 pay, and you leave only an increase of pay to the lieutenant colonel and the colonel, who receive it because of their long years of service and longevity pay.

Now, the reason why I advocated the provision in the bill was this: The question was whether or not, in view of the abnormal conditions, this was an opportune time to change the pay. If you increased the pay, and the cost of living decreased, the pay would remain as fixed at this time. On the other hand, if you provided it as an allowance for rations, and the cost of living decreased, then the appropriation would decrease. If you will read the bill you will see that it provides that this is a maximum allowance, but that it shall be changed hereafter every year on the certificate of the Secretary of Labor to the President of the United States if there is a decrease in the cost of living. They say that does not mean anything. You must assume, if you believe that, that the Secretary of Labor will publish statistics that are not true, in order to please the War Department. The Labor Department pride themselves upon the accuracy of their statistics. If the Department of Labor does publish statistics showing a reduction in the cost of living, the gentleman from Illinois [Mr. MADDEN] will have them, and if the President does not certify to a reduction he will attend to it. If there is a reduction of 6 cents it will be 10 per cent, and will save $1,000,000.

My friend from Alabama [Mr. OLIVER] and my friend from Texas [Mr. CONNALLY] told you that a bachelor major general under this law will get six rooms. I suggest that you read the bill on page 10, lines 22 to 25. There you will see that it is specifically provided that such officer shall get only four rooms, and the major general who has been held up to you in order to prejudice the case will get $960, instead of the $1,600 that he gets now according to law.

Mr. OLIVER. Mr. Chairman, will the gentleman yield there? The gentleman is mistaken.

Mr. BYRNES of South Carolina. I regret I can not yield. I am not mistaken. I ask the gentlemen to read the bill, not to take what I say, and not to take what the gentleman from Alabama says. The bill says such officer shall receive four rooms.

Mr. CONNALLY of Texas. This is a colonel, and not a major general.

Mr. BYRNES of South Carolina. The gentleman said major general. I have checked it up with the finance officers of the Army, and he will get four rooms. If you adopt this amendment which has been offered you take out of the bill the only provision that enables us to make a satisfactory distinction between a man with dependents and the man without dependents. We have endeavored to equitably distribute this increase in pay over the 1908 schedule. The young officer, unmarried, receives the smallest allowance. He does not need it. Then we provided that when the officer arrived at that rank and age when he would likely have dependents that he should receive an allowance which would take care of his dependents, and when he grew older and it was assumed that his dependents would be able to take care of themselves the allowance was reduced.

We believed that if an increase was to be made over the scale of 1908 it was better to give a greater proportion of the increase to the man with dependents than to the bachelor with no dependents. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for one minute in order that he may correct what I know he would not intend to do for anything—make a statement that would mislead the House as to what a provision of this bill provides. I ask unanimous consent that he be allowed one minute.

Mr. BYRNES of South Carolina. If the gentleman is going to ask a question, I shall want more than one minute in which to answer. I want time to answer.

Mr. OLIVER. I want only time to ask the gentleman a question and let him do the answering.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. KNUTSON. I object.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken, and the amendment was rejected.

Mr. BLACK. Mr. Chairman, I move to strike out the section.

Mr. JOHNSON of Washington. Mr. Chairman, I have an amendment to section 5, a perfecting amendment.

The CHAIRMAN. Is it a perfecting amendment?

Mr. JOHNSON of Washington. Yes; I think it is a perfecting amendment. It is to strike out part of it.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 8, line 24, strike out "60" and insert "45," and after the word "day" insert a period and strike out the rest of the line, all of line 25, all of line 1, page 9, and all of line 2 to the period.

Mr. JOHNSON of Washington. Mr. Chairman, the amendment as offered is simple. The preceding amendment, offered by the gentleman from Illinois [Mr. MADDEN], having failed, I desire to place before the House an opportunity to fix the value of one allowance per officer at 45 cents, rather than 60 cents, and to let that figure stand through the various classes and for the future. I can not see that anything will be gained by a roundabout process, based upon a table to be prepared by the Secretary of Labor, to be handed to the President of the United States. It has been stated by the chairman of this select committee that this is a plan to increase the pay of the officers in the various grades. In the amendment I do not offer to strike out these lines by which the officers receive the price of two rations or three rations. I am simply endeavoring to induce the House of Representatives to decide that all ration allowances, which are additions to pay, be 45 cents instead of 60 cents. It is not the price of the ration at all. It is an effort to increase the pay. We can say now by adopting this amendment that the increase is either 45 cents, or 90 cents, or $1.36 per day, or by voting this amendment that the increase disguised as rations is 60 cents, $1.20, or $1.80 per day in the future.

Mr. MCKENZIE. Mr. Chairman, I do not wish to discuss this matter. It was all carefully thought out by the committee.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of Washington. Mr. Chairman, I ask for a division. I ask for a rising vote.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 15, noes 75.

So the amendment was rejected.

Mr. BLACK. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BLACK moves to amend by striking out all of section 5.

Mr. McKENZIE. Before my friend proceeds, I ask unanimous consent that at the expiration of his five minutes all debate on this section and all amendments thereto be closed.

Mr. OLIVER. I ask that the gentleman extend that to 10 minutes, giving me 5 minutes, so that I can make a statement to the House correcting certain misinformation.

Mr. McKENZIE. I move that at the end of 10 minutes debate be closed on the section and all amendments thereto.

Mr. MADDEN. I raise the question as to whether or not it is in order to move to close debate until after the first five minutes of debate have been had.

The CHAIRMAN. It is not.

Mr. HUSTED. The gentleman asked unanimous consent.

Mr. MADDEN. I make the point of order that it is not in order.

The CHAIRMAN. It is not in order, so the Chair will not put the motion.

Mr. BLACK. Mr. Chairman, the distinguished gentleman from Illinois [Mr. McKENZIE], in discussing this section which we now have under consideration, referred to it as containing a great fundamental principle. Now, the older I grow in experience the more thoroughly do I find out that there are not so many fundamental principles. We Americans have always been taught to think that the Declaration of Independence and the Constitution of the United States contain a few, and now, this afternoon, the distinguished gentleman from Illinois [Mr. McKENZIE] comes along and adds another one to the list, to wit, this provision of law to pay these officers a ration of 60 cents a day. The historian should get out his pen and ink and record this great event. It marks an epoch in American history. What is this great fundamental of which the gentleman from Illinois speaks? Let us analyze the bill a little and find out. In the first place, officers are classified in six periods. The pay of those periods ranges from $1,500 to $4,000 as a base. Added to that is the longevity pay, which may equal 50 per cent of the base pay. Added to that is the pay for commutation of quarters. We will take a colonel for example, whose base pay is $4,000. He may be drawing in addition to that by reason of a sufficient length of service $2,000 as longevity pay, causing him to receive $6,000. He may have added to that $120 a month as commutation of quarters. In addition to all these he may have added this great fundamental contained in section 5, which my friend from Illinois discussed so eloquently, to wit, rations at 60 cents a ration, with a maximum of three a day.

Now, gentlemen of the House, in all seriousness, I submit that at a time when the Congress of the United States is devising such emergency measures as a revival of the War Finance Corporation in order to enable the producers of the country to get the cost of production, if possible; at a time when the Congress of the United States is being called upon to give needed rations to the flood sufferers of the great Mississippi Valley; at a time when the taxpayers of the country are suffering under a load such as they have never been called upon to bear in the history of the Republic, it looks to me as though it is a little bit too much to ask them to have put upon their bended backs the burden of paying officers a 60-cent ration who are already getting as high as $6,000 a year. I am not going to vote for any such provision, and will be certain to vote against the whole bill if it is allowed to remain. [Applause.]

Mr. McKENZIE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in five minutes, the five minutes to be controlled by the gentleman from Alabama [Mr. OLIVER].

Mr. MONDELL. Mr. Chairman, I hope the gentleman will make that 10 minutes. I would like to have a little time on this section.

Mr. McKENZIE. Then I will make it 10 minutes.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this section and all amendments thereto close in 10 minutes, 5 minutes to be used by the gentleman from Alabama and 5 minutes by the gentleman from Wyoming.

Mr. LONGWORTH. Mr. Chairman, that can not be put in the form of a motion.

The CHAIRMAN. That is an explanation by the Chair.

The motion was agreed to.

Mr. OLIVER. Mr. Chairman, there are no two gentlemen in the House for whom I entertain a higher regard and a warmer affection than I do for the gentleman from Illinois [Mr. McKENZIE] and the gentleman from South Carolina [Mr. BYRNES]. I know that neither of them would knowingly mislead the House about any matter connected with this important bill, and that if either has made a statement of fact that is not borne out by the bill, it is simply an error in failing to carefully read or accurately recall in the heat of argument the provisions of the bill affecting the matters to which our differences relate. My friend from South Carolina [Mr. BYRNES] was rather positive in his recollection that this bill gave to a major general but four rooms. This bill, I respectfully submit, on that point is too plain to admit of any difference between the gentleman from South Carolina and myself. The section from which the gentleman got his information relates only to officers holding a grade below that of brigadier general. If he will read the section referred to he will find that it relates only to allowances for officers in grades below that of brigadier general. Section 8 determines the pay and allowances of officers above the grade of colonel and of all corresponding grades. I will read such part of section 8 as is pertinent to the matter under discussion.

SEC. 8. That commencing July 1, 1922, the annual base pay of a brigadier general of the Army and of the Marine Corps, rear admiral (lower half) of the Navy, commodore of the Navy, and Surgeon General of the Public Health Service shall be $6,000; and the annual base pay of a major general of the Army and of the Marine Corps, and rear admiral (upper half) of the Navy shall be $8,000. Every such officer shall be entitled to the same money allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the sixth period and to the same money allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the sixth period.

The money allowance for subsistence as authorized in section 5 is $438 a year, and the money allowance for rental of quarters authorized in section 6 of this act is $1,440 a year; in other words, the allowance is for two rations and six rooms.

No distinction is made between officers in these grades on account of dependents. To my mind there should be no question between lawyers as to the interpretation of this section, but that evidently must account for our differences.

I regret to find my friend from Illinois [Mr. McKENZIE] and my friend from South Carolina [Mr. BYRNES] also inaccurate in their calculations as to the increases given by the pending bill to officers, exclusive of all ration allowances. Take the grade of colonel. This bill provides a maximum pay and allowance for colonels, exclusive of the ration allowance, in excess of the amount which, under the limitation of $7,200, the colonel is allowed to draw. Likewise, there are lieutenant colonels now in the service who under this bill would be entitled to draw the maximum pay of a colonel, to wit, $7,200, even though you deduct from his allowance the entire ration allowance of $438. The increase in pay and allowance of a lieutenant colonel over the 1908 bill, if this bill passes, based on the maximum pay for that grade, will be $2,224. There are lieutenant colonels now in the service who will be entitled to the maximum pay of the grade on the passage of this bill. Likewise, the maximum pay and allowance of a captain in the Army and of corresponding grade in the Navy will be increased $2,197 over the 1908 act and $1,447 over the May 18, 1920, bonus bill. There are now more than 130 captains in the Army and of corresponding grades who will be entitled to the large increases just stated.

The House must not forget that many new factors will enter into the pay of officers if this bill passes, and it will be very difficult for one not well versed in Army and Navy pay schedules to know what the pay or compensation of an officer in any grade is at any particular time. It will be necessary to know his length of service, whether he has dependents or not, what service he is engaged in, whether he is occupying public quarters, whether he is performing duty with the air or the submarine service, and so forth, because all of these matters may very properly enter into his pay and compensation. Since I have shown that there are lieutenant colonels and colonels who will receive under this bill, even if you strike out the ration allowance, the maximum pay of a colonel, to wit, $7,200, I do not think the argument made by the gentleman from Illinois is sound when he says it will ruin the bill to strike it out. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BYRNES of South Carolina. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. That motion is not in order; the time has been limited.

Mr. MONDELL. Mr. Chairman, in view of the statements made by the gentleman from Alabama who has just taken his seat, I prefer to yield my time to some one with a better knowledge of the technicalities and details of the bill than I. I would be glad to yield my time to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. If the gentleman is kind enough to include me in that category, I will say that I only desire to be recognized for a few minutes. Mr. Chairman, there is little difference between me and my friend from Alabama and no excuse for getting "het" up about it. It is evident that there was a misunderstanding between us. The gentleman from Texas [Mr. CONNALLY] made a statement about the bachelor major general.

Mr. CONNALLY of Texas. I will state that I quoted from the gentleman from Illinois. [Laughter.] I asked the gentleman from the floor how many rooms a major general was entitled to, and he said six.

Mr. BYRNES of South Carolina. I think the gentleman from Texas is right. The gentleman from Texas believed he was right and proceeded to talk about six rooms that the bachelor major general would get, and I made the statement that he would get but four rooms. I did not specify that I was talking about a *man* without dependents, because I was replying to the gentleman from Texas, who specifically referred to a bachelor major general. The gentleman from Alabama had in mind a major general with dependents, who gets six rooms. I had reference to the officer referred to by Mr. CONNALLY of Texas, without dependents, who gets four rooms. Section 8, considered in connection with section 6, gives him four rooms. There is no real difference about it at all; he was right as to dependents and I was right as to a major general without dependents.

Mr. OLIVER. The gentleman is in error in one thing. Section 8 makes no difference between a general with or without dependents, or whether he is a brigadier general or an admiral.

Mr. BYRNES of South Carolina. Section 8 says that these officers shall receive rooms provided for in the sixth section. Then if you will look at section 6, page 10, at the bottom, you will see that it provides that where an officer in the sixth period has no dependents he shall receive only four rooms. Then there is the further fact that even if he has dependents he can not get the full amount of the allowance because there is a maximum provision in the bill which prohibits him from receiving the maximum. All he could receive would be $1,262 in the case of a major general and $1,062 in the case of a brigadier general, because of the operation of the maximum provision. In the hope of providing a scientific system of pay we provide that when an officer is young, with less responsibilities, he shall receive less additional pay, but when he has reached the period of life where he has children to support and his responsibilities are greater, he shall receive more; and then when the children are grown up and have been educated there should be a reduction in the allowances. The officers agree that it is fair. No man can complain of that except the bachelors, and I think some of my bachelor friends are willing to admit the justice of this provision. [Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. BLACK. May the amendment again be reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk again read the amendment.

The question was taken, and the amendment was rejected.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 8, line 24, strike out the figures "60" and insert the figures "50."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 6. That each commissioned officer on the active list or on active duty below the grade of brigadier general or its equivalent, in any of the services mentioned in the title of this act, if public quarters are not available, shall be entitled at all times, in addition to his pay, to a money allowance for rental of quarters, the amount of such allowance to be determined by the rate for one room fixed by the President for each fiscal year in accordance with a certificate furnished by the Secretary of Labor showing the comparative cost of rents in the United States for the preceding calendar year as compared with the calendar year 1922. Such rate for one room is hereby fixed at $20 per month for the fiscal year 1923, and this rate shall be the maximum and shall be used by the President as the standard in fixing the same or lower rates for subsequent years. To each officer receiving the base pay of the first period the amount of this allowance shall be equal to that for two rooms, to each officer receiving the base pay of the second period the amount of this allowance shall be equal to that for three rooms, to each officer receiving the base pay of the third period the amount of this allowance shall be equal to that for four rooms, to each officer receiving the base pay of the fourth period the amount of this allowance shall be equal to that for five rooms, and to each officer receiving the base pay of the fifth or sixth period the amount of this allowance shall be equal to that for six rooms. The rental allowance shall accrue while the officer is on field or sea duty, temporary duty away from his permanent station, in hospital, on leave of absence, or on sick leave, regardless of any shelter that may be furnished him for his personal use, if his dependent or dependents are not occupying public quarters during such period. In lieu of the above allowances an officer with no dependents receiving the base pay of the first or second period shall receive the allowance for two rooms, that such an officer receiving the base pay of the third or fourth period shall receive the allowance for three rooms, and that such an officer receiving the base pay of the fifth or sixth period shall receive the allowance for four rooms, but no rental allowance shall be made to any officer without dependents by reason of his employment on field or sea duty.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word in order to inquire of the chairman of the committee having the bill in charge what the present allowance is for rooms for officers?

Mr. McKENZIE. Does the gentleman want any specific grade?

Mr. STAFFORD. No; but what the comparative increases are, as provided in the bill.

Mr. McKENZIE. Let us take a major general in Washington. Under existing law he draws $1,684.85 for quarters, heat, and light. Under this bill, and figuring now for a single officer, he would draw $960.

Mr. STAFFORD. Suppose he is married.

Mr. McKENZIE. Then he would draw $1,440.

Mr. OLIVER. He gets exactly the same if he is married or not married. You would have to change the law.

Mr. McKENZIE. Oh, I challenge the statement of the gentleman from Alabama on that proposition. I want the House to understand that either the gentleman from Alabama is mistaken or I am mistaken; and if I am mistaken I pledge myself to the membership of this House to go before the Senate or anyone else and ask to have it changed.

Mr. OLIVER. Let me say this to the gentleman——

Mr. STAFFORD. Oh, my time is running; and permit me for a moment to control my own time. Will the gentleman give the rates as to the other grades so that the House may know what is done by this bill in this schedule of pay?

Mr. McKENZIE. Let us take a captain.

Mr. STAFFORD. Married.

Mr. McKENZIE. A captain now present in Washington draws $800.50. He would go into the third pay period, and he would be entitled under this bill, if he had dependents, to $960.

Mr. STAFFORD. What would be the subsistence? Would it be additional to what it is here?

Mr. McKENZIE. The subsistence is a different proposition.

Mr. STAFFORD. He gets no subsistence at the present time.

Mr. McKENZIE. A captain would get an increase for rental.

Mr. STAFFORD. How about a first lieutenant, married?

Mr. McKENZIE. Under existing law a first lieutenant draws $623.80. Under the bill he would draw, if he had dependents, $720, and $480 without dependents.

Mr. STAFFORD. And it is the gentleman's contention that the allowance provided in this bill, so far as quarters are concerned, is about the same within a radius of $100 to $200.

Mr. McKENZIE. It would not average over $100. Remember, this is based upon the maximum amount, $20, and that may be reduced from year to year. The existing law provides about $17.

Mr. KRAUS. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. KRAUS. I take it that the gentleman will concede that there is an average increase of at least $3 per month per room?

Mr. McKENZIE. Yes; but next year, if rentals go down in the city of Washington and the Ball Rent Act is not repealed, it may be made $20, because this is figured on the basis of war prices.

Mr. STAFFORD. Mr. Chairman, I withdraw the pro forma amendment.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last two words for the purpose of saying that while I favor good pay for the Navy and Army and officers of the Coast Guard, officers of the Public Health Service, and others, I am afraid that hereafter, if this bill in its present form becomes a law, whenever I meet a colonel of the Army, or an admiral, or a chief surgeon, I shall say to myself that the actual salary of that officer was fixed, not by Congress, but by the Secretary of Labor on some statistician's schedule based on the price of onions and potatoes to the people. Congress, in fixing the actual pay of Army officers, Navy officers, and others,

is passing the buck to the Secretary of Labor. The Secretary of Labor will have the say. And the officers will be around promptly to show him—they will; you know it. The price of onions will mean more to the officer than it will to the man in the street. And then, again, when I meet these officers I shall think of their rent allowances, and I shall never be able to rid myself — no matter how great their achievements — of the thought that part of their pay was fixed on the operation of the Ball Rent Act in the District of Columbia. Is that the way Congress proposes to fix the pay of the officers in these various important services of the great Government of the United States?

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 7. That when the total of base pay, pay for length of service, and allowances for subsistence and rental of quarters, authorized in this act for any officer below the grade of brigadier general or its equivalent, shall exceed $7,200 a year, the amount of the allowances to which such officer is entitled shall be reduced by the amount of the excess above $7,200: *Provided*, That this section shall not apply to the Captain Commandant of the Coast Guard nor to the Director of the Coast and Geodetic Survey.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Illinois what the maximum pay is that may be received by the Captain Commandant of the Coast Guard and the Director of the Coast and Geodetic Survey.

Mr. McKENZIE. The pay of the Captain Commandant of the Coast Guard and the man at the head of the Coast and Geodetic Survey is that of a colonel in the Army or a captain in the Navy. When this matter came up for discussion in committee it appeared that these two men, occupying these exalted positions in comparison to those occupied by the other men in the service, ought to have some distinctive promotion. In other words, that they should have the grade of brigadier general, for example. However, the committee felt that we had no right to enter upon that field of legislation, and we so stated to them; but we put in this provision that, while we hold down all of the other colonels in the Army and captains in the Navy to $7,200 we do permit these two gentlemen, in case their allowance and salaries should overrun $7,200 to some small extent, to retain that, feeling it was better to do that than to undertake to give them an increase in grade.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 9. That commencing July 1, 1922, the monthly base pay of warrant officers and enlisted men of the Army and Marine Corps shall be as follows: Warrant officers of the Army and Marine Corps, $148; warrant officers, Army Mine Planter Service, master, $185; first mate, $141; second mate, $109; engineer, $175; assistant engineer, $120; enlisted men of the first grade, $126; enlisted men of the second grade, $84; enlisted men of the third grade, $72; enlisted men of the fourth grade, $54; enlisted men of the fifth grade, $42; enlisted men of the sixth grade, $30; enlisted men of the seventh grade, $21; and the pay for specialists' ratings shall be as follows: First class, $30; second class, $25; third class, $20; fourth class, $15; fifth class, $6; sixth class, $3. Existing laws authorizing continuous-service pay for each five years of service are hereby repealed, effective June 30, 1922. Commencing July 1, 1922, warrant officers of the Army and Marine Corps, including warrant officers of the Army Mine Planter Service and enlisted men of the Army and Marine Corps, shall receive, as a permanent addition to their pay, an increase of 5 per cent of their base pay for each four years of service in any of the services mentioned in the title of this act, not to exceed 25 per cent. On and after July 1, 1922, an enlistment allowance equal to $50, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the first three grades who reenlists within a period of three months from the date of his discharge, and an enlistment allowance of $25, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the other grades who reenlists within a period of three months from the date of his discharge. Nothing contained herein shall operate to reduce the pay now being received by any transferred member of the Fleet Marine Corps Reserve. On and after July 1, 1922, retired enlisted men of the Army and Marine Corps shall have their retired pay computed as now authorized by law on the basis of pay provided in this act.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word in order to get some information as to the amount the pay of a retired enlisted man of the Army or Marine Corps would be increased by reason of the last sentence on page 14, authorizing those who are now retired to receive the same retired pay as though under the provisions of this bill.

Mr. McKENZIE. I will say to the gentleman that when this bill goes into operation the retired pay will be based upon the grade and length of service. So far as the enlisted men in the Navy and the Marine Corps are concerned, they have special laws covering the retirement in those services. For instance, in the Fleet Naval Reserve men can retire and be subject to call after 16 and 20 years' service, and the same thing in the Marine Corps, with pay at one-third and one-half.

Mr. STAFFORD. We have entered into a contract with these men who have heretofore done service in the Army and Marine Corps. Now you provide to increase their retirement pay. What is the reason for granting them an additional gratuity to that which they are now receiving?

Mr. McKENZIE. I want to say to the gentleman we did not in this bill provide for anything more than a readjustment of the retired pay to correspond with the readjustment of the active pay. We did not change the law.

Mr. STAFFORD. If you do not make an increase in the pay, what is the purpose of the paragraph to which I am directing attention; that—

On and after July 1, 1922, retired enlisted men of the Army and Marine Corps shall have their retired pay computed as now authorized by law on the basis of pay provided in this act.

That certainly means an increase of the retirement pay.

Mr. McKENZIE. I presume that is true in some cases.

Mr. STAFFORD. How much would it amount to in the case of these men?

Mr. McKENZIE. I am frank to say I do not have those figures, but it would be very small.

Mr. STAFFORD. Does the gentleman think we ought to grant this additional grade to men who have separated themselves from the service?

Mr. McKENZIE. I do not think that it will grant them any additional grade.

Mr. STAFFORD. But the gentleman thinks it will require increased pay.

Mr. McKENZIE. If they have the service. It only applies the same principle to these men as to commissioned officers.

Mr. KRAUS. I would ask the chairman if he does not believe as a matter of fact this provision should not be made to conform to the first amendment which was adopted introducing a limitation in the case of officers. As a matter of fact there is a difference in some extent. I do not know to what extent, and it seems to me that the provision for enlisted men should be made to conform to the amendment adopted by the House.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. NEWTON of Minnesota. It occurs to me, from this sentence the gentleman from Wisconsin just read with reference to enlisted men, that if it was adopted it places them on a different basis from the commissioned officer if you limit the retired commissioned officer to be retired with what he is getting under existing law. Now, this retired pay is based upon the proposed law.

Mr. McKENZIE. The gentleman from Minnesota will understand that among the enlisted men their scale of retired pay is different from that of the commissioned personnel.

Mr. STAFFORD. But the committee having already taken the stand that as far as the commissioned officers are concerned their retired pay shall be no higher than they are now receiving, why should we not apply the same standard to the enlisted men?

Mr. McKENZIE. I want to say to the gentleman from Wisconsin I did not agree with the amendment adopted by the committee in respect to commissioned officers. I think it was a mistake.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment and offer a substantive amendment, as follows: Line 4, page 14, strike out all the remaining portion of the section after the word "law."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 4, after the word "law," strike out the remainder of the section.

Mr. STAFFORD. Mr. Chairman, just a word. I believe the committee has already heard the colloquial discussion with the gentleman from Illinois. On yesterday we passed an amendment limiting the retired pay of officers on the retired list to that which they are now receiving, not granting to them additional pay that would be allowed under this bill. This amendment seeks to require these retired enlisted men to continue to receive the present pay and not to give the additional pay which they would have under the conditions of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 10. That on and after July 1, 1922, the monthly base pay of warrant officers of the Navy and Coast Guard shall be as follows: During the first 6 years of service—at sea, $153; on shore, $135; during the second 6 years of service—at sea, $168; on shore, $147;

after 12 years' service—at sea, $189; on shore, $168. On and after July 1, 1922, for purposes of pay, enlisted men of the Navy and Coast Guard shall be distributed in seven grades, with monthly base rates of pay as follows: First grade, $126; second grade, $84; third grade, $72; fourth grade, $60; fifth grade, $54; sixth grade, $36; seventh grade, $21. Chief petty officers under acting appointment shall be included in the first grade at a monthly base pay of $99. Mates shall receive the pay of enlisted men of the first grade of the Navy. Nothing contained herein shall operate to reduce the pay now being received by any transferred member of the Fleet Naval Reserve. In lieu of all permanent additions to pay now authorized for enlisted men of the Navy and Coast Guard, they shall hereafter receive, as a permanent addition to their pay, an increase of 10 per cent on the base pay of their rating upon completion of the first four years of enlisted service, and an additional increase of 5 per cent for each four years' service thereafter, the total not to exceed 25 per cent. All transient additions to pay of enlisted men of the Navy and Coast Guard are hereby repealed, except as provided for in section 21 of this act.

The rates of pay of the insular force of the Navy shall be one-half the rates of pay prescribed for enlisted men of the Navy in corresponding ratings. Existing laws authorizing a reenlistment gratuity to enlisted men of the Navy and Coast Guard are hereby repealed, and hereafter an enlistment allowance equal to $50 multiplied by the number of years served in the enlistment period from which he has last been discharged, but not to exceed $200, shall be paid to every honorably discharged enlisted man of the first three grades who reenlists within a period of three months from the date of his discharge; and an enlistment allowance of $25 multiplied by the number of years served in the enlistment period from which he has last been discharged, but not to exceed $100, shall be paid to every honorably discharged enlisted man of the other grades who reenlists within a period of three months from the date of his discharge. On and after July 1, 1922, retired enlisted men of the Navy and Coast Guard shall have their retired pay computed as now authorized by law on the basis of pay provided by this act.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to inquire, the information not having been heretofore given in the discussion of this bill, how the rate of pay of warrant officers of the Army, Navy, Coast Guard, and Marine Corps, as provided in this section of the bill and prior sections, compares with the existing pay?

Mr. McKENZIE. I want to say to the gentleman from Wisconsin in regard to that matter that two years ago, in 1920, there was a most exhaustive study made in reference to pay of enlisted men of the Navy, and at that time an effort was made to increase the pay of the enlisted men of the Navy, but before we got through with it we had this hodge-podge bill known as the bonus or temporary pay bill, and the only thing in it that we ever had under consideration at all was the pay of the enlisted men of the Navy.

It was worked out at that time scientifically, as the gentleman from Alabama will admit, and we accepted that pay as fixed at that time with only two changes which we thought to be just and fair to the enlisted men of the Navy.

Mr. OLIVER. If the gentleman will pardon me, I fully confirm what the gentleman from Illinois [Mr. McKENZIE] has said, and I wish to say this, that no one perhaps deserves as much credit for it as Captain Williams of the Navy. He was before the committee, and the hearings he submitted to it are very elaborate, and give an accurate, detailed description of the Navy and the pay of the Navy.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

SEC. 11. That warrant officers of the Army, including those of the Army Mine Planter Service, of the Navy, Marine Corps, and Coast Guard, shall be entitled at all times to the same money allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the first period, and to the same money allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the first period. To each enlisted man not furnished quarters or rations in kind there shall be granted, under such regulations as the President may prescribe, an allowance for quarters and subsistence, the value of which shall depend on the conditions under which the duty of the man is being performed, and shall not exceed $4 per day. These regulations shall be uniform for all the services mentioned in the title of this act. Subsistence for pilots shall be paid in accordance with existing regulations, and rations for enlisted men may be commuted as now authorized by law.

Mr. HICKS. I move to strike out the last word.

Mr. Chairman, the committee will soon vote on this bill, and I have no doubt but that the committee will approve of it and the House will pass it. It seems to me this bill should be passed, because it gives to us now three things that are absolutely essential and three things that we have lacked. One has been the lack of uniformity of pay, another has been knowledge as to what the pay is in various branches of the service, and the other has been the fact that we have not based pay largely on length of service but more on rank. This bill provides for those three things being accomplished, and I sincerely hope that in the interest of both officers and men of these services this bill will receive the sanction of the House and the Senate and of the President. I most earnestly recommend, after some careful study of the provisions of this bill, and especially the needed provisions, that the committee see its way to stamp its approval upon it. [Applause.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 12. That hereafter officers of any of the services mentioned in the title of this act, when traveling under competent orders without troops, shall receive a mileage allowance at the rate of 8 cents per mile, distance to be computed by the shortest usually traveled route, and existing laws providing for the issue of transportation requests to officers of the Army traveling under competent orders, and for deduction to be made from mileage accounts when transportation is furnished by the United States, are hereby made applicable to all the services mentioned in the title of this act, but in cases when orders are given for travel to be performed repeatedly between two or more places in the same vicinity, as determined by the head of the executive department concerned, he may, in his discretion, direct that actual and necessary expenses only be allowed. Actual expenses only shall be paid for travel under orders outside the limits of the United States in North America. Unless otherwise expressly provided by law, no officer of the services mentioned in the title of this act shall be allowed or paid any sum in excess of expenses actually incurred for subsistence while traveling on duty away from his designated post of duty, nor any sum for such expenses actually incurred in excess of $7 per day. The heads of the executive departments concerned are authorized to prescribe per diem rates of allowance, not exceeding $6, in lieu of subsistence to officers traveling on official business and away from their designated posts of duty.

In lieu of the transportation in kind authorized by section 12 of an act entitled "An act to increase the efficiency of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved May 18, 1920, to be furnished by the United States for dependents, the President may authorize the payment in money of amounts equal to such commercial transportation costs when such travel shall have been completed. Dependent children shall be such as are defined in section 4 of this act.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CONNALLY of Texas: Amend by striking out the word "may," in line 10, and the words "in his discretion," in line 11, and insert in lieu thereof the word "shall."

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I think the gentleman from Illinois [Mr. McKENZIE] will accept this amendment. It simply provides that where the duty of an officer calls him habitually from one place to another, he shall only receive actual expenses instead of 8 cents a mile. It would be ridiculous for an officer who had to go from Washington to Baltimore once a week, say, in the performance of his duty, to be allowed 8 cents a mile instead of his actual traveling expenses. Under this bill as it is drawn, unless the head of the department in his discretion should enter an order limiting the mileage to actual expenses, an officer who traveled from Camp Humphreys to Washington and back each day in the performance of his duty would, in addition to his regular pay, draw 8 cents a mile coming and going.

Mr. McKENZIE. I will say to my friend that that was not the intention. I am certain the comptroller would not permit any such thing to get by him.

Mr. CONNALLY of Texas. If the gentleman will accept this amendment, the comptroller will not have to act on it. The comptroller is going to be governed by the law, and the present bill provides that the head of the executive department concerned may in his discretion allow it.

Mr. McKENZIE. I have not the time to look up the reasons given for the language, but I do know every word of this bill was very carefully considered.

Mr. OLIVER. All of that is worked out by regulations, as I understand, and we understood that they have been very carefully guarded, but I see no objection to accepting the amendment.

Mr. BYRNES of South Carolina. If the gentleman from Illinois will permit, it will only make certain what the gentleman wants.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. CONNALLY].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. CONNALLY of Texas. Division, Mr. Chairman.

The committee divided; and there were—ayes 25, noes 42.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 13. That, commencing July 1, 1922, the annual pay of female nurses of the Army and Navy shall be as follows: During the first three years of service, $840; from the beginning of the fourth year of service until the completion of the sixth year of service, $1,080; from the beginning of the seventh year of service until the completion of the ninth year of service, $1,380; from the beginning of the tenth year of service, $1,560. Superintendents of the Nurse Corps shall receive a money allowance at the rate of $2,500 a year, assistant superintendents, directors, and assistant directors at the rate of $1,500 a year, and chief

nurses at the rate of $600 a year, in addition to their pay as nurses. Nurses shall be entitled to the same allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the first period, and to the same allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the first period.

Miss ROBERTSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The lady from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Miss ROBERTSON: Page 18, line 23, strike out the word "first" and insert in lieu thereof the word "second," and on page 19, line 2, strike out the word "first" and in lieu thereof insert the word "second."

Miss ROBERTSON. Mr. Chairman, since I came into this House I have never made any appeal as a woman for any special recognition or any legislation for women. I feel it my privilege, my duty, to ask a little recognition for the women of the nursing service, who stand in a class wholly to themselves.

Just a few little figures. The first women came into the Army as the Corps of Nurses in 1901—just of age this year, you see. At first there were only 200 of these pioneers until the border trouble in 1916, and then their number doubled with increased need until there were 400 of them. At the beginning of the war these were in the service. When the armistice came there were 21,408. In all this number of 21,408 devoted women there was not one drafted person. We have heard much to-day of the West Pointer, educated and equipped by his Government, in comparison with the National Army man, who paid his own way—a discussion in which, of course, I took no part. Every woman of these volunteers came to the work trained and equipped at her own cost, after years of the toil and discipline and drudgery which are required to becoming a registered nurse. Every one of those 21,408 had gone through all this drudgery, the scrubbing of floors, the cleaning of sores, the menial, repulsive duties which young women are made to undergo in order to deter them from entering a service which only the bravest, strongest women should go into.

Mr. HICKS. For information, has the lady estimated what the cost will be if this amendment goes into operation?

Miss ROBERTSON. No. I leave that to you men.

To go back to it, all these women had been trained. No one was taken into the service unless she was fully qualified, and some of you men who served overseas or who when wounded or sick over there or here were ministered to by them, know what their work was. In the American Expeditionary Forces there were 10,066 nurses, and God's angels seemed to watch over them, because only three were wounded and only 103 died. The total number who died in the service was 266. There were 257 nurses decorated for their splendid service. To day there remain in the corps 862 nurses, 803 of them being in the number that rank as second lieutenants, 54 as first lieutenants, 4 captains, and 1 major.

I can not give this to you in the hard dollars and cents in which you vote appropriations. I can only think of women, women who must pass through such a fiery test of truth and purity and bravery when they do this work for the men in uniform. I know that in civil life the average life of a woman as a nurse is 10 years, so brief a record after all the stress of years of preparation; but with women nurses in civil life there are so many of them to whom marriage comes when some fortunate man they have brought to health adds to it happiness for nurse as well as patient; but there is very little of this for the Army nurse. She must go into her work governed by the divine-mother impulse that makes the faithful, successful nurse of the woman. One of the most beautiful and appreciative girls that it was my privilege to help educate was a young girl with a slight tincture of Cherokee blood—gifted, talented, educated. I have seen her take a little child, and by sheer force of will of her personal vitality and, it seemed to me, of divine help, bring that little child from the very borderland of death into strong, happy young infancy. Marvelous she was as a nurse; proud of her I was.

The CHAIRMAN. The time of the lady from Oklahoma has expired.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I ask unanimous consent that the lady from Oklahoma may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time of the lady from Oklahoma be extended for five minutes. Is there objection?

There was no objection.

Miss ROBERTSON. When the thousands of the National Guard went through Oklahoma to the border, seeing them, she heard the call to a new service, and she threw aside all else to enlist as an Army nurse. And this is the War Department record:

Miss Olive F. Heath was appointed in the Army Nurse Corps from her home at Muskogee, Okla., July 15, 1916, and was first stationed at the Army and Navy Hospital, Hot Springs, Ark. She was transferred to Walter Reed General Hospital June 3, 1917; served continually until her illness January 28, 1918, which resulted in her death from pneumonia on February 25, 1918. Miss Heath was a very fine woman and an excellent nurse. She contracted pneumonia while awaiting transfer to France.

My last letter from her was from Walter Reed telling me she expected sailing orders at any time. She did not get over to France. But the memory of that beautiful heroic life, ended with pneumonia in the line of duty at Walter Reed, makes me come and ask for a greater recognition to these women, for better pay, for more consideration, so that they may have pay and service consideration that will allow them to look forward to a home of their own when they can no longer work. [Applause.]

Mr. LINEBERGER. Mr. Chairman, I ask unanimous consent that the amendment of the lady from Oklahoma be again reported. I think there are many Members who did not quite understand the import of it.

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, I am sure we all join in the beautiful sentiments expressed by the lady from Oklahoma in connection with the services of the Army and Navy Nurse Corps, but the committee, after hearing the testimony and having the nurses before us, decided to write the provisions of the bill as you now find them.

I want to call your attention to the present law which provides the pay of nurses. It is fixed by the act of July 9, 1918. It is $720 for the first period of 3 years, with an increase of $60 a year for each period of 3 years thereafter until 12 years, when the limit of $960 is reached. These nurses are entitled to $360 a year in addition to their pay as nurses by the act of February 28, 1919. The pay of the superintendent and director of the Army Nurse Corps is $2,400; that of assistant superintendents and directors $1,800, and that of assistant directors, $1,500. The bill repeals this schedule and establishes the new rates found in the bill, which as you will observe are very material increases. The amendment offered by the lady from Oklahoma simply would provide that nurses would receive $219 additional subsistence money, and if they had dependents then they get one additional room, which would mean $240.

Now, I have maintained all the time that the committee tried to write a fair and simple and economical bill, giving to everyone fair pay. This has been indorsed by the heads of the Nurse Corps, whose letter I have in my office, but do not happen to have here. There has been no criticism of the action of the committee, but if the membership of the House feel that we have not gone far enough in our generosity to these most excellent ladies, it is up to the House to change this. The committee felt that we have been generous in what we have done.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I rise to support the amendment offered by the lady from Oklahoma [Miss ROBERTSON].

The chairman [Mr. McKENZIE] has spoken of the compensation for nurses. This bill provides that for the first three years the compensation shall be $840; the next three years, $1,080; the next three years, $1,380; and after that, $1,560, and the gentleman from Illinois speaks of these as liberal rates of compensation. If he will compare them with rates of compensation paid to the trained nurses in private life he will find the rates of compensation in this bill are very low indeed. A trained nurse in private practice gets anywhere from $5 to $10 a day and her subsistence and quarters; that is, room and board and all living expenses are provided without expense to herself. Ten dollars a day is $3,600 a year as a money compensation, and is in addition to all living expense while employed.

Mr. STAFFORD. Oh, $5 a day does not make $3,600 a year.

Mr. McLAUGHLIN of Michigan. Ten dollars a day, I said; and that is not a high compensation, although it is the largest amount I stated. The gentleman can estimate as well as I can what the living expense of the nurses during their service amounts to, so that compensation in this bill is not high. It is very small compared with what is paid in private life.

But the amendment offered by the lady from Oklahoma does not seek to increase compensation. It seeks to increase the amount allowed for subsistence and for quarters. Nurses of the Army and Navy are, almost without exception, provided with quarters and subsistence at or in connection with hospitals or at other suitable Government buildings; both are provided, so that the salary allowed is clear. Thus they usually have

no expense for quarters or subsistence. But some of them find it necessary to go outside and occupy rooms—rent rooms and pay for them, of course—and provide their own meals. Sixty cents a day is the subsistence that one of these women living outside will receive if this bill becomes law. The lady from Oklahoma asks a moderate increase to $1.20. The amount allowed for a room or rooms would be $40 a month under the bill. The lady's amendment would make it $60 a month. In this city or in a city of any size what kind of a room would a lady get for $40 a month and live as she wishes to live and as she ought to live? This meager compensation, this inadequate compensation, as I look at it, or the allowance for rooms or for living will not permit nor is it an encouragement to proper living.

Now, I think this Congress wishes to provide for subsistence and for living quarters for these women which are adequate to their needs, and which will provide for and encourage proper and healthful living conditions to them. Forty dollars a month will not pay for a suitable room, nor will 60 cents a day buy even one decent meal. This amendment should be adopted; it will provide $60 per month for rooms and $1.20 a day for meals. Smaller amounts will be improper and altogether inadequate and a reproach to the Congress itself.

The CHAIRMAN. The question is on agreeing to the amendment offered by the lady from Oklahoma.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. STAFFORD. Division, Mr. Chairman.

The committee divided and there were—ayes 35, noes 30.

Accordingly, the amendment was agreed to.

The Clerk read as follows:

SEC. 17. That on and after July 1, 1922, retired officers and warrant officers shall have their retired pay, or equivalent pay, computed, as now authorized by law, on the basis of pay provided in this act: *Provided*, That nothing contained in this act shall operate to reduce the present pay of officers, warrant officers, and enlisted men now on the retired list or officers or warrant officers in an equivalent status of any of the services mentioned in the title of this act. Active duty performed after June 30, 1922, by an officer on the retired list or its equivalent shall not entitle such officer to promotion. Hereafter retired officers of the Army, Navy, and Marine Corps below the grade of brigadier general or commodore and retired warrant officers and enlisted men of those services shall, when on active duty, receive full pay and allowances.

Mr. OLIVER. Mr. Chairman, on yesterday there was an amendment adopted limiting the amount of retired pay. I only ask the chairman of the committee to accept an amendment subject to the same limitations as appear in the amendment already adopted.

Mr. McKENZIE. I am opposed to that, because I was opposed to the other amendment.

Mr. OLIVER. My purpose is just to make it consistent.

Mr. McKENZIE. I would rather try to reverse our action on the former amendment.

Mr. OLIVER. I think perhaps the other amendment covered it, it was so broad; but we can straighten that out in conference.

Mr. McKENZIE. Mr. Chairman, I desire to offer a perfecting amendment, on page 21, in line 8, to strike out the word "and," at the end of the line, and insert after the word "corps," in line 9, the words "Coast Guard and Geodetic Survey."

The CHAIRMAN (Mr. LONGWORTH). The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McKENZIE: Page 21, line 8, strike out the word "and" at the end of the line and insert after the word "corps," in line 9, the words "Coast Guard and Geodetic Survey."

The amendment was agreed to.

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Page 21, lines 7 and 8, after the word "promotion," insert a colon and insert: "*Provided*, That officers and former officers of Philippine Scouts who were placed on the retired list of the Army prior to June 4, 1920, shall, upon the passage of this act, be entitled to advancement for active duty heretofore performed subsequent to retirement in accordance with section 127a of the act of June 4, 1920, and to the same retired pay and benefits received by other retired officers of the Army of like grade and length of service."

Mr. GREENE of Vermont. Mr. Chairman, I make a point of order against the amendment. I will reserve it if the gentleman wishes to explain his amendment.

Mr. WEAVER. I will be very glad if the gentleman will reserve it.

Mr. GREENE of Vermont. Does the gentleman's amendment provide that these officers shall be advanced in grade?

Mr. WEAVER. If the gentleman will reserve his point of order, I will explain my amendment.

Mr. GREENE of Vermont. All right.

Mr. WEAVER. Mr. Chairman, in the act of June 4, 1920, it is provided that officers in the Philippine Scouts shall be retired upon the same pay and with the same rights of promotion as officers in the Regular Army; but the act provided that as to officers already retired or who had been retired prior to the passage of that act, they should receive the pay of second lieutenants.

Mr. Chairman, there are about 89 of these officers. I think 65 of them are captains. They were the men who really did the arduous service in the Philippines. They were there during the Philippine insurrection. They were the men who helped to quell that insurrection. Yet a Philippine officer retiring now gets the same pay and the same right to promotion that an officer in the Regular Army gets, while those same rights and privileges are denied to the men who served from 1898 up to June 4, 1920. These men feel that that discrepancy was not really intended in the bill, and that it ought to be corrected, and that is the purpose of this amendment.

Mr. GREENE of Vermont. Mr. Chairman, by the gentleman's own statement his amendment seeks to perform an act of legislation which is not within the purview of this bill at all. It provides that men who have been in the military service and have been retired heretofore with a certain rank and grade shall be promoted from that rank and grade to a higher one. This bill does not deal with promotions. This bill does not change the grade status of any officer, and has no authority for it, nor did the committee reporting the bill have any authority whatever to go into that question. This bill deals entirely with compensation. I will say to the gentleman further that while there may be some justice in his proposition—we are not debating the merits of it at all—there is an ample remedy in another vehicle for it; but on this bill it is clearly out of order, and I make the point of order.

The CHAIRMAN. The Chair is not advised as to whether the Philippine Scouts are included in this bill.

Mr. GREENE of Vermont. The question is simply this: This bill fixes the pay of officers of various services, but does not disturb their relations to one another by way of changing their grade and rank. The gentleman's amendment proposes to take the officers of a certain service and change the grade and rank and give them more pay. To the extent it changes the grade and rank of anybody it is without the jurisdiction and purview of this bill. The Philippine Scouts are not included in the bill.

The CHAIRMAN. The Chair is inclined to think that the amendment offered by the gentleman from North Carolina is not covered by the bill, is not germane, and therefore sustains the point of order.

The Clerk read as follows:

SEC. 20. That all officers, warrant officers, and enlisted men of all branches of the Army, Navy, Marine Corps, and Coast Guard, when detailed to duty involving flying, shall receive the same increase of their pay and the same allowance for traveling expenses as are now authorized for the performance of like duties in the Army. Exclusive of the Army Air Service, and student aviators and qualified aircraft pilots of the Navy, Marine Corps, and Coast Guard, the number of officers of any of the services mentioned in the title of this act detailed to duty involving flying shall not at any one time exceed one-half of 1 per cent of the total authorized commissioned strength of such service. Regulations in execution of the provisions of this section shall be made by the President and shall be uniform for all the services concerned.

Mr. McKENZIE. Mr. Speaker, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having taken the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. McKENZIE. Mr. Speaker and gentlemen of the House, we have now concluded the consideration of this bill, which has taken six months of the most difficult and arduous toil in its preparation. In my judgment it is a day's work that will mean much to the country and much to the services. I feel that in the coming years it will save millions of dollars to the taxpayers of this country, that it will bring satisfaction to the rank and file of the several services affected, and that it will do justice where justice should be done. It puts humanity into

the law which heretofore never had any humanity in it. It provides for the home, wife, and little ones as well as for the officer himself. It will bring a feeling of greater confidence to the men of these services who serve us so well in the hour of stress. I could not, before moving the previous question, resist the temptation to say to the membership of this House that I feel most grateful to you for the manner in which you have supported the committee on this all-important bill. It is a technical bill, full of complications far-reaching in their effects, and as a Member of this House I well know that it was only the confidence that you had in the membership of the committee—that we were trying to do the right thing—that prompted you to follow us in a matter that would have taken weeks and months of difficult study to understand in all of its many details. I want to thank you one and all, and I want to especially express my gratitude to the members of the committee who have aided me in this work, and especially to my good friend Mr. BYRNES of South Carolina, who has so ably and earnestly labored with me through these long months.

Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent for three minutes.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent, notwithstanding the order of the previous question, that he may proceed for three minutes. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Speaker, there has been no difference between the gentleman from Illinois [Mr. MCKENZIE] and the minority members of the committee as to the necessity and importance of providing adequate pay for the officer and enlisted personnel in the military branches of the Government. The minority members, for reasons which we think entirely sound and which are fully set out in the minority report, have favored caring for any needed increase in the pay of the officer and enlisted personnel of these services by a temporary rather than permanent bill at this time. The pending bill, we have felt, involving, as it does, many radical and far-reaching changes of existing law, is drafted along illogical and unscientific lines, and in no way simplifies the pay and compensation allowance of the commissioned and enlisted personnel in the services affected, but really serves to add greater confusion and complications to an already very technical subject.

In the coming years I can but feel that many fundamental errors which have found their way into the preparation of this bill will rise to confront us. Too many concessions have been made to remove what the officers, who really prepared this bill, felt might become sources of opposition. A casual reading of section 1 will disclose many concessions, many discriminations, and many gifts of service in præsenti for the purpose of enabling officers to be advanced hereafter to a higher pay period while still holding commissions in a grade lower than such pay period. New rights and privileges are granted to officers now in the service never enjoyed under existing law, and not even remotely promised; and, strange to say, such rights and privileges under the terms of the bill will expire with the officers now in the service. Hereafter the officers who are commissioned, and who really must take the places of the officers now in the service, will be denied the right to claim advancement to pay periods on the same conditions freely granted in the pending bill to the officers now in the service.

When a bill embodies unjust discriminations, makes an unfair distribution of benefits to the personnel of important services, sooner or later these matters come home to confront us in the shape of strong protests and appeals to remedy the wrong. This bill provides one character of service for the officers now holding commissions to advance them to higher pay periods, and denies this right to officers hereafter commissioned. Congress will later be called on to remedy the wrongs thus sought to be perpetuated. Take the commissioned warrant officer. Many of them are now, under existing law, receiving and enjoying pay and allowances of first lieutenants, and yet they, under the terms of this bill, will be forever barred from receiving the pay and allowances of the next higher grade, while officers who hold commissions in this same grade can, under the terms of the bill, use the very character of service that the commissioned warrant officer now has to advance them to the next higher pay period, thereby increasing their base pay $500, their longevity pay by 50 per cent instead of 40, and also their allowance for subsistence and rentals.

Years of service have been given outright to certain groups of officers by more than one subdivision of section 1. To some officers this gift will immediately advance them to higher pay periods, thereby increasing their base and longevity pay and allowance. To other officers the gift will become effective after the lapse of further years, but when effective it will serve to immediately advance them to the next higher pay period from that in which they hold commissions, and result in substantial increases in pay and allowances.

You have denied gifts of service to others equally entitled to it; yea, you have not been content with making gifts of service in section 1 of the bill, but you have actually provided that such service could be used not alone as existing law requires—that is, for increasing longevity pay—but under the terms of this bill you permit it to be used to advance these officers to higher base pay on which the increased longevity percentage may be computed.

These rights and privileges, I repeat, are given only to certain groups of officers now in the service, and to be forever withdrawn and denied, by the terms of the bill, to all officers hereafter commissioned.

Mark my prophecy, you are but laying the foundation for future unrest and dissatisfaction in the services. Far better to have waited before writing permanent law until the permanent strength of these services could be fixed and adjustments now pending accomplished, and providing for needed increases by temporary legislation instead. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? A separate vote not being demanded on any amendment, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on ordering the bill to be engrossed and read a third time.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. CONNALLY of Texas. Mr. Speaker, I offer the following motion to recommit:

The Clerk read as follows:

Mr. CONNALLY of Texas moves to recommit the bill to the committee with instructions to report the same back forthwith with the following amendment: "Strike out section 5 of the bill."

Mr. MCKENZIE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken.

Mr. CONNALLY of Texas. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Texas make the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-one Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—yeas 41, nays 221, answered "present" 3, not voting 164, as follows:

YEAS—41.

Bell	Driver	London	Stafford
Black	Fulmer	Lowrey	Sumners, Tex.
Bowling	Hammer	Madden	Swank
Box	Huddleston	Oliver	Thomas
Bulwinkle	Jacoway	Parks, Ark.	Tillman
Burtness	James	Pou	Weaver
Byrns, Tenn.	Johnson, Miss.	Quin	Wise
Christopherson	Jones, Tex.	Rankin	Young
Collier	Kraus	Rayburn	
Connally, Tex.	Lanham	Rucker	
Deal	Larsen, Ga.	Sanders, Tex.	

NAYS—221.

Ackerman	Brown, Tenn.	Cooper, Ohio	Evans
Anderson	Buchanan	Cooper, Wis.	Fairfield
Andrew, Mass.	Burroughs	Cramton	Faust
Andrews, Nebr.	Burton	Crisp	Favrot
Anthony	Byrnes, S. C.	Crowther	Fenn
Arentz	Cable	Cullen	Fess
Aswell	Campbell, Kans.	Curry	Fish
Barbour	Cantrill	Dale	Fisher
Barkley	Carew	Dallinger	Fordney
Benham	Chalmers	Denison	Foster
Bird	Chandler, Okla.	Doughton	Free
Bland, Ind.	Chindblom	Drewry	French
Bland, Va.	Clague	Dunbar	Frothingham
Bond	Clarke, N. Y.	Dunn	Fuller
Bowers	Codd	Dupré	Funk
Brennan	Cole, Iowa	Echols	Gallivan
Briggs	Cole, Ohio	Edmonds	Garrett, Tenn.
Brooks, Ill.	Colton	Elliott	Gensman

Gernerd	Knutson	Norton	Steenerson
Glynn	Kopp	O'Connor	Stephens
Goodykoontz	Lampert	Ogden	Stoll
Greene, Mass.	Larson, Minn.	Oldfield	Strong, Kans.
Greene, Vt.	Lawrence	Olpp	Swing
Griffin	Lazaro	Overstreet	Tague
Hadley	Lea, Calif.	Padgett	Taylor, Colo.
Hardy, Colo.	Leatherwood	Paige	Taylor, N. J.
Hardy, Tex.	Lee, Ga.	Park, Ga.	Temple
Harrison	Lehlbach	Parker, N. J.	Thompson
Haugen	Lineberger	Parker, N. Y.	Timberlake
Hawes	Longworth	Patterson, Mo.	Tincher
Hawley	Luce	Purnell	Tinkham
Hayden	Luhring	Radcliffe	Towner
Hays	McCormick	Raker	Tucker
Henry	McDuffie	Ramseyer	Tyson
Herrick	McKenzie	Reece	Upshaw
Hickey	McLaughlin, Mich.	Reed, N. Y.	Vaile
Hicks	McSwain	Reed, W. Va.	Vestal
Himes	Magee	Rhodes	Vinson
Hoch	Mapes	Ricketts	Voigt
Hooker	Merritt	Riordan	Volstead
Hull	Michener	Roach	Wason
Husted	Miller	Robertson	Watson
Jefferis, Nebr.	Millspaugh	Robsion	Webster
Jeffers, Ala.	Mondell	Rodenberg	Wheeler
Johnson, Ky.	Montague	Rogers	White, Kans.
Johnson, S. Dak.	Montoya	Rose	White, Me.
Johnson, Wash.	Moore, Ill.	Sabath	Williams
Keller	Mott	Sandlin	Williamson
Kennedy	Mudd	Schall	Wilson
Ketcham	Murphy	Scott, Mich.	Woodruff
Kincheloe	Nelson, Me.	Shaw	Woods, Va.
King	Nelson, A. P.	Shelton	Wright
Kinkaid	Nelson, J. M.	Sinclair	Wyant
Kissel	Newton, Minn.	Smith, Idaho	
Kline, N. Y.	Newton, Mo.	Sproul	
Kline, Pa.	Nolan	Stedman	

ANSWERED "PRESENT"—3.

Lankford	McClintic	Rossdale

NOT VOTING—164.

Almon	Drane	Kunz	Rouse
Ansorge	Dyer	Langley	Ryan
Appleby	Ellis	Layton	Sanders, Ind.
Atkeson	Fairchild	Lee, N. Y.	Sanders, N. Y.
Bacharach	Fields	Linthicum	Scott, Tenn.
Bankhead	Fitzgerald	Little	Sears
Beck	Focht	Logan	Shreve
Beedy	Frear	Lyon	Siegel
Begg	Freeman	McArthur	Sinnott
Bixler	Gahn	McFadden	Sisson
Blakeney	Garner	McLaughlin, Nebr.	Slemp
Blanton	Garrett, Tex.	McLaughlin, Pa.	Smith, Mich.
Boies	Gilbert	McPherson	Smithwick
Brand	Goldsborough	MacGregor	Snell
Britten	Gorman	Maloney	Snyder
Brooks, Pa.	Gould	Mann	Speaks
Browne, Wis.	Graham, Ill.	Mansfield	Steagall
Burdick	Graham, Pa.	Martin	Stevenson
Burke	Green, Iowa	Mead	Stiness
Butler	Griest	Michaelson	Strong, Pa.
Campbell, Pa.	Hersey	Mills	Sullivan
Cannon	Hill	Moore, Ohio	Summers, Wash.
Carter	Hogan	Moore, Va.	Sweet
Chandler, N. Y.	Hudspeth	Moores, Ind.	Taylor, Ark.
Clark, Fla.	Hukriede	Morgan	Taylor, Tenn.
Classon	Humphreys	Morin	Ten Eyck
Clouse	Hutchinson	O'Brien	Tilson
Cockran	Ireland	Osborne	Treadway
Collins	Jones, Pa.	Patterson, N. J.	Underhill
Connell	Kahn	Perkins	Vare
Connolly, Pa.	Kearns	Perlman	Volk
Copley	Kelley, Mich.	Petersen	Walters
Coughlin	Kelly, Pa.	Porter	Ward, N. Y.
Crago	Kendall	Pringey	Ward, N. C.
Darrow	Kiess	Rainey, Ala.	Wingo
Davis, Minn.	Kindred	Rainey, Ill.	Winslow
Davis, Tenn.	Kirkpatrick	Ransley	Wood, Ind.
Dempsey	Kitchin	Reavis	Woodyard
Dickinson	Kleczka	Reber	Wurzbach
Dominick	Knight	Riddick	Yates
Dowell	Kreider	Rosenbloom	Zihlman

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gahn (for) with Mr. Goldsborough (against).
Mr. Knight (for) with Mr. Mead (against).
Mr. Linthicum (for) with Mr. Blakeney (against).
Mr. Lankford (for) with Mr. Petersen (against).
Mr. Rossdale (for) with Mr. Crago (against).
Mr. McClintic (for) with Mr. Hukriede (against).

General pairs:

Mr. Langley with Mr. Clark of Florida.
Mr. Treadway with Mr. Cockran.
Mr. McArthur with Mr. Kindred.
Mr. Kiess with Mr. Ward of North Carolina.
Mr. Wurzbach with Mr. Sullivan.
Mr. Winslow with Mr. Bankhead.
Mr. Stiness with Mr. Brand.
Mr. Kendall with Mr. Rainey of Alabama.
Mr. Kahn with Mr. Garner.
Mr. Siegel with Mr. Kunz.
Mr. Layton with Mr. Moore of Virginia.
Mr. Lee of New York with Mr. Carter.
Mr. Appleby with Mr. Dominick.
Mr. Fitzgerald with Mr. Garrett of Texas.
Mr. Bacharach with Mr. Collins.
Mr. Perkins with Mr. Sears.
Mr. Hill with Mr. Blanton.
Mr. Morin with Mr. Smithwick.
Mr. Hutchinson with Mr. Wingo.
Mr. Dowell with Mr. Sisson.
Mr. Atkeson with Mr. Stevenson.
Mr. McPherson with Mr. Davis of Tennessee.
Mr. Michaelson with Mr. Rainey of Illinois.
Mr. Sanders of Indiana with Mr. Hudspeth.
Mr. Kearns with Mr. Drane.
Mr. Butler with Mr. Logan.
Mr. Osborne with Mr. Campbell of Pennsylvania.
Mr. Coughlin with Mr. Lyon.
Mr. Smith of Michigan with Mr. Gilbert.
Mr. Perlman with Mr. Mansfield.
Mr. Graham of Pennsylvania with Mr. Taylor of Arkansas.
Mr. Shreve with Mr. Fields.
Mr. Patterson of New Jersey with Mr. Ten Eyck.
Mr. Gorman with Mr. Kitchin.
Mr. Connell with Mr. Martin.
Mr. Dickinson with Mr. Humphreys.
Mr. Griest with Mr. Steagall.

Mr. ROSSDALE. Mr. Speaker, I voted aye. I am paired with the gentleman from Pennsylvania, Mr. CRAGO, and I desire to withdraw my vote and answer "present."

The name of Mr. ROSSDALE was called, and he answered "Present."

Mr. McCLINTIC. Mr. Speaker, I wish to withdraw my vote of "aye" and answer "present," for the reason that I am paired with the gentleman from Missouri, Mr. HUKRIEDE.

The name of Mr. McCLINTIC was called, and he answered "Present."

Mr. LANKFORD. Mr. Speaker, I am paired with the gentleman from New Jersey, Mr. PATTERSON, and wish to withdraw my vote and answer "present."

The name of Mr. LANKFORD was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors. The question is upon the passage of the bill.

The question was taken, and the Speaker pro tempore announced the ayes appeared to have it.

On a division (demanded by Mr. BLACK) there were—ayes 219, noes 26.

Mr. BLACK. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER pro tempore. Twenty-four gentlemen have arisen, not a sufficient number, and the yeas and nays are refused.

So the bill was passed.

On motion of Mr. McKENZIE, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. GALLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of self-government in Lithuania.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

LITHUANIA A REPUBLIC.

Mr. GALLIVAN. Mr. Speaker, Lithuania, on whose domain many of the bloodiest campaigns of the World War were waged, has received little attention from the world at large; her sufferings have received scant sympathy and she has bandaged her own wounds. Over the present country of Lithuania, once the largest State in Europe, extending from the Black Sea to the Baltic, the armies of Germany and Russia crossed and recrossed in that war, the Germans frequently raiding the country to capture cattle and the Russians counterattacking to gain immediate results for the moral effect elsewhere. For centuries Lithuania has been in turn the victim of the crushing oppression of Russia and of Germany.

Her masters prevented the Lithuanian people from assembling at public functions. The Lithuanian language, which is said by some philologists to be the oldest living language today, was prohibited in all the public establishments in Lithuania, and it is not difficult to imagine how much unhappiness

and how much disorder such administration brought into the life of a people yearning to be free.

If we but recall that the reading of books written in Lithuanian was forbidden until 1904, we will realize how hard the struggle of these poor people has always been. From 1864 to 1904 they were prohibited from printing even a prayer book in their own language and in the Latin characters. They were persecuted with unspeakable severity for smuggling such publications over the border; their children were compelled to receive instruction in a language that few of them ever understood—these are but a few of the sufferings the Lithuanian people have endured.

Although many of the European nations have recognized the present Lithuanian Government, the United States of America has thus far ignored that young Republic. On the broad issue of self-determination, Lithuania measures up to every principle enunciated by the world's greatest statesmen when the recent war was at its height. If the promises these men made are not forgotten, Lithuania rests confident that her case as presented to the jury of the world will receive that verdict which will strike off her shackles and restore her to the freedom of government and equality among nations.

Many of the principles of its present republican government were borrowed from America. A recent incident in this connection was the presentation by Lithuanians in America of a "liberty bell" to the mother country in commemoration of the fourth anniversary of its independence. The bell is to be rung on all national holidays and days of important historical significance to the country.

The ancient capital of Lithuania's new area, which is slightly in excess of the combined areas of New Hampshire, Vermont, Massachusetts, and Rhode Island, was Vilna, whose narrow and winding streets, stony pavements, and horse-drawn cars give it a quaint and almost medieval atmosphere. Though the seat of its government now is Kovno, many of the great events in its history centered around Vilna.

Vilna was founded at the junction of the Vilna and Vilayka Rivers by Gedimin in 1322, and is connected by railway lines with Petrograd and through Warsaw with most of the capitals of Europe.

When Napoleon passed through the city in 1812 on his way to Moscow the Lithuanian nobles crowded around him, as it was believed he would restore the old Lithuanian State. Near the city to-day there stands a stone which tells the tragic story simply. On the one side it bears the word, "Napoleon Bonaparte passed this way in 1912 with 400,000 men." On the other side there are engraved the telltale words, "Napoleon Bonaparte passed this way in 1812 with but 9,000 men."

I fervently hope that the day is not far distant when America will recognize the new Government so closely patterned after our own.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. KING. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. KING. To extend my remarks in the RECORD on the subject of the soy bean industry.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

THE SOY BEAN INDUSTRY IN AMERICA.

Mr. KING. Mr. Speaker, I desire to extend my remarks on the subject of the soy bean industry in America by inserting a letter from Mr. Louis F. King, president of the Tri-County Bean Growers' Association of Illinois, which includes the counties of Schuyler, Hancock, and Adams.

The letter is as follows:

HUNTSVILLE, ILL.

Hon. EDWARD J. KING,
House of Representatives.

MY DEAR MR. KING: I am inclosing an editorial clipping from Wallace's Farmer in regard to tariff on tropical fats, as follows:

KEEPING OUT TROPICAL FATS.

It is reported from Washington that the soap and oleo people are making strenuous efforts to put coconut oil, soy bean oil, copra, and other tropical fats on the free list. This is a matter of grave concern to the dairyman, the corn man, the hog man, and the cotton man. Last, but not least, it means much to our infant soy bean industry. Eventually, we should be able to produce soy beans on a large scale more cheaply in the United States than they now do in China, provided we have protection while the industry is young.

All fats are more or less interchangeable and every pound of fat imported from the Tropics influences either directly or indirectly the price of corn, hogs, butter, and cotton.

The soap and oleo people should learn how to utilize home-grown fats instead of tropical fats. They seemed to get along all right with home-grown fats before the war, when we imported only about one-third as many pounds of tropical oils as we have been importing since the war. A tariff of 4 cents a pound on all coconut oil and soy bean oil will teach our manufacturers to depend on the home-grown fats, on the corn oil, lard and soy bean oil, and cottonseed oil produced by American farmers, instead of the coconut oil and soy bean oil produced by low-grade oriental labor. This is a matter of importance to Corn Belt farmers and they should write their Congressmen and Senators at once. The matter of a tariff on vegetable oils will be decided in the very near future, and there is no time to lose.

You will readily understand the object of this editorial. If, as it says, some tariff would be an advantage, do what you can in the interest of the bean business.

We have started an organization to encourage the growing of soy beans, and one thing that will greatly help would be the development of the oil industry in this locality. The acreage will be increased 100 per cent, probably more, this year, especially if the kind of weather we are now having continues. Not an oat has been sown nor a furrow plowed. It is raining all the time.

If it should turn better now not much field work can be done for some time. This condition is likely to result in a large amount of June planting and farmers may be forced to do what they have been slow to undertake—the growing of beans.

Farmers would have been ahead if they had all planted soy beans last year and reduced the corn acreage. From $20 invested in seed I produced $232 net profit from beans planted in 30 acres of corn last year.

Up to the present most of the beans grown have been used for seed, but as production increases growers are looking to the oil business for a new cash outlet. This section of Illinois being a live-stock section, beans will soon be used as stock feed, but the beans would make a richer protein food if the oil were extracted. The oil has no particular value as a feed, as we have plenty of that in other things. An oil mill, sooner or later, will be a necessity.

I have an idea that in a few years as large an acreage of beans will be grown as of wheat, aside from what is grown along with corn. The harvesting of beans can be followed immediately with the sowing of wheat, no preparation of seed bed being necessary, and there is likely to be an increased yield of wheat over what a prepared seed bed would give.

Agriculture seems to be commanding more attention from Congress and other interests than ever before. I hope farm organization will continue to progress and avoid any traps that may be laid to defeat the forward movement. I feel that it is important for every farmer to put good management behind his own business and not expect organization and legislation to do it all, although these are very essential.

L. F. KING,
President Tri-County Bean Growers' Association.

Mr. GOODYKOONTZ. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. GOODYKOONTZ. To make a unanimous-consent request to insert in the RECORD a statement from an absent Member, Mr. JOHN W. LANGLEY, as to how he would vote on the Army pay bill if he were present.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The telegram is as follows:

LOUISVILLE, KY., *May 12, 1922.*

I have a general pair with Representative CLARK of Florida, but I want the RECORD to show that I am for the Army pay bill.

JOHN W. LANGLEY.

Mr. LOWREY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief clipping from the American Lumberman on the Mississippi River.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The matter is as follows:

TO WHOM DOES THE RIVER BELONG?

The river belongs to the Nation;
  The levee, they say, to the State;
The Government runs navigation;
  The Commonwealth, though, pays the freight.
Now, here is the problem that's heavy—
  Please, which is the right or the wrong—
When the water runs over the levee,
  To whom does the river belong?

It's the Government's river in the summer,
  When the stage of the water is low,
But in spring when it goes on a hummer
  And starts o'er the levee to flow,
When the river gets suddenly dippy
  The State must dig down in its till
And push back the old Mississippi
  Away from the farm and the mill.

I know very little of lawing,
  I've made little study of courts,
I've done little geeing and hawing
  Through verdicts, opinions, reports;
Why need there be anything more said
  When the river starts levees to climb?
If the Government owns the aforesaid,
  It must own it all of the time.

If the bull you are leading should bellow
  And jump over somebody's fence,
There isn't much doubt you're the fellow
  Expected to bear the expense;
If it follows a Sunday-school teacher
  And chases the maid up a tree,
You're the owner the same of the creature
  Undoubtedly all will agree.

If some time should somebody's chickens
Get into your garden and dig
And pull up the plants like the dickens,
Or somebody's bull pup or pig,
The owner thereof can not blame it
On you or some party remote;
The owner thereof can't disclaim it—
The chick or the pup or the shoat.

If it's your Mississippi in dry time,
It's yours, Uncle Sam, when it's wet;
If it's your Mississippi in fly time,
In flood time it's your river yet;
There's no other way you can make it;
And so when I give the alarm
Come get your darned river and take it
Away from my timber and farm.
—Douglas Malloch, in American Lumberman.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BANKHEAD, for an indefinite period, on account of death in family.

To Mr. COLTON, for two days, on account of important business.

To Mr. WYANT, from May 15 to May 18, on account of official business.

MESSAGE FROM THE PRESIDENT—TRADING WITH THE ENEMY ACT.

The SPEAKER pro tempore laid before the House the following message from the President.

The Clerk read as follows:

To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act I transmit herewith for the information of the Congress a communication from the Alien Property Custodian and a copy of Senate Document No. 181, Sixty-seventh Congress, which document contains a report of all proceedings had under the trading with the enemy act by the office of the Alien Property Custodian during the present administration as well as proceedings under the previous administration from the passage of the trading with the enemy act, October 6, 1917.

WARREN G. HARDING.

THE WHITE HOUSE, *May 12, 1922.*

The SPEAKER pro tempore. The message is ordered printed and the document, having already been printed as a Senate document, will be referred to the Judiciary Committee, where the previous message on this subject was referred.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House on a matter of the program.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, we will take up for consideration to-morrow first the conference report on the Post Office appropriation bill, and we will probably consider also the conference report of the independent offices bill, and probably the conference report of the State and Justice appropriation bill.

On Monday there will likely be some suspensions and the consideration of the Unanimous Consent Calendar. On Tuesday the House will take up the scrapping bill; the scrapping bill will be taken up Tuesday, I think, without question. Following the disposition of the scrapping bill, and without Calendar Wednesday being utilized for Calendar Wednesday business, we hope to take up the river and harbor bill. Among the bills to be considered on Monday will be an appropriation bill making appropriation of $500,000 for the Department of Justice.

Mr. GARRETT of Tennessee. Is that one of the suspension bills?

Mr. MONDELL. Well, we will consider that under unanimous consent, if unanimous consent is given. I think that would be better than to consider it under suspension of the rules.

Mr. GARRETT of Tennessee. So far as I know, I have an idea that there will be no objection on this side. The gentleman mentions the suspension bills. Has he any other suspension bills in mind for Monday at present? I merely ask it because Members want to know.

Mr. MONDELL. I think a request will be made for consideration of the bill providing for an additional grand jury for the District of Columbia. Possibly other requests will be made. I am not in position to say now just what the Speaker may determine to do, as that is the Speaker's prerogative. But I hope the Members will be present as far as possible for them to do so.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House adjourned until Saturday, May 13, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

610. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce, Bureau of Fisheries, for the fiscal year ending June 30, 1923, for fish-rescue station, Mississippi River Valley, $60,000, and for salaries for fish-rescue station, Mississippi River Valley, $15,280; in all, $75,280 (H. Doc. No. 314); to the Committee on Appropriations and ordered to be printed.

611. A letter from the Secretary of the Treasury, transmitting a list of useless executive papers in files of the Federal reserve banks, the Federal prohibition directors of the various States, the customs service in Juneau, Alaska, and in the office of the custodian at Davenport, Iowa, to be disposed of; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ZIHLMAN: Committee on Labor. H. R. 11155. A bill creating the positions of second assistant secretary and private secretary in the Department of Labor; with an amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the state of the Union.

Mr. REED of West Virginia: Committee on the District of Columbia. S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended; with amendments (Rept. No. 1006). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ROSE: Committee on Claims. H. R. 745. A bill for the relief of William H. Philbrick; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 8219. A bill to adjust accounts of Capt. J. S. Carpenter, Supply Corps, United States Navy; with amendments (Rept. No. 1005). Referred to the Committee of the Whole House.

Mr. WHITE of Kansas: Committee on the Public Lands. H. R. 11233. A bill authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa; with amendments (Rept. No. 1007). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11602) granting a pension to Parthine Curtis; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9926) granting a pension to Mercia Fox; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LAYTON: A bill (H. R. 11633) to authorize the acquisition of a site and the erection of a Federal building at Middletown, New Castle County, Del.; to the Committee on Public Buildings and Grounds.

By Mr. STEENERSON: A bill (H. R. 11634) granting the consent of Congress to the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, to construct a bridge

across the Red River of the North on the boundary line between said States; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN: A bill (H. R. 11635) authorizing the erection of an addition to the Federal building, Brooklyn, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. HICKEY: A bill (H. R. 11636) to authorize the appointment of stenographers in the courts of the United States and to fix their duties and compensation; to the Committee on the Judiciary.

By Mr. MONDELL: A bill (H. R. 11637) authorizing the Secretary of the Interior to approve indemnity selections in exchange for described granted school lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 11638) granting an increase of pension to Delilah J. Sprinkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11639) authorizing the Secretary of the Treasury to pay war risk insurance to the stepfather of Max Wilcox; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 11640) granting a pension to Joseph Edwards; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 11641) granting a pension to Mary E. McGill; to the Committee on Invalid Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 11642) granting an increase of pension to Susan S. Boyd; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 11643) granting a pension to Elizabeth Fenner; to the Committee on Invalid Pensions.

By Mr. ROSSDALE: A bill (H. R. 11644) for the relief of Sophie Posner; to the Committee on Claims.

PETITIONS, ETC.

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

5575. By the SPEAKER pro tempore (by request): Resolution adopted by the Common Council of the City of Hartford, Conn., expressing the desire that the frigate *Hartford* be brought to that city for its final resting place; to the Committee on Naval Affairs.

5576. By Mr. ANSORGE: Petition of the Five Points Masonic Club, of New York, recommending the passage of the Towner-Sterling bill; to the Committee on Education.

5577. By Mr. CAREW: Resolution adopted by the New York Chapter, Military Order of the World War, urging the Government to conduct periodical training camps for reserve officers and enlisted men; to the Committee on Appropriations.

5578. By Mr. KISSEL: Petition of the George M. Jones Co., Toledo, Ohio, relative to the existing miners' strike; to the Committee on Labor.

5579. Also, petition of Scarsdale Post, No. 52, Scarsdale, N. Y., relative to the size of the Army; to the Committee on Appropriations.

5580. Also, petition of the Civil Service Forum, New York City, N. Y., relative to House bill 9756; to the Committee on Ways and Means.

5581. By Mr. SINCLAIR: Petition of Marion Hitchens and 24 others, of La Moure, N. Dak., in support of House bill 10890; to the Committee on Ways and Means.

5582. By Mr. SINNOTT: Petition of citizens of Gaston, Oreg., protesting against the passage of House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5583. By Mr. STRONG of Pennsylvania: Petition of citizens of New Bethlehem, Pa., favoring the establishment in Palestine of the national home for the Jewish people; to the Committee on Foreign Affairs.

5584. By Mr. TOWNER: Petition of William Wright and 30 other citizens of Grand Rapids, Mich., asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

5585. Also, petition of I. E. Hawkins, of Portsmouth, Va., and 92 other citizens of the State of Virginia, asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

SENATE.

SATURDAY, *May 13, 1922.*

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

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

INVITATION TO VISIT QUANTICO (VA.) MARINE CORPS BASE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, which was read and referred to the Committee on Naval Affairs, as follows:

THE SECRETARY OF THE NAVY,
Washington, May 13, 1922.

MY DEAR MR. VICE PRESIDENT: It gives me much pleasure to inform you that the visit of the Members of the Senate to the Marine Corps post at Quantico, Va., which was postponed on account of bad weather, will take place on Thursday, the 18th instant.

The *Mayflower* has been assigned by the President to be used for the trip to Quantico and return, and will sail from the navy yard at 8.30 a. m. on the above-mentioned date.

Will you please bring this invitation to the attention of each Member of the Senate, as I am exceedingly desirous that a large number of the Senators should take advantage of this opportunity to visit Quantico.

With best personal wishes, I am,
Very sincerely yours,

EDWIN DENBY,
Secretary of the Navy.

Hon. CALVIN COOLIDGE,
Vice President of the United States, Washington, D. C.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury transmitting, pursuant to law, a list of papers and documents on the files of the Treasury Department not needed in the transaction of business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a joint select committee on the disposition of useless papers in the executive departments. The Vice President appointed Mr. JONES of Washington and Mr. HARRIS members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented petitions of sundry citizens of Saginaw, Grand Rapids, Zeeland, Sebewaing, Unionville, Akron, Pigeon, Bay Port, Gagetown, Bach, Mount Morris, Genesee, Burton, Flint, and Chesaning, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. SIMMONS presented a resolution adopted by the Negro Teachers' Association of Bertie County, N. C., condemning lynchings for any cause and agitation of the race question and favoring harmony between the races in this country, which was referred to the Committee on the Judiciary.

Mr. LADD presented resolutions of the Kiwanis Club and the Association of Commerce, both of Minot, N. Dak., protesting against repeal or amendment of the transportation act of 1920, and in general against adverse railroad legislation, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented memorials of sundry citizens of Burlington and Weir, Kans., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. McKINLEY presented a resolution adopted by the Seventh Annual Convention of the Women's International League for Peace and Freedom, favoring recognition by the Government of the United States of the Russian Soviet Republic, the Far Eastern Republic, and the autonomous republics carved out of the former Russian Empire, which was referred to the Committee on Foreign Relations.

Mr. WILLIS presented the petition of Mrs. Albert Peet and sundry other citizens of Cincinnati, Ohio, praying for inclusion in the pending tariff bill of only a moderate duty on imported kid gloves, which was referred to the Committee on Finance.

He also presented petitions of C. J. Delong and sundry other citizens of Antwerp, Ira A. Poole and sundry other citizens of Toledo, and A. J. Cowman and sundry other citizens of Rossford, and sundry other citizens of the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3461) to amend the act of February 28, 1920, so as to authorize the acquisition of addi-