District park system; without amendment (Rept. No. 1087). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on the Public Lands. S. 3425. An act to continue certain land offices, and for other purposes; with amendments (Rept. No. 1088). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HICKS: A bill (H. R. 11983) authorizing the acquisition of certain sites for naval aviation stations; to the Committee on Naval Affairs.

By Mr. BARBOUR: Resolution (H. Res. 303) for the immediate consideration of H. R. 7452; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 11984) granting a pension to Jacob Gish; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5971. By Mr. KISSEL: Petition of the Volunteer Officers of the Civil War, Kansas City, urging the passage of House bill 4097; to the Committee on Invalid Pensions.

5972. Also, petition of Thomas B. Felder, Esq., New York City, N. Y., relative to charges made against him in the Senate; to the Committee on the Judiciary.

5973. By Mr. SMITH of Idaho: Resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in opposition to the Sterling-Towner bill, to create a department of education, to authorize appropriations for the conduct of said department, to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes; to the Committee on Education.

5974. Also, resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in support of claims for compensation by wounded and disabled veterans of the World War; to the Committee on Interstate and Foreign Commerce.

SENATE.

MONDAY, *June 12, 1922.*

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

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

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Brandegee	Gooding	McCumber	Sheppard
Bursum	Hale	McKinley	Shortridge
Cameron	Harris	McLean	Simmons
Capper	Harrison	McNary	Smoot
Culberson	Johnson	Myers	Spencer
Curtis	Jones, N. Mex.	Newberry	Sterling
Dial	Jones, Wash.	Nicholson	Underwood
Dillingham	Kendrick	Norbeck	Walsh, Mass.
Ernst	Keyes	Oddie	Walsh, Mont.
Fernald	King	Overman	Watson, Ga.
France	Ladd	Phipps	Watson, Ind.
Gerry.	La Follette	Ransdell	Willis
Glass	McCormick	Rawson	

Mr. CURTIS. I was requested to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Alabama [Mr. HEFLIN] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that the announcement may stand for the day.

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

PETITIONS.

Mr. TOWNSEND presented a petition of the Cook & Feldher Co., of Jackson, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which was referred to the Committee on Finance.

He also presented petitions of sundry merchants and citizens of Jackson and Grand Rapids, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which were referred to the Committee on Finance.

He also presented resolutions adopted by members of the faculties of the Central High School and the Junior College, both of Grand Rapids, Mich., favoring the granting of relief to the afflicted peoples of Armenia, Anatolia, and Asia Minor now alleged to be suffering from severe Turkish atrocities, which were referred to the Committee on Foreign Relations.

Mr. WILLIS presented petitions of sundry citizens of Youngstown, Cleveland, Girard, and Sidney, all in the State of Ohio, praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which were referred to the Committee on Finance.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 1723) for the relief of Edward J. Schaefer (Rept. No. 763); and

A bill (H. R. 7695) for the relief of James E. Connors (Rept. No. 764).

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 162) for the relief of Sarah Shelton (Rept. No. 765); and

A bill (S. 528) for the relief of the widow of Rudolph H. von Ezdorf, deceased (Rept. No. 766).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on June 12, 1922, they presented to the President of the United States the following bills and joint resolution:

S. 1911. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916;

S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico; and

S. J. Res. 173. Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil.

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. BRANDEGEE:

A bill (S. 3701) for the relief of Blattmann & Co., of Waedenswil, Switzerland (with the accompanying copy of a letter from the Minister of Switzerland to the Department of State, which was ordered to be printed); to the Committee on Foreign Relations.

By Mr. BURSUM:

A bill (S. 3702) providing for the acquirement by the United States of privately owned lands situated within certain townships in the Lincoln National Forest, in the State of New Mexico, by exchanging therefor lands on the public domain also within such State; to the Committee on Public Lands and Surveys.

By Mr. SPENCER:

A joint resolution (S. J. Res. 208) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of buildings for its head office and branches; to the Committee on Banking and Currency.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. RANSDELL submitted an amendment providing that $1,000,000 appropriated in Public Resolution No. 50, Sixty-seventh Congress, approved April 21, 1922, for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission, be not carried to the surplus fund of the Treasury, but that said sum be authorized to be appropriated for use under the terms of the flood control act of 1917, subsequent to April 21, 1922, etc., intended to be proposed by him to House bill 10766, the House river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

ADDRESS BY SENATOR WALSH OF MONTANA.

Mr. SWANSON. Mr. President, the senior Senator from Montana [Mr. WALSH] delivered an unusually able and eloquent address before the Virginia Bar Association at Lynchburg, Va., on the 8th instant, concerning the regulation of the jurisdiction of the Supreme Court of the United States. It bears directly upon a matter which is pending in the Senate, and I ask unanimous consent that it may be printed in the RECORD in 8-point type.

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

[Address delivered at Lynchburg, Va., June 8, 1922, by Senator WALSH of Montana.]

THE OVERBURDENED SUPREME COURT.

Considering the extraordinarily brilliant history of the bar of the State of Virginia and the many distinguished lawyers who have periodically addressed meetings of it, I count myself signally honored in being invited to speak to-day before this assemblage, regretting only that the exactions of my official duties have compelled me to select a subject to which, in the discharge of them, I have been required to give some thought.

The current session of Congress has been singularly prolific in questions, the solution of which involved the study of our fundamental law or the wisdom of departure from policies dating from the time of those who gave us that great charter. The scope and effect of the fourth amendment, assuring the people against unreasonable searches and seizures, became the subject of spirited controversy in connection with the supplementary prohibition legislation, commonly referred to as the "beer bill," and in the investigation into what are known as the "red raids," prosecuted during the winter of 1919 and 1920. The right of Congress to adjust through a commission the obligations due to our Government from foreign nations, arising out of loans made during the war and transactions incident thereto, amounting in the aggregate to approximately $11,000,000,000, was challenged, it being contended that the conduct of negotiations with foreign powers is, by the Constitution, reposed exclusively in the President, who alone is authorized to enter into agreements with such, subject to approval by the Senate, and further, that if the power is legislative in character rather than diplomatic, or if Congress has concurrent authority, it can not delegate the authority with which the people have intrusted it in that regard to a commission whose acts bind our Government, without the necessity of subsequent approval by Congress, or either branch thereof.

The appointment of a Senator and a Member of the House on the commission just mentioned, both of them serving as such at the time the act creating it was passed, gave rise to another question of constiutional construction which was, on the nominations being submitted to the Senate, referred to the Committee on the Judiciary, whose advice to the effect that the Constitution forbade their appointment was ignored by the Senate.

The antilynching bill precipitated in the House a stout contest over the scope and effect of the post-war amendments to the Constitution, which will probably be renewed in the Senate.

The pending tariff bill has been assailed because of what are referred to as the "elastic" provisions thereof, authorizing the President to raise or lower the rates or to change the classification or form of the duty, in order to, and to such an extent as shall, "equalize the conditions of competition in trade" in the markets of the United States as between the foreign and domestic product.

In the discussions attending the consideration of the questions referred to, involving the Constitution as originally framed, a purpose is professed to discover and give effect to the intention and to carry out the plan of the wise founders of our Government.

Another measure pending in the House proposes a radical departure from the system devised by them as a part of the machinery of government contemplated by the Constitution, to which your thoughtful consideration is invited. It is a bill the avowed purpose of which is to relieve the Supreme Court of the burden of a supposedly overcrowded calendar, which end is to be achieved by a further amendment of the judiciary act of 1789.

Notwithstanding the mutations undergone by that justly celebrated law, the work largely, if not entirely, of Oliver Ellsworth, member of the Constitutional Convention, United States Senator and Chief Justice of the United States, necessitated by the multiplication of causes reaching it consequent upon the phenomenal growth of our country and the expansion of the field of activity of the Federal Government, none of them impaired the right guaranteed by the act to have reviewed in the Supreme Court, as a matter of right and not of favor, a Federal question determined by a State court against the party invoking it until the passage of the act of September 6, 1916, now appealed to in support of the bill referred to as a precedent for a further encroachment upon the principle just mentioned.

The accumulation of business in the Supreme Court moved Congress, as early as 1875, to exclude from consideration by it appeals in civil causes in which the amount involved was less than $5,000, $2,000 being the minimum fixed in the Ellsworth Act. The act of 1875 made another interesting change in requiring that in causes of admiralty or maritime jurisdiction the review of the Supreme Court should be limited to the determination of questions of law arising on the record, closing the opportunity in such cases to introduce additional evidence in the appellate tribunal, a right which was recognized by the act of March 3, 1803, amending the act of 1789, which, after providing for filing a transcript of the record on appeal in cases of equity, of admiralty or maritime jurisdiction, and of prize or no prize, had this added clause, "and that no new evidence shall be received in the said courts on the hearing of such appeal, except in admiralty and prize causes." Whether the Supreme Court ever did take additional evidence in such causes or whether prior to the act of 1803 the right to submit such on any appeal was ever claimed or exercised, excited, I confess, my curiosity, though I found no time to satisfy it.

Further relief was afforded indirectly by the act of March 3, 1887, corrected by the act of August 13, 1888, with which the bar is familiar, occasioned by the growth of the business of the Federal courts generally, the main features of which were the increase of the minimum money value involved in order to entitle the litigant to bring in or to remove to a Circuit Court a civil cause from $500 to $2,000, since raised to $3,000, and the requirement, in the case of actions founded on diversity of citizenship, that they be brought in the district of the residence of either plaintiff or defendant.

These innovations were but palliative, however, and the Circuit Courts of Appeals came into existence by the act of 1891 as a thorough-going solution of the serious problem presented by the accumulation of business before the Supreme Court, in consequence of which it was nearly, not quite, four years in arrears. It introduced the idea of a review in the Supreme Court, by grace and not by right, created a permissive, as well as an obligatory, jurisdiction, the former to be exercised by certiorari in civil causes in which the Federal jurisdiction was originally invoked by reason of diverse citizenship or alienage, the latter by appeal or writ of error when it depended upon the existence of a Federal question. The limitation in that act of the right of review in all cases brought in or removed to the District Courts because of diversity of citizenship to the new courts created by it is eminently just. It is exceedingly questionable as to whether the time has not passed when the Federal courts should be burdened with litigation of that character.

The conditions which gave rise to the provision of the Constitution extending the Federal jurisdiction to such causes have all but passed away, if they were not always wholly imaginary. We have ceased to be an aggregation of warring States, suspicious of each other, the people of each harboring hostile sentiments toward those of every other or some other, likely to be manifested in civil suits by judges and juries. I am sure a citizen of Virginia would suffer no disadvantage in the courts of Montana against a citizen of that State before any judge or before any jury to which both were unknown, or equally well known, and I can not believe that as much can not be said for the courts and juries of this Commonwealth.

Should a federation of the States of Europe ever be organized on the lines of our Union it would undoubtedly be wise, in view of the hatreds engendered by the recurrent wars among them since before the dawn of history, the differences in language and religion and many other circumstances tending to perpetuate the heterogeneity that prevails, to make provision for the trial of causes in the general rather than the local courts at the instance of a litigant being a citizen of a State other than that in which the suit is brought or to be brought. Happily no such condition prevails here. But even under the adverse conditions that now obtain in Europe there seems to be, outside of Russia, no such denial of justice by the courts of one country thereof with respect to the citizens of another as, save in rare instances, to provoke diplomatic interference or to be any serious obstacle to trade. It may be gravely questioned whether there is any justification whatever for continuing the favor accorded by our Federal judicial system to litigants not

citizens of the State in which they become such, implying as it does, unwarrantedly, that their deserts would not be meted them in the courts of such State.

The change effected by the amendment of 1887–88, denying recourse to the Federal jurisdiction in civil causes in which the amount involved is less than $2,000—since raised to $3,000—though inspired by a desire to curtail the work devolving upon the Federal courts is, in fact, a confession that the principle upon which those courts are open to suitors of the class to which the act referred is unsound. The limitation fixed in the original judiciary act was doubtless intended to exclude petty cases, but not all those now excluded, being otherwise eligible, can be denominated as such.

It may be true that in our courts foreign corporations suffer to some extent from local prejudice, not because they are foreign, but because of their being, as a rule, organizations of the character that they are, representing considerable accumulations of capital. The domestic corporatin encounters the same hostility wherever it obtains, and in no less degree. The litigant who is accorded a choice of going into or having his cause removed to the Federal court, simply because his residence is in some State other than that of the forum, has no ground of complaint when he is given a right of appeal to a tribunal of equal dignity with that of the court to which his case would have gone had it been tried in the State court. One appeal is all he is entitled to.

Whatever consideration may have impelled Congress to accord to one invoking the Federal jurisdiction on the ground of diversity of citizenship, the right to apply to the Supreme Court for a writ of certiorari to review an adverse decision of the Circuit Court of Appeals, he can not contend that justice would not be done him were the judgment of that court made final. There will be occasion to refer to this subject again.

The jurisdiction over controversies between private parties depending upon alienage has little, if any, better foundation. Doubtless it was instituted partly like that arising out of diversity of citizenship on the assumption that the local courts would be subject to the influence of a prejudice against outlanders, but perhaps, as well, in the belief that the new government would be held in higher esteem abroad if it, charged with the conduct of international affairs, should undertake, in its own courts, to see that justice was done the foreigner. The policy of Hamilton, under which the National Government assumed the obligations of the States, had not yet taken shape and no little cause for distrust had been given by some of them touching their purpose to pay their own debts to subjects of other countries, or to require through the process of their courts the payment of obligations of like character by individual citizens.

Whatever may have been the occasion for according to aliens the privilege they enjoy of electing to submit their controversies at will, either to the State or to the Federal tribunals, it long since passed away. The courts of the several States have established a reputation for justice and learning which suffers in no respect by comparison with those of any country to which American citizens are from time to time obliged to resort.

From the beginning, aliens accused of crime against the laws of the several States—that is, for all ordinary crimes—have been brought to trial before the courts thereof without, so far as my information enables me to speak, a single protest upon the part of any Government against the regularity of the proceedings or the justice of the judgment or sentence. It ought not to be expected of our Government that precaution be taken to safeguard the property interests of foreigners, deemed unnecessary when their lives or their liberty are at stake. Nor is it either logical or just in the General Government by its laws even remotely to suggest that though the State courts may be trusted to try aliens for crimes alleged to have been committed by them, they are to be regarded with suspicion in respect to civil controversies to which aliens are parties.

The new procedure introduced by the Court of Appeals Act of review by certiorari was extended by the act of December 23, 1914, so as to permit the consideration by the Supreme Court of a Federal question determined by the court of last resort of a State, though the decision therein was in favor of the party relying upon such Federal question, an enlargement of the jurisdiction of the ultimate tribunal.

By the act of January 28, 1915, the writ of certiorari was prescribed as the sole method of review of judgments of the Circuit Court of Appeals in bankruptcy cases. It afforded some further incidental relief by providing that the Pacific railroads theretofore held to be entitled to invoke the Federal jurisdiction by virtue of the fact that they were organized under acts of Congress should no longer enjoy that right. This was speedily followed by another act, the purpose of which was, like that of the bill under consideration, to limit the obligatory jurisdiction of the Supreme Court, and thus enable it to give adequate consideration to causes deemed of paramount importance—the act of September 6, 1916. Besides making the final judgments and decrees of the Circuit Court of Appeals in actions arising under the railroad employees' liability act and similar acts to promote the safety of operatives engaged in interstate transportation by rail, and in apparent obliviousness of the fact that the law already so provided, judgments and decrees of such courts in bankruptcy cases reviewable by certiorari only, it made that method of review the exclusive way of getting before the Supreme Court a judgment or decree of a State court in a cause in which some "title, right, privilege, or immunity" was claimed under the Constitution of the United States, "or of any treaty or statute thereof or commission held or authority exercised under them," whether the decision was for or against the party making the claim.

The scope of the writ of certiorari was correspondingly extended so that causes which had theretofore come to the Supreme Court by right can now be heard only by grace of that tribunal, if one may appropriately or pardonably employ that expression.

The original judiciary act guaranteed a right of review in the Supreme Court from the judgments of the State courts in three classes of cases:

First. Those in which were raised the validity of a statute or treaty of or an authority exercised under the United States.

Second. Those in which were drawn in question the validity of a statute of or an authority exercised under a State on the ground that it is repugnant to the Constitution, treaties, or laws of the United States.

Third. Those in which was asserted some title, right, privilege, or immunity or authority under such Constitution, laws, or treaties.

The right of reexamination existed, however, only in the event that the decision of the State court was against the party thus relying on the Federal Constitution or laws or treaties or asserting the validity of an authority Federal in its origin.

The third class of cases, reviewable as of right since the organization of our Government, was transferred from the obligatory to the permissive jurisdiction of the Supreme Court.

There is, indeed, a basis for the distinction thus made, in that in the first two classes the constitutionality of the statute, treaty, or authority is brought into question, whether it be State or Federal, measured by the limitations in the fundamental law of the Nation. In the third there is presented only a question of the construction of the Constitution, laws, or treaties of the United States.

The act left, however, illogically, subject to review by writ of error or appeal, just such questions if they came to the Supreme Court from the circuit court of appeals, having been the basis of resort to the Federal jurisdiction, except they arose under the specific acts of Congress mentioned, namely, the bankruptcy act and the railroad employees' relief acts. That law is not one in the authorship of which anyone may take a just pride. Why single out those particular acts of Congress as unworthy of the attention of the Supreme Court, to be invoked as in the case of any other law enacted by it? And why shut out a question of the construction of the Constitution, or a law or treaty of the United States, or the validity of an authority exercised by them, except by permission of the court, when it comes from the highest court of a State, but admit it when it comes from the Circuit Court of Appeals; and, finally, why accord one an opportunity to be heard on a claim of being denied by a State court a right guaranteed to him by the Constitution if it is disregarded pursuant to a statute, either of the State or of the Nation, but deny him relief if his rights have been invaded or disregarded without even the justification of a statute?

The bill which gives occasion to these remarks, should it become a law, will remove in some small degree these incongruities. It makes all judgments and decrees of the circuit court of appeals reviewable by certiorari only. It further limits the obligatory and extends the permissive jurisdiction of the Supreme Court by transferring from the one to the other cases in which "is drawn in question the validity of" an authority exercised under the United States, the decision being in favor of its validity, or "an authority exercised under any State on the ground of its being repugnant to the Constitution of the United States." There would remain no obligatory jurisdiction except in cases in which a State court should deny the contention that a State statute is repugnant to the Constituion, laws, or treaties of the United States, or that a Federal statute is violative of the Constitution thereof.

The discretion to be reposed in the Supreme Court by this proposed statute is not fully expressed in the statement just

made. It would authorize the Supreme Court, upon the petition of a party, to require to be certified up to it for examination any cause, civil or criminal, pending before any Circuit Court of Appeals, including the Court of Appeals of the District of Columbia, even before judgment or decree has been rendered in such court.

The overworked writ of certiorari is further, by the bill under consideration, made the sole method of review of the judgments and decrees of the Supreme Court of the Philippine Islands. In view of the dignity given to the writ it is difficult to explain why it was not made the sole means of invoking the appellate jurisdiction of the Supreme Court.

The House Committee on the Judiciary was told by the Chief Justice that the bill is the work of the Justices of the Supreme Court. If so, it exemplifies that truism, half legal and half political, that a good court always seeks to extend its jurisdiction, and that other maxim, wholly political, so often asserted by Jefferson, that the appetite for power grows as it is gratified.

I think the act of 1916 made an unfortunate innovation in limiting the cases in which a review of the decisions of the State courts might be had as of right, and that the bill to which your attention is now directed, imposing, as it does, a further limitation, ought not to command the support of the bar at least in that respect. Let me remind you that by the act just mentioned no error of a State court touching the construction of a Federal statute can come before the Supreme Court for review except by its permission on an application for a writ of certiorari, nor, for that matter, any question of the construction or application of the Constitution of the United States, except the validity of a statute, State or national, as being repugnant to it is involved.

We have developed in the Western States a wonderful system of mining law, consisting of the acts of Congress of 1866 and 1872, and acts amendatory thereto, providing for the disposition of the mineral lands of the United States, the customs of miners to which the laws referred to give the sanction of statutory enactments, and the decisions of the courts construing and applying them. The whole system of the disposition of the public lands naturally bears a close relationship to that which is concerned exclusively with the mineral lands, and a more or less intimate knowledge of the former is essential to a full comprehension of the intricacies of the latter. So vast is the accumulation of learning with which the subject has been enriched, so prolific are the statutes relating to it in controversial questions, that a late work which must be at the hand of every lawyer in the western mining region consists of three bulky volumes. It need not be said that the amounts involved in the controversies out of which mining law as it is understood in this country has been evolved are often vast. The producing area of the Butte district, the output of which has run into billions, the richest mineral deposit the world has ever known, is not to exceed two miles square. As a rule the justices of the Supreme Court, though always masters so far as the general principles of the law are concerned and often specialists in some branch, have scarcely a bowing acquaintance with mining law, if, indeed, it is not a sealed book to them, or some of them. Moreover, a comprehension of the questions involved frequently, if not invariably, requires some familiarity, and not unusually a rather intimate familiarity, with mining geology, both to comprehend the particular proposition presented and the force and applicability of decisions to which appeal may be made. To deny a litigant a right to present to the Supreme Court a question arising under the laws of Congress touching the disposition of the mineral lands, except by writ of certiorari to be issued upon written application supported by briefs, but without oral argument, is all but to compel him to abide by chance alone, with the odds all against him.

Scarcely less intricate are the problems which arise under the public land laws generally, and while our section may be more fruitful in causes presenting Federal questions than others or than the country generally, there is scarcely any region that does not produce controversies depending for their solution upon Federal statutes. It is not only such that are shut out but, as well, every case involving the denial of a title, right, privilege, or immunity set up or claimed under the Constitution of the United States. There would be included, no statute being involved, a right claimed under the full faith and credit clause, the clause guaranteeing to the citizens of each State the privileges and immunities of citizens of the several States, and those ample rights guaranteed by the fourteenth amendment.

It is understood that it was because of the frequency with which actions were brought to the Supreme Court upon the claim, often shadowy, of the denial of a right under the amendment mentioned that the restriction was asked and, as I think, unreflectingly imposed by Congress. I may say, for whatever of exoneration there may be in it, that the act was passed in my absence. But the prevalence of the evil, if it be such, alluded to, as it seems to me, is a very poor reason for denying to the meritorious classes of cases to which I have referred a right to be heard in the tribunal whose appropriate function is to give an authoritative interpretation to the Federal law.

Quite likely a vexing fecundity has been exhibited by the bar in respect to appeals said to present questions of the disregard of rights protected by the fourteenth amendment, but if the idea advanced is without substance or not open to serious debate, the appeal may be dealt with summarily by the usual motion to dismiss or affirm or by relegating it to the short-cause calendar, while the practice of prosecuting such may be deterred by the consistent imposition of the penalty for frivolous appeals.

As heretofore pointed out, the bill in question not only confirms the departure, the unwisdom of which I have not hesitated to condemn, but it would likewise transfer to the permissive jurisdiction causes in which are involved the validity of an authority exercised under a State, as distinguished from a statute of such State, on the ground that it is repugnant to the Constitution of the United States, or the validiy of an authority exercised under as distinguished from a treaty or statute of the United States.

Just what was covered by the word "authority" as used in the judiciary act and continued in the present law and to be continued should the bill under consideration become a law it is somewhat difficult accurately to comprehend. It is not easy to conceive of an authority exercised under a State not founded upon a statute of such State, considering its constitution as a statute, as doubtless it must be regarded, nor to conceive of an authority exercised under the United States not founded upon a statute or treaty thereof, giving the word "statute" a similar significance.

It would seem as though every case involving the validity of an authority exercised under either State or Nation would involve the validity of a statute or treaty. It may be that the word "statute" is to receive a more restricted significance and the class of cases covered by the term "authority" is such as present acts done as within the constitutional grant and independent of statute or treaty. This view would seem to be sustained by Mathews *v.* McStea (20 Wall. 646), where the question was as to the sufficiency of the acts of the President to inaugurate a war which would invalidate the contract upon which suit was brought. The case of Pickering *v.* Lomax (145 U. S. 310) presented the question of the authority of the President to execute a deed of Indian treaty lands, but that obviously was to be determined upon the existence and construction of a treaty or statute or both and involved a claim of title or right under a statute of the United States, elsewhere covered in the appeals act. A long line of cases holds that the failure of a State court to give due consideration to a judgment of or to proceedings had in a Federal court is a denial of the validity of an authority exercised under the United States, but it would seem as though all such cases equally involved the denial of a title or right claimed under the Constitution and statutes of the Union.

It is advanced in Telluride Power Transmission Co. *v.* Rio Grande & Western (175 U. S. 639) that in view of the use of the word "commission" in the statute in juxtaposition to "authority" the latter probably refers to a personal authority, such as, as suggested above, springs from the Constitution without any statute. The word "commission" was doubtless employed to reach the case of acts by subordinate executive officers, civil and military, done by virtue of the authority reposed in the President, whose instruments they become pro hac vice. Possibly a ruling by a public service commission, acting under authority of a State, said to be confiscatory in character and therefore violative of the fourteenth amendment, when no assault can be made on the statute under which the commission acts, would be within the purview of the particular feature of the judiciary act being considered, and subject to the jurisdiction by the bill made permissive instead of obligatory. However, whatever vestige of the obligatory jurisdiction of the Supreme Court is founded upon an authority exercised under a State, not involving the validity of a statute tested by the Federal Constitution, would be gone, as well as such as is founded upon the validity of an authority exercised under the United States not involving the validity of a statute or treaty thereof.

It will be seen that the bill to which Congress is asked to give its assent will multiply the applications for writs of

certiorari. In my judgment they are far too numerous now. I have not the figures at hand to show what percentage of the causes determined by the nine Circuit Courts of Appeals are made the basis of applications for that particular writ of review, but it must be high. It is not expensive relatively to prosecute such an application, and why should not a lawyer take the chance even though it be a remote chance? As a rule his client will spur him on, though he himself despair. During the current term 324 such applications were filed, of which 53 were granted and 273 denied, and 4 remain undisposed of. Whatever may be said touching the degree of care with which such applications are considered, it is impossible to resist the conclusion that in the vast majority of cases they can have nothing more than the most cursory and superficial examination. There is a limit to the capacity for work of even justices of the Supreme Court. But even if the pressure of business and the multitude of such applications did not forbid a careful inquiry into the debatable character and importance, public and private, of the question raised, it is notorious that the importance of a point in a lawsuit is often lost sight of or only feebly comprehended by a judge, though ordinarily capable and astute, when unaided by oral argument. Indeed I have long believed that the value of an oral argument, aside from affording an opportunity to acquaint the court with the essential facts of the case, in which respect the spoken word has a value quite beyond that of the printed page, is measured not so much by how far the bench has been convinced as by how successfully the interest of the justices has been aroused in the determinative propositions canvassed in the brief. Moreover, preconceived notions erroneously entertained are often dissipated with ease in oral argument against which counsel who must rely on a printed brief would have no warning. It has been said that an attorney who waives oral argument betrays his client. Our concern is to see that justice is done. I am convinced that to be required to submit to the Supreme Court on a written or printed statement of the facts and briefs whether a cause should be reviewed in that court is a denial of justice in a multitude of cases.

But justice delayed is justice denied, and if the work of the Supreme Court is accumulating beyond its power to dispatch, giving due attention to the same, it is incumbent on Congress, within its powers, to grant relief. If the plan proposed is open to grave objection, what is the remedy? It will be well to dispel some misapprehension, more or less prevalent, concerning the conditions. The number of cases docketed annually has remained substantially stationary since 1910, while the number of cases carried over has declined during that period from 586 in 1910 to 343 in 1921. The figures in detail are given in the following table:

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
Carried over.....	586	640	671	604	535	525	522	532	495	408	386	343
Docketed.....	509	530	509	524	528	524	532	582	580	555	.....	.....

The number of cases disposed of each year is ascertained by subtracting from the sum of the cases carried over in any one year and the cases docketed in that year the number of cases carried over into the following year. These have increased from 485 in 1910 to about 600 in recent years. For several years past a period of about one year has elapsed between the docketing of the case and the argument of the same. The delay is not apparently undue, but it is quite evident that the court is working at high pressure, disposing annually of over 100 cases more than it was accustomed to dispatch 10 years ago.

Some complaint has been made that the time allowed for argument is in many cases all too brief. It will be recalled that the limit fixed by the rules, formerly two hours, was a few years ago reduced to one and a half hours and later to an hour. Though the court has been liberal in extending the time upon the assurance of counsel that the cause could not be adequately presented within the period limited by the rule, it not infrequently happens, particularly when the controversy involves interests that can not be grouped with perfect regard for all, that the argument is so restricted as to be well-nigh valueless. This situation may well claim some attention.

Statesmen and jurists have declaimed against the constant expansion of the field of Federal activity and the absorption by the National Government of power exercised in the past exclusively by the States, the fruitful source of much of the business that crowds the calendar of the Supreme Court. It seems impossible to stay the tendency in that direction. Political parties vie with each other in their professions of a purpose to bring relief from real or supposed evils through national legislation. A widespread disposition prevails, peculiar to no section, to look to the General Government for redress for wrongs or relief from untoward conditions regardless of constitutional limitations. It is to be hoped that at some time in the future a healthy reaction will set in, but meanwhile something must be done to permit the orderly consideration of causes which should properly receive the prompt attention of the Supreme Court. It may aid if some thought is given to the question of what are such causes.

I conceive, as heretofore stated, that the primary function of that court is to give an authoritative interpretation of Federal law, constitutional and statutory. First among the cases enumerated in the Constitution to which the judicial power of the United States extends are those "arising under this Constitution, the laws of the United States, and treaties made or which shall be made under their authority." I would only as a last resort curtail in any degree the right to a hearing on such cases in the Supreme Court, but I would limit that hearing to the Federal question involved.

In the case of causes brought into the Supreme Court from the State courts the hearing is, as is well known, so limited. There is no reason why in the case of causes in which the Federal jurisdiction is invoked, in the first instance, because of the presence of a Federal question the review in the Supreme Court should not be similarly limited. One who is able to so state his case as to make it appear from his bill or complaint that a Federal question is involved may begin his action in the Federal District Court and have the whole case reviewed in the Circuit Court of Appeals and then in the Supreme Court of the United States. Another in whose controversy there is equally involved a Federal question but of such a character as that it will not appear from his pleading, artificially framed, can not take that course. (B. & M. Con. Co. & S. M. Co. *v.* M. O. P. Co., 188 U. S. 632.) He must go into the State court and reach the Federal Supreme Court by that route, but arriving there he can be heard, properly enough, only on the Federal question.

If the jurisdiction of the District Court over causes in which a Federal question is presented is to be preserved, the judgments or decrees of the Circuit Court of Appeals in such should be made final, except as to the Federal question, which should be reviewable by writ of error. Such a change would afford some very substantial relief to the Supreme Court. It frequently happens that the Federal question upon which the jurisdiction of the District Court is invoked is so doubtful in character as barely to sustain such jurisdiction, the real controversy between the parties depending upon issues of law and fact quite apart from such question. In a case of that class recently decided by the Supreme Court the Federal question was disposed of in a brief paragraph or two, while the other questions, so intricate that the court directed a reargument of the appeal, called for exhaustive study of a voluminous record and, as exhibited by the elaborate opinion filed, a discriminating and laborious examination of the other propositions of law raised. It might be added that though all three courts through which the cause passed held that though there was enough in the Federal question to sustain the jurisdiction the contention made with respect to it by the complainant was not sound.

I would cut more deeply than is here proposed. I would abolish altogether the right to go into the Federal court in the first instance simply because there is a Federal question involved. There is less justification for that branch of the jurisdiction of the district court than there is for that which depends upon diversity of citizenship or alienage. It had its origin in a strange belief that a hot rivalry might—indeed, was quite likely to—spring up between the State government on the one hand and the National Government on the other, so intense and possibly so bitter as to render it doubtful whether State judges would dispassionately and fairly administer the national law. We know that these dismal forebodings have happily proved altogether vain. So long as the litigant has the right through a writ of error addressed to the State court to have the Federal question upon which he relies passed upon by the Supreme Court full justice is done him. The abolition of this jurisdiction, it is true, would not afford the Supreme Court any relief beyond that which would ensue by making the judgments of the Circuit Courts of Appeals in such cases reviewable only as to the Federal questions involved in them, but it would contribute in some measure to relieve the congestion of business in the District Court, so great that Congress is importuned to create some twenty-odd additional district judgships, and the legislation simply awaits an agreement between the two Houses as to a few additional districts importunately insisting on being taken care of. On the consideration of that legislation it was gravely proposed in the Senate to abolish inferior Federal courts alto-

gether, reminding one of the attitude taken by Richard Henry Lee in connection with the judiciary act when it was on its passage before that body that such courts should be empowered to entertain only causes of admiralty or maritime jurisdiction. These radical views can probably command little support in our day, but it is my studied conviction that the reasons which impelled the Congress in 1789 to invest the Federal courts with jurisdiction over civil causes because of diversity of citizenship of the parties or alienage of one of them or because a Federal question was involved, never having been valid or having ceased to be valid because the conditions which it was assumed would justify the grant of such jurisdiction, do not prevail, the right to resort to the Federal courts on any such grounds should be abolished.

So far as that branch of the jurisdiction of the District Court which depends upon the existence in the controversy of a Federal question or upon alienage is concerned, no sturdy opposition to its elimination is to be anticipated save such as springs from the natural conservatism of lawyers, no particular interests being concerned about its retention. But the case is different when it comes to the other branch. It is perfectly well known that innumerable corporations have been organized under the laws of States other than those in which they contemplate operating for no reason except to enjoy a choice of having their legal controversies determined as their interests would seem best subserved, either in the State or the Federal courts, while the scandal of "tramp" corporations, the incorporators of which are residents of the State in which they do business under charters from distant States, sued out in order to escape the jurisdiction of the local courts, is a reproach to our judicial system. All such may be expected to rise in their might to acclaim the excellence of the system under which they enjoy such an unconscionable advantage over their neighbors.

Meanwhile, in like manner, I would make Federal questions raised in actions depending upon diversity of citizenship—those in which the Federal question was not made to appear by the initial pleading—reviewable by writ of error to the Circuit Court of Appeals. But I would make the judgment of that court final in both classes of actions, except as to any Federal question involved. I would thus rid the Supreme Court of the labor and annoyance of examining a vast number of applications for writs of certiorari. I would reduce the number of such applications rather than indefinitely increase them. I would relieve the Supreme Court from considering a vast mass of questions with which there is no special reason why it should concern itself that it might devote more time to the argument and more thought to the consideration of questions peculiarly within its province.

The rules which guide or should guide the Supreme Court in passing on applications for writs of certiorari have never been very clearly defined, or perhaps it is more accurate to say, so far as any rule has been laid down, it is so general in character, except in a single particular, as to tolerate the exercise of an unrestrained discretion. The court has said that the writ will be granted whenever there is a conflict of decisions among the Circuit Courts of Appeals, or between one of such courts and a State court, in order to bring about uniformity, or whenever the interests of the Nation in its internal or external relations or the importance of the question involved demand.

Perhaps the writ might be appropriately employed when the interests of the Nation are directly involved, and particularly with respect to its foreign relations, as was the case when the court ordered a transfer of the record in the case of *The Three Friends* (166 U. S. 7) even before it was heard in the intermediate court. It would seem, however, that in such a case the writ would more appropriately go, in the interest of expedition, on the motion of the Attorney General, to the District Court rather than to the Circuit Court of Appeals. So far as I can learn, this extraordinary power has never since been exercised by the Supreme Court. Its authority to proceed seems not to have been questioned in the suit referred to, though it might well have been in view of the language of the governing act, to the effect that the Supreme Court might require to be certified to it "for review and determination" any case the judgment or decree in which the Circuit Court of Appeals was made final by the act. The word "review" would seem necessarily to imply that the cause should first have been determined by the Circuit Court of Appeals. This conclusion is enforced by the fact that power was granted to issue the writ only in cases which otherwise became final in the Circuit Court of Appeals. It is quite likely, if not more likely, that national interests would require a speedy determination of a cause in which the jurisdiction depends upon the existence in the controversy of a question arising under the Constitution or laws of the United States as though it was invoked because of diversity of citizenship. It is difficult to resist the conclusion that that portion of the Circuit Court of Appeals act had no other purpose than to afford the litigant whose case would otherwise terminate in that court an opportunity, should the decision of that tribunal be adverse, to ask a review by the Supreme Court. However, whatever doubt may inhere in the present law in that regard the bill under consideration would remove, for it expressly declares that the writ of certiorari may be issued either before or after judgment. I find it difficult to conceive of any justification for such a provision, except to meet the contingency of a pressing national need, when, as suggested, the writ ought to procure the direct transfer of the cause from the District Court after judgment to the Supreme Court, regardless of the ground upon which the jurisdiction of the court of first instance was invoked.

But barring cases in which national interests are involved, there is to my mind little justification for transferring to the Supreme Court litigation between private parties, either because of the importance of the questions involved or to secure uniformity of decisions. "Importance" is a highly elastic term. Every suit involving a debatable proposition of law is more or less important, and there is no more of misfortune in a conflict between two Circuit Courts of Appeals, or between one of such courts and a State court, than there is in a conflict between the courts of any two of the forty-eight States. Still if the writ of certiorari were confined to cases in which such conflict exists, and the review restricted to the proposition in respect to which there is a difference, the number of applications would be limited and the labor entailed in passing upon them relatively light.

In my judgment the way to solve the problem is to relieve the court from the consideration of questions with which it should not now be troubled. Why should the Supreme Court be devoting itself to the consideration of the ordinary questions of commercial and corporation law, of negligence and torts generally, of domestic relations, of municipal securities, and the complex problems presented by the intricate and involved contracts which characterize the great business transactions of our day?

To recapitulate. The bill under review would substitute certiorari for writ of error in the case of judgments of State courts, in which is questioned the validity of an authority exercised under the United States, on the ground that it is contrary to the Constitution, laws or treaties thereof, or an authority exercised under a State on the ground that it is repugnant to the National Constitution. It would substitute certiorari for writ of error in causes coming to the Circuit Court of Appeals, because involving a Federal question. The amount of relief appears inconsequential.

On the other hand, I would abolish the writ of certiorari as to cases in the Circuit Court of Appeals and restrict the consideration in all cases from that court as in cases coming from the State court to any Federal question involved which should be subject to review as of right. I would amplify the right to the writ of error to State courts by renewing the provisions of the judiciary act in relation thereto, rendered ineffective by the act of 1916. I am convinced that not only would a greater measure of relief be thus afforded, but a higher measure of justice would prevail and a more rational judicial system obtain. But I would look forward to the eventual abolition of the jurisdiction of the Federal courts in civil causes because of diversity of citizenship or alienage or because the controversy involves a Federal question.

HOUSING CONDITIONS IN THE DISTRICT.

Mr. KING. Mr. President, some time ago the subject of the housing conditions in the District of Columbia received to some extent the attention of the District Committee, of which I am a member. We considered it particularly in view of the large building program that it was desired to enter upon for school purposes in the District. Subsequently Secretary Hoover met with the Commissioners of the District, and I also had the opportunity of being present. It was recommended at that meeting that a committee be appointed to investigate the housing situation in the District of Columbia, the reason for the house shortage, the cause of high rent, of the impediments and obstacles which are offered to building, the reason for high charges upon loans, and all cognate questions. A committee was appointed by the commissioners, of which Mrs. Eli A. Helmick was chairman. The committee has been in session from time to time; and recently, in fact on last Saturday, a tentative report was submitted by Mrs Helmick as chairman. I am advised that

the report was not accepted by the committee, but the report is of such merit and contains so many valuable suggestions that I feel that it ought to be referred to the Committee on the District of Columbia, to the end that that committee may take such steps as may be deemed necessary.

Speaking for myself, I believe that an investigation should be had by the District Committee. There is no doubt that men and corporations in this District are charging extortionate rents, and that many obstacles are opposed to legitimate building operations here. There should be a full and complete and exhaustive inquiry by the District Committee, because the impediments which this commission met with, perhaps, precluded that full investigation which should be made. The report appears in the Washington Daily News, a newspaper which has been doing most excellent work in presenting the evils of the housing situation to the people.

I ask that the tentative report which I have indicated be referred to the Committee on the District of Columbia.

There being no objection, the report was referred to the Committee on the District of Columbia.

DAYLIGHT-SAVING REGULATIONS.

Mr. DIAL. Mr. President, I shall take but a moment of the time of the Senate in discussing a matter not connected with the tariff.

The public has been waiting very patiently for the President to modify the order in regard to so-called daylight saving. A short time ago the Star told us that by a vote of 10 to 1, I believe, the people who had voted did not approve of the present arrangement, and recently we have read in the News that a great many of the employees of the Government are most strenuously against this new scheme. I was in hopes that the parties who had imposed upon the President by telling him that this was desirable would have the manhood to go back and ask him to revoke the order.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. DIAL. I yield.

Mr. WATSON of Georgia. According to my custom, I went to my office yesterday morning to dictate the editorials for my paper. The stenographer in the case is a young woman who works in the splendid State Department, under our magnificent premier, Mr. Hughes. She told me that she had been assigned to three different offices of the big men to take down shorthand, and not a single one of those men was on duty when the office opened. In other words, this foolish daylight-saving order is striking the small men and the weaker women, and not striking the strong men at all, and the Senator from South Carolina is quite right in protesting against it.

Mr. DIAL. The employees get out earlier in the afternoon, they have to go home to hot quarters, and they have to rush to get up in the morning, and hurry to get a little breakfast. Those who live out some distance, of course, are delayed, and it is very burdensome upon them. As the Senator from Georgia has said, no doubt the high officials come whenever they get ready.

I am more deeply interested in the schools, and I most earnestly protest, in behalf of the school children, against the early hour. I protest also upon the part of the housekeepers and laborers of the District. It is true that school will soon be out, but I do not want any such precedent established here.

Not only that, but it militates against the public service and public interest. Before the present plan went into operation we received the mail at 3.30, and we receive it now at the same hour; but before, we would get information from the departments and answer the mail in the afternoon, so that our constituents would have the information practically 24 hours earlier than they get it at the present time. The force at my office tells me that now when they telephone to the departments immediately after the last mail comes in, the doors are closed, and there is no one to answer the telephone.

So it occurred to me that the 15th would be a splendid time to let the prior practice go back into operation, and I am in hopes that some one will call it to the attention of the President, or that the President himself will take notice of it, and have the order revoked, to take effect on the 15th of this month.

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. DIAL. Mr. President, I present a resolution from a number of ladies in my State protesting against certain schedules in the pending tariff bill. I ask unanimous consent to have the resolution inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, and to lie on the table, as follows:

Resolved, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law.

Yours truly,

CAMILLIA CANTEY SAMS (MRS. STANHOPE SAMS),
President Social Survey Club, 1922–23,
Secretary New Century Club, 1922–23.

Mr. McCUMBER. Mr. President, I ask that the Senate proceed to the consideration of paragraph 359 on page 76.

The VICE PRESIDENT. The paragraph will be read.

The READING CLERK. Page 76, line 14, paragraph 359, surgical and dental instruments—

Mr. McCUMBER. On behalf of the committee and as a committee amendment, on page 76, I move to strike out lines 14 to 20, both inclusive, and line 21 down to and including "ad valorem" and insert in lieu thereof the following:

PAR. 359. Surgical instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I understand the Senator from North Dakota wishes to substitute for that part of section 359 down to and including the words "ad valorem," on line 21, that which he just read.

Mr. McCUMBER. We propose to strike out lines 14 to 21, inclusive, down to the proviso on line 21. That part of the paragraph which we propose to strike out gives different rates on surgical and dental instruments—

Valued at not less than $2 per dozen and not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem.

We propose to strike out all the specific duties and give a straight ad valorem of 45 per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. In other words, the committee substitutes for the 60 per cent per dozen, on line 18, 45 per cent ad valorem?

Mr. McCUMBER. No; for both the specific duty and the ad valorem duty, which would amount, as I now recall, to about 80 per cent, we propose to give a straight 45 per cent ad valorem duty.

Mr. SIMMONS. That is, the committee proposes to strike out both the specific duty and the 60 per cent ad valorem duty and substitute 45 per cent for both?

Mr. McCUMBER. Forty-five per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. That is a very substantial reduction, no doubt, but I am not prepared to say that it is as great as it should be. While I have no sort of objection to the substitution, I would not like at this time to express satisfaction with the substitute which is offered. The committee is now asking permission to offer the amendment. Does the Senator desire a discussion of the matter just at this time?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. This is, of course, new matter that has just been presented to the Senate. I should be very glad if the Senator would proceed with some other paragraph and let us return to this paragraph in a very short time. I should like to look into it a little before it is finally acted upon.

Mr. McCUMBER. Very well.

Mr. WILLIS. Mr. President, will the Senator from North Dakota explain what his provision proposes relative to dental instruments? I could not fully hear what he said to the Senator from North Carolina.

Mr. McCUMBER. Dental instruments are given a straight ad valorem duty of 35 per cent.

Mr. WILLIS. Is that in a separate provision from surgical instruments?

Mr. McCUMBER. They are provided for in the same amendment.

Mr. WILLIS. Very well. That is satisfactory.

Mr. McCUMBER. If the Senator from North Carolina desires to pass over the paragraph temporarily we can proceed to the consideration of some other paragraph.

Mr. SIMMONS. I only desire that it may be passed temporarily. We can return to it in a very short time.

Mr. WALSH of Montana. Before the paragraph is passed over, I should like to inquire of the Senator from North Dakota what is the ad valorem equivalent of the rates as now fixed by the committee amendment?

Mr. McCUMBER. The rate is about 80 per cent as fixed by the bill and the committee amendment reduces it to 45 per cent ad valorem in one case and 35 in the other.

Mr. WALSH of Massachusetts. Mr. President, I should like to suggest to the Senator from North Dakota that this amendment is very important and many people are interested in it. I think amendments of this important character ought to be submitted to the Senate and be permitted to lie on the table for one day in order that we may study them and understand upon what we are voting. It is impossible to comprehend the scope of an amendment of this kind by merely hearing it read without an opportunity of studying and reflecting upon it.

Mr. McCUMBER. I have several copies of the amendment here and will be glad to hand the Senator one; but I think it is quite easy to keep in mind only the two proposition that under the amendment we propose a straight ad valorem duty of 45 per cent on surgical instruments and a straight ad valorem duty of 35 per cent on dental instruments. It is hardly necessary to have such an amendment lie over for a day in order to understand what it is.

Mr. KING. The reason for the difference in rate is, I suppose, that teeth are not worth as much as bones.

Mr. WALSH of Massachusetts. There are certain amendments which have been offered by the Senator from North Dakota, which are very important, and I think they ought to lie on the table in order that we may have an opportunity to consider them, and not have them presented here without any chance to consider them at all.

Mr. SIMMONS. Mr. President, I wish it to be definitely understood as to this matter that I am very much gratified at the reduction which the committee has proposed; a reduction from 80 per cent to 45 per cent in one case and 35 per cent in another is a very substantial reduction. It may be that it is not sufficient; I have not investigated that, and I merely desire the matter to be held open for a while in order that I may have an opportunity to look into it a little to ascertain whether action should be allowed to be taken on the new rates now proposed without further discussion.

Mr. McCUMBER. That is a very reasonable request, and I am glad to accommodate the Senator from North Carolina. I now propose that we shall proceed to the consideration of paragraph 360.

Mr. STERLING. Mr. President, I should like to ask the Senator from North Dakota if he will not be willing that paragraph 360 go over for the day? I have some data upon that paragraph, but I have not them here and they are not available to me now. I should like to present them in consideration with that paragraph.

Mr. McCUMBER. Mr. President, so long as we may consider some other paragraph I am not particular, although it is a little difficult for us to go from one paragraph back to another. The Senator from South Dakota desires, however, that paragraph 360 be passed over for the present, and I now ask that we take up paragraph 302 in reference to ferro alloys.

The VICE PRESIDENT. The amendment of the Committee on Finance to paragraph 302 will be stated.

The amendment of the Committee on Finance was, on page 49, line 2, after the word "carbon," to strike out "2½ cents per pound on the metallic manganese contained therein" and to insert "$2.50 per ton," so as to read:

ferromanganese containing more than 1 per cent of carbon, $2.50 per ton.

Mr. McCUMBER. On page 49 I desire to withdraw the committee amendment beginning in line 2, and in line 2 to strike out the numerals "2½" and insert in lieu thereof the numerals "1⅞."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

Mr. KING. I wish to inquire of the Senator from North Dakota what disposition has been made of the numerals "$2.50" which are found in line 4?

Mr. McCUMBER. The committee proposes to withdraw the amendment and then to strike out "2½," and insert "1⅞" in lieu of "2½."

Mr. SMOOT. And the words "$2.50 per ton," in line 4, will also be stricken out.

Mr. McCUMBER. Yes.

Mr. SMOOT. That was what the junior Senator from Utah asked.

Mr. McCUMBER. The whole matter, to which the Senator from Utah refers, will be stricken out if my suggestion is agreed to.

Mr. KING. Will the Senator explain what effect the amendment just suggested on behalf of the committee will have upon the text of the bill as reported by the Committee on Finance?

Mr. McCUMBER. It is a material reduction in the House rate, and the duty proposed now is designed to take care of the duty on manganese ore which was inserted the other day.

Mr. KING. It is an increase over the original Senate committee amendment. Has the Senator from North Dakota figured out what the increase would be measured in ad valorem rates?

Mr. McCUMBER. We have made the increase to correspond with the 1 cent duty which was voted the other day upon the manganese content of manganese ore. In order to allow a proper differential it is necessary, of course, to increase the duty on the product made from the manganese ore, and the rate proposed here is in accordance with the estimate made by the experts that it will require about 1⅞ cents.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator whether the percentage of differential is not too high? The Senate has given its approval to the House provision imposing a duty of 1 cent a pound on the manganese content of manganese ore. Manganese is reduced to ferromanganese by the electrolytic process generally. It seems to me that 1⅞ cents is altogether disproportionate as protection. Of course, the manganese manufacture should be allowed a compensatory duty of 1 cent. I think the Tariff Commission report discloses that ferromanganese can be produced just as cheaply in this country, if the additional cost occasioned by the duty on manganese is taken care of, as it can be produced anywhere in the world, except possibly in those countries where power may be secured more cheaply than in the United States. I do not know why it should be so, but apparently power can be secured more cheaply in Canada than it can in the United States, and of course it can be secured more cheaply in Norway; but, all things considered—and this is an industry of my State; we have the only ferromanganese mill, I think, in the West, and I am not averse to helping it along, inasmuch as it is an infant industry—I think that a rate of 1⅞ cents a pound is giving to the ferromanganese producer a consideration that is vastly greater than the consideration given to the producer of manganese when he gets only a cent a pound.

Mr. SMOOT. The House allowed a differential of 2½ cents per pound, which is altogether too much, figured on the actual differential necessary between the metallic content of the ore and the ferromanganese. Figuring a loss of 29 per cent in the manufacture of ferromanganese and taking into consideration the result of imposing 1 cent duty on the ore, the differential required $1.51, or 51 cents above the 1 cent on the metallic content of the ore.

Mr. WALSH of Massachusetts. Mr. President, if the Senator from Utah will allow me, will he state how much of the proposed rate of 1⅞ cents is compensatory and how much a protective duty?

Mr. SMOOT. Seven-eighths of a cent is the compensatory duty. The Senate voted for 1 cent per pound on the manganese content in the ore. Now, in the manufacture of ferromanganese ore there is a loss of at least 29 per cent in the case of the high-grade ore. From the Tariff Information Survey the Senator will find that—

The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent.

The average, I am told, is 29 per cent, and that is in the case of the very highest grade of manganese ore which can be obtained in the United States.

Again, I wish to say to the Senator from Montana that the coke used in the manufacture of ferromanganese from the ore is very much cheaper in England than it is in the United States.

Mr. WALSH of Massachusetts. The rate provided by the committee amendment, then, is a compensatory rate?

Mr. SMOOT. Entirely so.

Mr. WALSH of Massachusetts. That is what I asked the Senator. There is no protective duty included?

Mr. SMOOT. There is no protection whatever.

Mr. WALSH of Massachusetts. It is entirely compensatory?

Mr. SMOOT. It is a compensatory duty pure and simple.

Mr. WALSH of Massachusetts. It is my opinion that it is a fair duty in view of the duty on manganese ore.

Mr. SMOOT. There is no doubt of it at all.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 6, page 49, it is proposed to strike out "45" and to insert "30," so that, if amended, it will read:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

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

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on line 10 I desire to modify the committee amendment by striking out "20" and inserting in lieu thereof "1⅞ cents per pound on the manganese contained therein, and 15." I send the amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to disagree to the committee amendment so as to restore the House text in the following words:

cents per pound on the manganese contained therein and.

It is also proposed to strike out "2½" and insert "1⅞," and to change the "20" to "15," so that the entire amendment, if amended, will read as follows:

1⅞ cents per pound on the manganese contained therein and 15 per cent ad valorem.

Mr. WALSH of Montana. Mr. President——

Mr. SMOOT. I will say to the Senator from Montana that that gives exactly the same specific rate upon the manganese metal or the manganese silicon that was given upon the ferromanganese that is manufactured from manganese ore. We give them exactly the same compensatory duty as ferromanganese, namely, 1⅞ cents per pound, instead of 2½ cents per pound as provided for in the House bill; and instead of giving them 28 per cent protection, as provided in the House bill, on the American valuation, we give them 15 per cent ad valorem upon the foreign valuation. In other words, the 15 per cent is the protection afforded the manufacturer of manganese metal out of ferromanganese or out of the manganese ore itself.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator whether there ought not to be a differential between ferromanganese and spiegeleisen?

Mr. SMOOT. A different protective rate?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. I do not think so.

Mr. WALSH of Montana. The information I have concerning this matter leads me to believe that there should be a distinction. Indeed, it seems to me that with respect to both of these products, when the duty on the manganese is taken care of, there is not really much of anything else needed, and certainly not in the case of spiegeleisen. I read from the survey, "The ferro-alloy industries," Bulletin C-1. In discussing the subject of tariff considerations, the Tariff Commission says:

(1) Spiegeleisen and ferromanganese have been classified in our tariff laws for several decades with "iron in pigs." While they are blast-furnace products, their uses and conditions of production vary greatly from those of pig iron. They belong to the general class of ferro-alloys.

(2) No question now arises with reference to the competitive position of the American producer of spiegeleisen. His raw material is abundant and cheap and his conversion costs are low. In the case of ferromanganese, however, the American manufacturer is obliged to get his raw material abroad.

They make a distinction between the spiegeleisen containing the low percentage of manganese and the ferromanganese containing the high percentage.

Mr. SMOOT. Mr. President, may I call the Senator's attention——

Mr. WALSH of Montana. Just a moment. This statement, of course, is made upon the existing condition of things, when the manganese ore is admitted free; but when the manganese ore carries a duty of 1 cent a pound on the manganese content, of course the spiegeleisen producer ought to be protected to that extent. That is, he should have a compensatory duty; but when he gets his compensatory duty the Tariff Commission tells us that there are no competitive conditions whatever, and that the spiegeleisen producer can produce it in this country just as cheaply as the foreigner.

Mr. SMOOT. The Senator's statement would be absolutely correct if no account were taken of the amount of carbon that could be contained in the spiegelized article; but the Senator will notice in this case that it must not contain more than 1 per cent of carbon. Therefore it must be made by the thermit or the aluminum process, and it must be made in small quantities. If there were no question as to the amount of carbon that would be allowed in the spiegelized article, then, of course, they could make it as the Tariff Commission says; but the amount must be limited. For instance, I call the Senator's attention to paragraph 301. There the Senator will notice that the spiegelized iron and steel and kentledge are all in the same paragraph; but that contains more than 1 per cent of carbon, and it can be treated entirely differently. That is why a clause is put in this paragraph limiting the amount of carbon that can be contained in it.

Mr. WALSH of Montana. The information I have does not make any distinction in these matters at all.

Mr. SMOOT. The Senator will notice in paragraph 301 that the duty on spiegeleisen containing more than 1 per cent of carbon is $1.25 a ton, and it is classified there with iron in pigs, iron kentledge, and so forth; but in paragraph 302 the amount of carbon in the manganese must be less than 1 per cent, and therefore it must be made by the thermit or the aluminum reduction process, which can only produce it in small quantities. That is why the change is made in paragraph 302, and it shows the difference between paragraphs 302 and 301.

Mr. WALSH of Montana. I have not been able to discover that the question of the amount of carbon in it is of consequence at all.

Mr. SMOOT. Mr. President, the manganese is not used the same as the iron. The manganese containing less than 1 per cent of carbon is used in the hardening of brasses and bronzes, and if it had 1 per cent of carbon or more they could not use it at all. It would be impossible.

Mr. WALSH of Montana. No doubt there are some kinds of spiegeleisen containing a small amount of carbon that are used for purposes for which spiegeleisen containing a large percentage of carbon is not fitted; but that is not the question. The question is, Why does it cost more to produce the one kind than to produce the other kind?

Mr. SMOOT. It does cost more.

Mr. WALSH of Montana. What information has the Senator on that point? My information is that the spiegeleisen can be produced here as cheaply as anywhere.

Mr. SMOOT. One is made in a blast furnace and the other is made in a crucible; and I know and the Senator knows that it costs more to make it in a crucible than it costs to make it in a blast furnace. All that the Senate committee gives is 15 per cent ad valorem, not 28 per cent ad valorem, as the House gives, on the American valuation; and that is the reason why the change was made.

Mr. WALSH of Montana. Does the Senator say that 1⅞ cents a pound is 15 per cent ad valorem?

Mr. SMOOT. No; the 15 per cent ad valorem has nothing to do with the 1⅞ cents per pound. That is the compensatory duty because of the fact that the Senate voted for a duty of 1 cent a pound on the manganese ore; but, for instance, in paragraph 301 the article is sold by the ton; in paragraph 302 it is sold by the pound. That shows what a difference there is in the making.

Mr. WALSH of Montana. I have not yet discovered that there is any information available to us that makes any distinction at all between spiegeleisen which contains less or more than a certain per cent of carbon. The fact about the matter is that in the case of both of these commodities, ferromanganese and spiegeleisen, the manganese itself constitutes 70 per cent of the total cost, and only 30 per cent goes for overhead and interest upon capital and labor and everything else, the labor cost being, I think, about 20 per cent of the total cost; so that, if that is taken care of, it seems to me that that is all the duty that there ought to be on either ferromanganese or spiegeleisen over and above the compensatory duty.

Mr. SMOOT. The Senator's attention was called away when I gave the reasons, at his request, why that difference of 1⅞ cents was necessary. I can repeat it briefly by saying that the loss runs as high as 30 per cent—the average is about 29 per cent—and, then, the coke is very much less expensive in England than it is in the United States. I think I have here the quotations which show the difference. The Tariff Information Survey calls attention to the loss of 30 per cent, and the Senate committee has figured it down to the very cent.

I know that the independent ferromanganese manufacturers claim that we are going to drive them out of business with a duty of 1⅞ cents. They say they are entitled to 2½, which the House gave them. I do not think it will drive them out of business, but I do know they are entitled to 1⅞ cents, and that is what the committee has given them.

Mr. WALSH of Montana. My information is that in the manufacture of ferromanganese the recovery of the metal content in the ore averages about 80 per cent, the loss being only about 20 per cent.

Mr. SMOOT. That may be true of the high-grade ore, but it can not be done with the great mass of ore that is imported,

nor can it be done with any ore that is produced in the United States.

Mr. WALSH of Montana. I can not profess to have any personal knowledge about the matter, and I am obliged to take what information is given me from official sources with respect to this particular subject. They say that the loss is not to exceed 20 per cent of the manganese content of the ore.

Mr. SMOOT. The Tariff Commission Survey says:

During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent.

That is what I stated, that the average was 29 per cent. I admit that the United States Steel Co. can import selected ore from some foreign country containing the highest possible percentage of manganese and get 20 per cent out of it, but there is no ore in the United States out of which they can get it. The average of all the ores produced by the 12 independent producers averages 29 per cent, as I stated, and the loss in the manufacture of spiegeleisen, as I stated, is 38 per cent.

It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.

So the Tariff Information Survey claims that the American loss is 38 per cent. We are trying to protect the ferromanganese ore produced in Colorado and Montana, and what is the use trying to protect the ore if we allow a rate upon the ferromanganese that will let the ferromanganese in and kill the ore business?

Mr. WALSH of Montana. The simple question is, What is the rate necessary in order to accomplish the result? That is the whole question.

Mr. SMOOT. If the Senator will figure from the statement made by the Tariff Commission, he will see that 1½ cents is scarcely enough, and if we are going to protect the ore—which is what the Senate committee wants to do—I do not want ferromanganese to come in to the disadvantage of the ore.

Mr. WALSH of Montana. But seeing that there is only 1 cent duty on the manganese content of the ore, it requires some demonstration to show that you have to put 1½ cents on the ferromanganese product. Let me inquire of the Senator just what have been the importations of spiegeleisen into the country under the existing law?

Mr. SMOOT. I think they were put in the RECORD the other day, but I will look them up. In 1918 there were $4,300,604 worth; in 1919 there were $4,283,541 worth imported.

Mr. WALSH of Montana. That is of what?

Mr. SMOOT. Of ferromanganese.

Mr. WALSH of Montana. I asked about spiegeleisen.

Mr. SMOOT. The importations must be very small.

Mr. WALSH of Montana. Are there any importations at all?

Mr. SMOOT. I should not think there would be very much imported. In 1918 there were $228,012 worth; in 1919 there were $1,018 worth; and in 1920 there were $277,900 worth. The Senator will find that on page 359 of the Summary of Tariff Information, about the middle of the page. That refers to the spiegeleisen mentioned in paragraph 301, not this to which we are referring, because this has not been kept separate, and I can not tell the exact figures; but I will frankly say to the Senator that it could not be very much.

Mr. WALSH of Montana. My information about it is that no spiegeleisen is imported into this country at all. I have the information now before me. For the nine months of 1921 the imports were $9,260 worth.

Mr. SMOOT. That is correct; but in 1920 there were $277,900 worth imported.

Mr. WALSH of Montana. Yes; $277,900, and $9,260 worth in the nine months of 1921. In 1919 there were $1,018 worth, and in 1918 there were $228,012 worth.

Mr. SMOOT. Why does not the Senator make a motion to put the rate on the ores lower, if he wants it, and let the Senate vote upon it? If the Senator wants a low rate, so that the ferromanganese can come into this country, let him make a motion such as I have suggested.

Mr. WALSH of Montana. I am trying to profit by the full information of the Senator from Utah. I inquired of him whether he thought there should be a different rate.

Mr. SMOOT. No; I think the rate is just as low as it can be to keep out the ore.

Mr. WALSH of Montana. If that is the case, then should there not be a higher rate on ferromanganese?

Mr. SMOOT. No; I think the rate on ferromanganese of 1½ cents is enough to equalize the duty on the ore and the ferromanganese.

Mr. WALSH of Montana. Will the Senator tell us whether he thinks that is necessary in order to equalize the conditions with respect to spiegeleisen?

Mr. SMOOT. I do.

Mr. WALSH of Montana. Does not the Senator think it is too much?

Mr. SMOOT. No; I do not. I think it is too much if the manganese contains over 1 per cent carbon, and could be made in a furnace, but where it must be less than 1 per cent carbon, and has to be made in a crucible, it is not too much.

Mr. KING. Mr. President, I would like to ask my colleague in respect to ferromanganese containing more than 1 per cent of carbon, on which a rate is recommended of 1½ cents a pound. It seems to me that a tariff of $22.50 a ton, which, as I figure it, would be permissible under this amendment, is rather heavy.

Mr. SMOOT. I will say to the Senator that the amendment which has been offered is to fix the rate at 1½ cents a pound, and we have cut the ad valorem rate of the House from 28 per cent to 15 per cent.

Mr. KING. I think I understand that.

Mr. SMOOT. The Senator was not here, and I will state briefly just what led up to this change.

The House gave a rate of duty of a cent a pound on the manganese content in the ore. The Senate Finance Committee placed manganese ore on the free list. The Senate disagreed to the committee amendment, leaving a rate of 1 cent a pound on the metallic content. That, of course, necessitates a change in the rate of ferromanganese. The House with 1 cent on the metallic content gives manganese 2½ per cent. The Senate committee, with the same rate on the manganese content in the ore, gives 1½ cent a pound on the ferromanganese. That is a particular kind of ferromanganese, as it must contain not more than 1 per cent of carbon. In the paragraph before that manganese containing more than 1 per cent of carbon is provided for. Wherever it contains more than 1 per cent of carbon, then it is made in a furnace, but where it contains less than 1 per cent carbon it must be made in a crucible, and only in small quantities.

The reason why they made the difference is that ferromanganese containing less than 1 per cent carbon is used in the hardening of brass and bronzes, and if it contained more than 1 per cent carbon it could not be used for that purpose. The 15 per cent that the Senate gives is simply the protection that is necessary for the industry, and if I am not mistaken that is exactly the rate applied in the Underwood law.

Mr. KING. I will state the point I had in mind, and I shall be glad if I may have for a moment the attention of the Senator from Montana [Mr. WALSH]. The paragraph provides that ferromanganese containing more than 1 per cent of carbon shall have a duty of 1½ cents per pound. Here is the point to which I wish to call attention:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. WALSH of Montana. That refers to the item immediately preceding and not to spiegeleisen.

Mr. KING. I understand that, but I wanted the Senator's view as to the point I am about to make now. It means, I think, that iron manganese alloy which contains 30 per cent of manganese will be entitled—that is, the entire product of 2,000 pounds, instead of 30 per cent of 2,000 pounds—to a duty of 1½ cents. So if a given tonnage, taking 1 ton to illustrate what I mean, is entered at the customhouse containing 30 per cent only of iron manganese alloy it receives a duty upon the entire content, 60 per cent of which may be comparatively valueless, and the duty would be, therefore, $22.50 upon the iron manganese alloy consisting of only 600 pounds.

Mr. SMOOT. I will say to the Senator that the standard is 80 per cent. This is only put here by way of precaution. There is nothing given as to the effect the tariff will have, but if it were thrown open entirely and nothing said about it at all, we do not know what they would undertake to do. It is simply a precaution taken in the tariff measure.

Mr. KING. That may be, and yet it occurs to me that it is giving a duty upon 1,400 pounds of some other product. If the imported article contains 30 per cent of iron manganese alloy, then the whole ton would carry the duty of 1½ cents per pound, so the ore may be reduced ore so as to send in a given importation only 30 per cent and still get the entire duty of 1½ cents per pound.

Mr. SMOOT. If the Senator will read it carefully he will see it says "ferromanganese containing more than 1 per cent of carbon." If we go back of that it is "ferromanganese contained therein." It is not "if it is 80 per cent," or 65 per cent, or 50

per cent, or 30 per cent, or whatever it is. It is the amount of manganese "contained therein."

Mr. KING. If my colleague will allow me a minute, that would be all right if it were not for the proviso starting on line 4:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. SMOOT. But, Mr. President——

Mr. KING. If the Senator will pardon me, if the product which is brought in be a manganese iron alloy, it needs to contain but 30 per cent of manganese in order to obtain the full benefit of 1½ cents.

Mr. WALSH of Montana. I think the Senator is in error about that.

Mr. SMOOT. Yes; the Senator is in error about it.

Mr. WALSH of Montana. I think the junior Senator from Utah is in error. It means that if it contains less than 30 per cent of manganese it is not to be deemed to be ferromanganese within the meaning of the clause and will not carry a duty of 1½ cents. If the manganese content is less than 30 per cent, it will be regarded as manganese, not ferromanganese, and will carry a duty of only 1 cent per pound, as provided in the first part of paragraph 302.

Mr. KING. I suppose that is what was intended, but the language, it seems to me, is rather confusing.

Mr. WALSH of Montana. It reads:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

That is to say, anything that does not contain at least 30 per cent is not to be deemed to be ferromanganese for the purpose of fixing the duty of 1½ cents.

Mr. SMOOT. Not 1½ cents, but the 15 per cent ad valorem duty. If it does contain more than 30 per cent, then it is ferromanganese, and if it contains less than 1 per cent of carbon, then it has 15 per cent ad valorem above the 1½ cents.

Mr. WALSH of Montana. I thought I had this matter clearly in my mind, but I am confused when the Senator talks about 15 per cent ad valorem. Where does the 15 per cent ad valorem come in?

Mr. SMOOT. No; I was wrong; it is the metal that has the 15 per cent ad valorem. There is no 15 per cent at all on the item about which we are talking.

Mr. WALSH of Montana. The 15 per cent refers to molybdenum and not to manganese at all.

Mr. SMOOT. The Senator is right. Ferromanganese containing more than 30 per cent of manganese is ferromanganese. If it is less than that it is spiegeleisen and defined in paragraph 301, provided it has more than 1 per cent carbon.

Mr. WALSH of Montana. There is no specific duty on spiegeleisen, so far as I can see.

Mr. SMOOT. If the Senator will return to paragraph 301 he will see that the proviso put in there reads:

Provided, That spiegeleisen for the purposes of this act shall be an iron manganese alloy containing less than 30 per cent of manganese.

If it contains more than that, then it is ferromanganese, and that is the dividing line. The House cut it down to 15 per cent, and then changed it to 30 per cent. Thirty per cent is the proper division.

Mr. KING. Mr. President, the explanations of my learned friend——

Mr. SMOOT. If my colleague will read it just as it is, he will see that it does not apply as he thought it did:

Ferromanganese containing more than 1 per cent of carbon, 1½ cents per pound on the metallic manganese contained therein: *Provided*, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

If it contains less, then in paragraph 301 we say it is not ferromanganese, but it is spiegeleisen.

Mr. KING. I am not satisfied with the explanation made by the Senator from Montana or by the senior Senator from Utah. It strikes me that there will be confusion and an attempt will be made to obtain the benefits or the disadvantages, depending upon which side of the shield is to be considered, that flow from the imposition of 1½ cents per pound upon iron manganese alloys, where the imports are in products or consist of products where 60 per cent at least of the import may be of some other product, practically valueless, some other product than ferromanganese.

Mr. SMOOT. The Senator would be correct if we did not specifically state that it should be the metallic manganese contained therein. My colleague's position would be absolutely correct if those words were not here, but they are here.

Mr. KING. Let me ask my colleague a question: Does the committee intend by this provision to give a duty of 1½ cents a pound upon all products brought into the United States denominated ferromanganese alloys, where 60 per cent of the imports of the product may be waste or gang, and 30 per cent and only 30 per cent consist of ferromanganese alloy?

Mr. SMOOT. No; there is no such intention nor would this provision do it. If there were 100 pounds of that kind of product coming into the United States and it contained 30 per cent of manganese, then there is a duty of 1½ cents a pound on the metallic content, which is the 30 per cent of manganese; but if, as I said, the words "the metallic manganese contained therein" were not here, then my colleague would be entirely right. If there were 40 per cent, there would be 1½ cents on 40 pounds. If there were 60 per cent, it would be 1½ cents on 60 pounds. But if it were 20 per cent it would not fall in here at all, because it would not be ferromanganese but would be spiegeleisen.

Mr. KING. I submit to my colleague that if the bill passes in this form there will be a controversy when importations come to the customhouse and the product consists of 30 per cent only of iron manganese alloys and 60 per cent of some other product as to just what the rate of duty should be. My colleague said the rate of duty would be only 1½ cents per pound upon the metallic content—that is, the manganese alloy content—whereas it may be contended that the duty shall be levied upon the entire product, because it will be said that 30 per cent of it consists of iron manganese alloy, and therefore the entire product which comes into the United States must bear the duty of 1½ cents.

Mr. SMOOT. I assure my colleague that will never happen.

Mr. KING. I hope the construction contended for by my colleague is correct, but later on, after further examination, I may recur to it and make a motion to clarify it, if I shall not be satisfied that the construction which I think now will be placed upon it is correct.

Mr. WILLIS. Mr. President, I desire to ask the senior Senator from Utah a question, if the junior Senator will permit me.

Mr. KING. I yield.

Mr. WILLIS. The Senator will remember that we had some contest some days ago about the duty on manganese. The duty was fixed, in my judgment, entirely too high; but what I want to know is if this has been rewritten on the basis of the change then made so as to give a compensatory duty?

Mr. SMOOT. Seven-eighths of 1 cent is compensatory duty.

Mr. WILLIS. I recall the duty of 1 cent which we placed on manganese ore.

Mr. SMOOT. It is necessary because the Senate voted a duty of 1 cent upon the metallic content in manganese ore.

Mr. WILLIS. A vote which I think ought not to have been taken.

Mr. KING. Mr. President, I want to put in the RECORD a brief statement, if it has not heretofore been put into the RECORD, showing the domestic production and the imports of ferromanganese.

In 1908 the domestic production was 40,000 tons plus—I will not give the odd figures. That production increased until 1920, when we produced 295,447 tons. In 1918 we produced 333,027 tons. The imports in 1908 were 44,000 tons; in 1918 they were 27,000 tons; in 1919 they were 33,000 tons; in 1920 they were 59,000 tons; and in 1921 they were only 9,057 tons. I have not the production for 1921; I have not obtained that from the Tariff Commission; but, as stated, in 1920 the total domestic production was 295,447 tons.

The imports for last year consisted of only 9,057 tons; yet, in the face of that limited import, and a domestic production beyond the 200,000-ton mark, and over the 300,000-ton mark in 1918, it is proposed to place the very high duty of 1½ cents a pound upon the product. It seems to me that it is entirely too high, and I do not think it may be justified.

Mr. WALSH of Montana. If the Senator from Utah will pardon me, I wish to express my concurrence in the view now expressed by him. I read from the Tariff Survey as follows:

According to figures secured by the Tariff Commission on the cost of production, about 70 per cent—

Seventy per cent—

of the total expense of manufacturing ferromanganese is the price paid for the manganese in the ore. Hence ore cost is important in determining the competitive position of the American manufacturer.

Now, with reference to the other 30 per cent, the survey states:

With reference to conversion cost, the American producer is at no disadvantage compared with his English competitor. Coke is cheaper in the United States than in England, and the higher wage rates prevailing here are offset in a measure by larger furnaces and greater output per man employed.

So all that it is necessary to do is to take care of the compensatory duty. There is a loss in the conversion of the ore into ferromanganese that should be taken care of in the compensatory duty. Now, what should that be? I continue reading:

As manganese ores and ferromanganese and spiegeleisen are on the free list—

That is, under existing law—

no question now arises in regard to compensatory duties. Should, however, duties be levied either on the ores or on the alloys, the question of compensatory duties would arise. In passing from one stage of manufacture to another, there is always some loss involved, and this loss should be allowed for in imposing compensatory duties. In the manufacture of ferromanganese the recovery of metal contained in the ore averages in good practice about 80 per cent.

So that, there being no difference in the conversion cost, and the only thing we are obliged to take care of being the compensatory duty, we have got to compensate upon the basis of a loss of 20 per cent. Accordingly, Mr. President, we should give 25 per cent on 80 per cent; that is to say, a duty of twenty-five one-hundredths of 1 cent a pound will take care of the loss in conversion; so that the compensatory duty on ferromanganese should be one and one-fourth cents. That is what it should be according to the information here given us by the Tariff Commission. A compensatory duty of one and one-quarter cents will take care of the duty on manganese so far as conversion costs are concerned.

Mr. President, I am not going to object to a duty of one and seven-eighths cents per pound on ferromanganese; but I want it distinctly understood that the difference between one and a quarter cents and one and seven-eighths cents is not a protective duty at all so far as the principle of the difference between the cost of production in one place and the other is concerned. If it is said that the difference between one and a quarter cents and one and seven-eighths cents—that is to say, five-eighths of a cent a pound—is to take care of the difference in the cost of transportation between Great Falls, Mont., for instance, and Pittsburgh, why, I will let it go at that.

Mr. SMOOT. That is taken care of in the 1 cent a pound on the ore.

Mr. WALSH of Montana. Very well; then there is no justification whatever for the additional five-eighths of a cent. It is a plain gift to the producers of ferromanganese at the expense of the steel industry of the country.

Mr. SMOOT. No; but I want to say that it is a plain gift to the producers of manganese ore in Montana and Colorado. That is where the gift is and nowhere else, and let us understand it. The Senator from Montana reads from the Tariff Commission a statement in regard to the highest grade ores in all the world; a statement which was made at a time when the prices were the highest. I want to say to the Senator from Montana now that I would not be standing here asking for a duty of 1¼ cents had the Senate not by a previous vote decided that the ores produced in Montana and Colorado should be protected. The ores in Colorado and Montana are low-grade ores, and what the Tariff Commission has stated does not apply to them at all. If the Senator should vote for a rate of 1¼ cents only, the manganese ores of his State would go begging, and ferromanganese would be shipped in here instead of the ore.

I take it for granted that the Senate of the United States in expressing their wish in this matter desired to take care of the ores produced in the West, and in order to take care of those low-grade ores we had to make the rate on the ferromanganese 1¼ cents a pound.

I voted for free manganese, Mr. President; but, as I have said, if the Senator wants to move to reduce the rate of 1¼ cents now proposed let him do so now, and I will vote with him. I want, however, to tell him what the result will be. If we are going to undertake to protect an industry in the United States, what is the use of making the attempt on the one hand and then on the other hand robbing it of all that the first amendment intended it should have?

The committee decided originally to put manganese on the free list, and only gave a rate of $2.50 a ton on the ferromanganese; but the Senate decided otherwise. The Senator from Montana knows that in all of these ores the higher the per cent of silica the greater the loss in the recovery of manganese.

Mr. WALSH of Montana. If the Senator will pardon me, I stated quite frankly I did not know a thing about it. I am merely relying upon the information given to us by the Tariff Commission with respect to the matter, which is the result of a very extensive investigation.

Mr. SMOOT. I admit that what they say is true with respect to the highest grade ores shipped into the country.

Mr. WALSH of Montana. But they do not speak about the highest grade of ore; they speak of all ores and give the recovery in current practice.

Mr. SMOOT. Let us see what they do say about it:

With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent or less silica and 48 per cent or more manganese, is about 80 per cent in good practice.

Is there a pound of such ore produced in the United States? Not one. If we are going to protect the western miner, let us protect him not on the ore alone but on the product made from the ore.

Mr. WALSH of Montana. What percentage does the Senator think the Tariff Commission was speaking of when it said that the loss was 20 per cent?

Mr. SMOOT. It says here containing 6 per cent or less silica.

Mr. WALSH of Montana. How much?

Mr. SMOOT. Six per cent or less of silica. The ore has to be of that high grade in order that 20 per cent may be recovered. I understand that the United States Smelting Co., when they first began to import those high-grade ores, which now they can not get anywhere in the world, did recover 80 per cent, but the Tariff Commission in the same report state that the average for the 12 concerns manufacturing in the United States is 29 per cent.

Mr. WALSH of Montana. I was not inquiring about the silica content. The Senator spoke about high-grade ores. What kind of ores does he mean?

Mr. SMOOT. Fifty per cent and above.

Mr. WALSH of Montana. I understood that the classification heretofore made was 35 per cent and above.

Mr. SMOOT. I will say to the Senator the Tariff Commission says in this very report that their statement applies only to ores containing 6 per cent or less silica and 48 per cent or more of manganese. The Senator knows that the ore produced in Colorado and Montana carries only about from 35 to 36 per cent. The highest that was ever shipped was only 37 per cent.

Mr. WALSH of Montana. My recollection is it was 42 per cent.

Mr. SMOOT. I have not seen any record to that effect, although I did see one record which gave the figure at 37 per cent.

I feel that the Senate placed a duty of 1 cent a pound upon the metallic content of manganese ore for the purpose of protecting the production of the United States, and in order to protect the ore there must be a differential of seven-eighths of a cent on the ferromanganese, or else, instead of the producer of the ore having protection he will have none, for it will come in here in the shape of ferromanganese and not in the shape of ore.

Mr. UNDERWOOD obtained the floor.

Mr. KING. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Utah.

Mr. KING. Mr. President, when I yielded to the Senator from Montana I was calling attention to the domestic production and the imports for the year 1908 to 1921, inclusive. I will ask that the table to which I have referred may be printed in the RECORD at the conclusion of my remarks.

I will state in conclusion that at a time when there was no tariff duty on the ore, as I understand, and the ferromanganese came in free of duty, the importations last year were only 9,057 tons, while the domestic production in 1920 was nearly 300,000 tons; and yet it is proposed to allow this enormous rate of 1¼ cents per pound upon the product. I repeat that in my judgment it is indefensible.

The VICE PRESIDENT. Without objection, the table referred to by the Senator from Utah will be printed in the RECORD.

The table referred to is as follows:

Year.	Domestic production.		Imports (consumption).		Exports.	
	Quantity.	Unit value.	Quantity.	Unit value.	Quantity.	Unit value.
	Tons.		*Tons.*		*Tons.*	
1908	40,642	$44.31	44,624	$41.70	.....	.....
1909	82,209	42.73	88,934	38.19	.....	.....
1910	71,376	40.49	114,278	37.99	.....	.....
1911	74,482	37.28	80,263	37.56	.....	.....
1912	125,378	50.40	99,137	39.41	.....	.....
1913	119,495	57.87	128,070	44.37	.....	.....
1914	106,083	55.80	82,997	43.61	.....	.....
1915	149,521	92.21	55,263	60.33	.....	.....
1916	221,532	164.12	90,928	101.62	.....	.....
1917	260,125	309.17	45,381	134.58	.....	.....
1918	333,027	250.00	27,168	156.75	.....	.....
1919	185,357	137.24	33,022	129.71	2,999	$148.66
1920	295,447	188.00	59,254	131.22	3,454	186.03
1921	.....	.....	9,057	98.09	690	145.61

Mr. UNDERWOOD. Mr. President, I will not take much time in discussing this paragraph. The facts in reference to it have already been put in the RECORD, but I wish the RECORD to show the philosophy of this action.

In the first place there was nothing consistent in the action of the Senate in placing manganese ore on the tax list. Manganese ore is a commodity that is necessary in the production of certain classes of steel, but it is no more necessary in the production of such steel than is iron ore or coal. Iron ore is the basic material from which steel is made. Manganese ore is merely used as an alloy for the purposes of hardening steel. Coal is necessary. Now, the Senate has left coal and iron ore on the free list—and I do not object to that—and put manganese ore on the tax list.

Of course, Mr. President, we know that when the raw material of any product, whatever it may be, is placed on the tax list the excuse is given—and sometimes it is a necessary conclusion—that a compensatory duty must be levied on the finished product. Why start in this industry—it does not relate to any other industry than iron or steel—by taking some part of the raw material and putting it on the tax list and leaving the other part of the raw material on the free list? There is no logic, there is no reason, there is no system whatever in such a procedure. Either one is right or the other is right.

If this tariff bill is being written solely for the purpose of playing favorites, if special friends are to be taken care of within the folds of this bill that they may make money whereas otherwise they would not, then let the country know it; let us have the reason for it, but if you are going on a system of taxing raw material why not tax it all? Why not be consistent about your theory? You are not, and therefore I assume that the basis is that if you are friendly to one man you will erect a tax wall in his favor, and if you are unfriendly to another you will tear it down, and that that is the basis of taxation as contained in this bill.

Of course I have never seen any logic in the proposal or reasoning that because some commodity is contained in the ground and lies there the man who happens to own the surface and can dig down and get it is entitled to have a tax levied on all of the American people to make valuable to him a commodity that is under his ground and that is not valuable unless you levy the tax. Until you start to take it out of the ground there is no labor in it. In all human probability he paid for the ground, or the original purchaser did, when there was not any tax on it. He paid for it without tax. He acquires the property and then asks the Government of the United States to increase the value of his property by levying taxes in his favor.

As to ferromanganese, of course the cry may come here that it is necessary to levy this tax on the raw material because we may be in danger of being short of this commodity during war times if we do not build up the industry. As a matter of fact, Mr. President, the raw material was on the free list when the Great War broke out, and immediately men went into the manufacture of ferromanganese from ferromanganese ore, and overnight the industry was developed in this country. One of the greatest plants is in my State, at Anniston, where they converted some old plants into an electrical furnace and made a very large portion of the ferromanganese that was used in this country during the war. When the war was over they scrapped the plant, so that the excuse can not be offered that you have to do it in order to protect the Nation, because it is a thing that you can do in two or three weeks. The manufacture of this product is not a process that needs any great degree of labor. I assume that in the future most of the ferromanganese will be made through the electrical furnace. Of course, I realize that there are furnaces built on the basis of the old pig-iron furnace, where they originally made it, that will be continued, and gentlemen having manufacturing plants that are not in line with the progress of modern methods will necessarily ask the people of the United States to allow themselves to be taxed in order that they can preserve their ancient methods of production. That is human nature. I do not suppose it is worth while to take the time to criticize men who believe that they are such superior creatures that they are entitled to have the power of the Government exercised in favor of their own pocketbooks; but what I do complain about is this:

Your party 40 or 50 years ago started out in favor of a protective tariff. You adopted that system. It was not the beginning of the protective tariff system, but you adopted it when your party was born, and you said you did it in order to build up the industries of America, to allow these infant industries to build and grow strong and develop. I do not say the protective tariff has done it; it may have helped in a degree, but I think the great iron and steel industry, because of the great supply of raw material and American genius, would have been built up anyhow; but, at any rate, whether your theory builded it or not, it is here. The giant is born. It is no longer a baby in swaddling clothes. It is going out into the markets of the world, the master in its line of production, if you give it a chance, if you give it an opportunity; and yet we find that because you want to favor some particular individual or corporation, notwithstanding this giant is able to go out, if you take the shackles off of him, and fight unhampered in the markets of the world for the trade of the world, you are proceeding to try to put him back in swaddling clothes, and you do that every time you tax his raw material. Every time you levy a tax—I do not care whether it is the manufacture of steel and you tax ferromanganese, or whether it is the manufacture of chain and you tax the billets or the bars out of which the chain is made—every time you tax the raw material from which some of these commodities are made you are chaining down to earth a great giant of industry.

There is no excuse for it. No matter whether you are a protectionist in theory or not, there is no excuse for this; and I think it is next door to a crime when you have a material like this already on the free list, when you can make it. Your party never levied taxes of this kind during the life of the Republican Party on most of these ferro-alloys. There are one or two exceptions. You have most of them in the same tax classification as pig iron. There are one or two exceptions, but you have most of them taxed along with the low rate of pig iron. When the present law was adopted I realized that there were some real exceptions in reference to ferro-alloys that would produce revenue, and that some of them were entitled to a reasonable tax, and I separated the ferro-alloys from pig iron and made the ferro paragraph; but I was not wild enough to go and levy a tax on things like ferrosilicon and ferromanganese, where the only purpose of the proposition would be to make it more difficult for the steel mills to march out into the world's markets and command the world's trade, and when it was unnecessary. You have had these things on the free list, and, as the Senator from Utah has pointed out, the importations have been very small. They have not seriously affected the industry, and they will not.

Mr. President, I know that my voice in this Chamber can carry no weight on this bill, and that you will go on and do this foolish thing. I believe that the tax you have levied in this bill on ferromanganese—although I will not say it positively, because I am not dead sure about it—is in excess of what is necessary to make a compensatory duty for the tax the Senate has put on manganese ore. I think you will carry a degree of protection besides the compensatory duty; but you ought to strike out both of them. You ought to give this giant in industry a chance to battle in the markets of the world, and there is no use in talking about going ahead and helping the consumer on the finished product if you are going to tie down the industry before it gets a chance to come to the markets.

So, Mr. President, I only rose to say that I hope this amendment will not be agreed to, and that ferromanganese may go back on the free list where it belongs. I suppose, however, my hope will be in vain.

Mr. McCUMBER. Mr. President, it is not for me to say that the Senate did a foolish thing in overruling the views of the committee and putting manganese upon the dutiable list at $20 per ton. The Senate in its wisdom or unwisdom did so, and it is for the Senate now to determine whether or not, having put manganese upon the dutiable list, we should give a compensatory duty to ferromanganese. I can not imagine any benefit that would accrue to the owner or miner of manganese ore if he is to have a duty while ferromanganese is allowed to come in free, and I think that the Senator from Alabama will concede that even if the Senate did a foolish thing in putting manganese ore upon the dutiable list, it ought to put ferromanganese upon the dutiable list.

Mr. UNDERWOOD. If the Senator will allow me a moment. I am not contesting the logic of his argument. All I say is that two wrongs never made a right, and I know that both of these propositions are wrong, and therefore I shall vote against both of them.

Mr. McCUMBER. Even from the Senator's standpoint, one wrong necessitates action to meet that wrong; so, in either instance, we would have to have the compensatory duty.

Mr. WATSON of Georgia. Mr. President——

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

Mr. McCUMBER. I yield to the Senator.

Mr. WATSON of Georgia. In northern Georgia there are as rich deposits of manganese as can be found, and not one single letter or message have I received from anybody in northern Georgia asking for this tariff duty; and I really should like to know where this demand comes from.

Mr. KING. Mr. President, before the Senator answers the question of the Senator from Georgia, may I submit one, so that he can answer the two? It has been suggested by the Senator from Montana [Mr. WALSH]—and it seemed to me as he was speaking that his position was accurate and could not be controverted—that the compensatory duty provided by the committee is entirely too high; that perhaps 1¼ cents would be an adequate compensatory duty to be carried upon this alloy.

Mr. McCUMBER. On that of 50 per cent, or a higher grade. If you take the manganese ore of a lower grade, then it would require from 1¾ to 1¾ cents in order to get an adequate duty. I think the Senator's colleague has sufficiently explained that.

I am not going to get into a controversy with my friend from Georgia on the question as to whether any Georgia people have requested this duty. The Senate put a duty on manganese ore, and in that action it overruled the committee; and having been overruled upon that item, the committee felt that it was necessary to make this change in order to give a compensatory duty on the products of the ore.

I want to say just a word with reference to the argument of the Senator from Alabama [Mr. UNDERWOOD]. It is true that some 70 years ago we began placing a protective tariff upon commodities for the purpose of protecting what were then infant industries. At that time nearly three-fourths of our population were rural and only a little over one-fourth of our population were living in cities. As a result of protection we have a country now in which less than one-third are rural and more than two-thirds live in our cities and are engaged in manufacturing and commerce.

It is true that we developed the infant industries until in many instances they became giants, but we can not forget that along with the growth and development of those infant industries into mighty giants there came a gradual raise in laborers' wages, in standards of living, resulting in a higher standard of living, and in our cities especially and even greater in the agricultural communities.

We have given labor a much better wage; we have reached a far higher standard of living. The question now arises, will you strike down the giant which is still giving that advantage to the American workman and to the greater portion of the American people? I do not think it would be beneficial to the country to now kill the giant because we think it has become overgrown. From the standpoint of the agriculturists I still prefer to have two-thirds of the American people consumers of agricultural products produced by the other third than to reverse the situation and have two-thirds producing food and agricultural products for the use of the other third.

If I believed for a single moment that we would help the rural communities—that we would help agriculture—by striking down the other industries of the country, I might be led to the belief of those Senators on the other side who are against any kind of protection, but believing that we should maintain those industries, believing that we should have as many consumers of agricultural products in the United States as possible, and believing that we should not reduce the standard of living or the high wages in the United States any more than is absolutely necessary, in order that there may be free buying and selling between the different classes and the different sections of the country, I should still maintain the propriety of having reasonably high protective tariff duties.

I agree with the Senator from Alabama in the statement that if there is no necessity for any tariff upon steel products up to a certain degree of manufacture we should give no protection, but I am yet to be convinced that that is the case.

Mr. UNDERWOOD. Mr. President, I always listen with much interest to the remarks of the Senator from North Dakota. He speaks well, and he speaks convincingly if you admit his premises, but he is still dreaming in a theory of the past. He defends his proposition that he is not willing to strike down a giant of industry by taking off the tariff. I have asked nobody to strike down a giant of industry or any other giant. I have merely pointed to the fact that this great giant in the iron and steel industry is already walking the face of the earth, combating with men all over the earth in the marts of trade, and if the fact that he can fight abroad does not demonstrate that he is able to fight at home nothing will demonstrate the proposition. The only thing I am saying for him is, give him a chance; take the shackles off him; do not tax the raw material he must have out of which to make his products, and take the tax off these great products.

If the Senator from North Dakota had merely consented to leave alone the rate in the present law on the heavy products of iron and steel, I would not have indulged in criticism, although I think they are too high. I would have been willing to let time demonstrate that they are too high. But the Senator and his committee are not content with that. Although it is demonstrated that this great industry, under a low tariff with many of its products on the free list, has gone through nearly a decade of the most wonderful growth in its entire history, and has marched out into the markets of the world to a greater extent than ever before, without rhyme or reason the Senator proceeds to raise the taxes all along the line, to increase the taxes.

This is not a question of building up the industries of the towns and cities in order to supply markets for the agricultural interests. The agricultural interests had the market during the operation of the present law. There never was a greater production in this industry than during the war, and it would go on now, under the rates in the present law, if the country were not suffering under the depressed times which have been existing for the last year and a half.

But there is another statement in which I do not agree with the Senator. I have never been one of those who denied that the levying of a protective tariff may have fostered or stimulated the growth of industry in this country, just as exactly as you will stimulate a plant by pouring fertilizer on it, and as long as it was a stimulation of which the public got the advantage, and was not solely levied in the interest of selfish monopoly, I did not voice much criticism about it. But the time has come when you have built the monopoly, and it is prepared to stand alone in the markets of the world and fight its own battles; but you bring in a bill to foster it in the interest of a special few.

But there is one thing I am not willing to admit on the record, and that is that this system has improved the living conditions of America. Our grandfathers may not have ridden in automobiles; they may not have been able to buy Florida strawberries in the middle of winter; they may not have been able to secure their fish out of a refrigerating plant which had kept it from time immemorial. But their health was much better; they lived in more comfortable houses, although those houses may not have been heated by a steam-heating plant; they ate better and purer food, and they had more of it in our grandfather's time, and although they may not have had the latest patterns from Paris, and may not have worn as many clothes, when they bought a woolen suit they bought it cheaper, and it was all wool and not shoddy.

Mr. KING. The Senator might state that our grandmothers wore more clothes than the ladies now wear.

Mr. UNDERWOOD. Yes; in our grandmothers' time the high cost of living had not forced the dresses down to the size of a pocket handkerchief, and they really were wrapped in some clothes that were visible to the eye.

I am not willing to concede that this stimulated growth which has driven the population of America into the cities, which the Senator from North Dakota desires to keep in order that there may be greater markets for those engaged in agriculture, has improved either the health or the morals or the living conditions of the Nation.

Mr. McCUMBER. Mr. President, if the Senator thinks that our grandfather days and the methods of living then were better than they are to-day, I do not blame him for being against a protective tariff. I can imagine some of those good old conditions of which the Senator speaks. I can imagine the good housewife at midnight, with her knitting needle, working away into the wee small hours of the morning to make stockings for her little brood. It might be that four or five of the children would be stuffed into a trundle bed that was shoved under the other bed to keep it out of the way during the daytime. If the Senator thinks that was a more healthful condition than the present way of living, I can not agree with him. With all of our wickedness, which perhaps has grown out of our prosperity, I can imagine the difference between the conditions of the present day and of our grandmothers' day, when the good woman was married in her black gown and kept that old silk gown for her shroud when she should die, and it was perhaps the only good dress she had for 40 or 50 years. I confess I would rather see the conditions of to-day.

I can remember how our grandmothers used to file out of church with their polka-dot dresses, which they wore for 10 or 15 years, and I can not help comparing them with the beautiful flower garden you will see when any church door opens to-day, when we see the beautiful faces and the beautiful dresses and the beautiful women filing out of church, and you thank God that you are living to-day and not in your grandfather's day.

It may be that we have become a little more restless. When people only work 3, 4, 5, or 6 hours a day, they perhaps are not as solid in their conservatism, and so forth, as our grandfathers, when they had to work 18 hours in the day. But after all, I think that we are in a far better condition to-day, and if a protective tariff has helped us in any way in reaching that condition, then thank God for it, and let us firmly and unitedly support it.

Mr KING. Mr. President, the Senator from North Dakota [Mr. MCCUMBER], like most devotees of extreme protectionism, have attributed all industrial progress and the increase in the wealth of all countries to high tariffs. If his theory be true, then China, which had for centuries practically a complete prohibition of imports, ought to have been enormously rich. Great Britain's wealth increased as if by magic when she removed the artificial barriers erected by foolish tariff laws. Of course, some nations possess such inexhaustible resources that more or less of prosperity will result regardless of taxation, direct or indirect, levied upon the people.

The United States, because of its extensive area and its great natural resources, was bound to develop and become a rich and prosperous country. Congested countries in the Old World required an outlet for their population, and the fertile plains of the great agricultural areas of the United States attracted their attention, and America became their adopted country. With the great increase in population, largely due to immigration, a variety of industries were developed.

History reveals that even in countries where the agricultural resources were the greatest, as the population increased the activities of the people became more varied, and industries belonging to other categories than agriculture were developed.

The question of transportation was an important consideration in the development of manufacturing and other industries in the United States. When great agricultural sections such as the Mississippi Valley were settled and a large population was developed, manufacturing enterprises were bound to be established. In a country as large as the United States, no matter what conditions exist abroad, there will be developed what some denominate home industries, and manufacturing enterprises will constantly increase in number and production.

The United States, because of its large population and varied resources, and the superior qualities of its people, was inevitably destined to develop industrially. The genius of the American people would not be satisfied with a purely agricultural country. I repeat when I say that the inexhaustible agricultural and other resources of the United States compelled its development industrially and made imperative the building of mills and factories and the establishment of a multitude of enterprises. Europe, 3,000 miles and more from our eastern shores, was at a disadvantage in many respects in marketing her products on this side of the Atlantic, and these disadvantages increased as the markets in the United States were remote from the Atlantic. Oceans that separated the United States from Europe and Asia constituted tariff walls, and, in many instances, embargoes, and gave to the American manufacturer an immense advantage over his would-be foreign competitor.

The virgin resources of this great Nation are so stupendous that even with unwise legislation and hampering and restrictive policies, it was bound to become a great commercial and financial power in the world, and, indeed, to become supreme in those fields which determine the true standard of a nation's worth and greatness. In addition to the varied and rich natural resources of our country, we have a people whose virtues and qualities compel them to march forward and to lead the van in industrial progress, as well as in liberal and enlightened policies.

While according to the peoples of other lands due honor and full recognition of their virtues and achievements, it is not too much to say that we have in the United States such a blend of races as inevitably would produce a mighty people destined to accomplish mighty things and to hold high the standard of civilization and progress.

Reactionary Republicans have sought to arrest the progress of this Nation, to bind and shackle the American industries, and to close the ports of the world to our ships and to our products. There are Republicans who regard the tariff as the supreme issue in our political and industrial system and who believe that prohibitive tariffs are specifics for all domestic or national ills. There are those so saturated with the poison of protectionism that they are blind to the economic forces of the world and to the fundamental principles upon which trade and commerce rest.

It has been urged during the progress of the debate upon this bill that the tariff rates must be so high as to keep out every commodity that possibly might be produced in the United States. Of course, this view belongs to the Dark Age, not to an enlightened progressive age; and yet intelligent Republicans, with the utmost naïveté, stand before us and proclaim it.

There never was a time in the history of this Republic when we so much needed foreign markets, not only for our agricultural products but for the products of the mine, the mill, and the manufacturing plants. No country has made greater progress in agriculture than this. Our farmers are becoming scientific agriculturists, and the annual yield of our fields and farms is increasing to a most remarkable degree. We are learning the secrets of nature and using them in our agricultural activities, and indeed in all branches of the industrial life of the people. The remarkable improvement in agricultural machinery has revolutionized farming, and it will not be long before the labor of one man upon the farm will yield more than the labor of a score of men a few years ago.

We have millions of acres of land yet to be cultivated and millions of acres which have been cultivated rather imperfectly which, with intensive cultivation, will yield richer rewards than are now comprehended. We can greatly increase our cotton yield. All forms of agricultural products can also be increased almost beyond computation. And the farms are now becoming attractive. Schoolhouses are being taken into every agricultural section, and with the improvement in our highways and increase in the use of automobiles, the construction of electric interurban railroads, the cities are being taken to the people.

Agriculture is only in its infancy in this Republic. We should have for export tens of millions where there are now millions. And no people have been as inventive as those in the United States. The success of the American people along the lines of invention has been phenomenal. We are constructing machinery not only of the highest grades but of the greatest utility. We are building manufacturing plants that surpass any to be found in the world. It is but a few years ago that the cotton mills of Great Britain were perhaps the best in the world. To-day Great Britain and all other nations lag far behind the United States in the character and efficiency of their mills. The American workmen are more alert and resourceful than those in any other country, and the results of their labor are very much greater than those of any other workmen. While it is true the American workmen are paid higher wages, the fact is that they produce more than those employed in similar work in other countries. I feel quite sure that in many industries, measured by the results of their effort and their labor, many American workmen are paid no more than that received in the same industries in some European countries. In other words, the American employee is paid a greater per diem, but in many industries he receives no larger compensation, measured by the products resulting from his effort.

The Senator from North Dakota seems to think that our agriculturists are only concerned in supplying the needs of our manufacturing centers and manufacturing population, and that our manufacturing industries are to be content with supplying their own needs and the requirements of the agricultural population. Mr. President, as I have stated, our agricultural resources are so great that we can not only feed the people of our country, but we can annually produce for export products of the value of billions of dollars, and our industrial development is such that our mills and factories and mines must find markets in other lands if the people of the United States are to have assured prosperity. No country can compete with the United States in most industrial lines. We have inexhaustible coal measures, mountains of copper and lead and zinc and other metals. We have the great primary products which constitute the foundation of our chemical and all other classes of industries. Europe is now waiting not only for raw materials and primary products of all kinds, but also our finished products.

What is needed in the United States is greater production, and what the world needs to-day is increased production. Production is the source of wealth; indeed it is wealth. The wealth of the country is measured not by gold and silver, but by its production. The United States needs to-day millions of additional homes, and with the erection of these homes the additional wants thus arising must be supplied. With the increase in homes, the demands for the articles and commodities essential therein will be increased, and as these demands are satisfied increased production must be had. The world is crying for larger production. Hunger and want exist in many lands, and yet unwise and foolish leaders and statesmen busy themselves in offering obstacles to production and to satisfying the necessities of the people.

This bill is an exhibition of this unwise and what I believe to be reprehensible policy. Instead of aiding domestic production

it will tend to restrict; instead of aiding the American people to obtain markets for their products and to increase their production it will operate as a dam to retard the current which should bring prosperity to the people. I suggest to my distinguished friend from North Dakota that this bill which bears his name, and I feel constrained to say that it will not add to his glory, is not in the interest of the American people. It will add to their burdens, it will increase their taxes, it will multiply their difficulties. Those who will be benefited by it are certain manufacturers and certain industries whose representatives have been most potent in the framing of the schedules which we find in the bill before us.

The Senator from Alabama [Mr. UNDERWOOD] has just pointed out in a clear manner the difference in a tariff to aid what might be called an "infant industry," and which may contribute temporarily at least in the development of a new industry, and a tariff where the industry has been established and is controlled by gigantic corporations, which in their operation constitute a practical monopoly. The Senator from North Dakota apparently fails to appreciate the difference between a new industry and an industrial condition where billions are invested and monopolistic control is found. This bill is not framed upon the theory of protecting infant industries. It seeks to perpetuate the control which monopolies and great corporations have of the domestic markets of the United States. It turns over to gigantic organizations the practical control of our industries and legalizes the extortionate prices which these organizations compel American people to pay; but it does more. It injures the American people and indirectly hurts the domestic manufacturer because it closes the door to foreign trade.

This country, because of its varied resources, may have a measurable degree of prosperity with comparative isolation from the world, but we deny to American citizens the rich patrimony of abundant and overflowing prosperity, and also fail in our duty to the world if we pursue such a course, and we also fetter the American people to such an extent that they cease to be a factor in international trade and commerce, and are prevented from wearing the crown of moral leadership in the world.

The American manufacturer is most unwise to use the power of taxation, as it is being used through the instrumentality of this bill, to obtain monopolistic control of the domestic market. Such a course in the end will develop discontent among the American consumers and create resentments against manufacturing interests and many classes of producers which will eventuate in hostile and perhaps extreme drastic legislation. It will provoke a demand for high taxes and for the perpetuation of an exaggerated excess-profits system of taxation, for an increase in income taxes, and perhaps for Federal control and regulation of all interstate commerce. The monopolist, the big corporations, the big business interests of the United States are blind to their own welfare when they demand these outrageous taxes levied by this bill. They are sowing the wind; they will reap the whirlwind. The leaders of the Republican Party are foolish in the extreme when they urge this bill. They not only are betraying the American people but they are striking a deadly blow at their own party. No political organization in this country can long remain in power when it is controlled by corporations or trusts or special interests or any particular group or class. The majority of the American people are opposed to group or class government, and undoubtedly they will visit their wrath upon any political organization which permits organized wealth or great corporations or monopolistic enterprises to dictate legislation, particularly such as deals with taxes and lays tariff duties.

These great interests which are controlling the Republican Party in order to secure the passage of this bill have formed an alliance with organizations or persons claiming to represent the agriculturalists of the United States. For years the Republican Party has used the farmers of many of the States to further its uneconomic and un-American policies. The farmers have been made to believe that the high protective measures enacted by the Republicans have been for their advantage. The farmers have been fooled by the specious arguments of the Republicans, and have given their support in many States to Republican candidates. The farmers have been compelled to sell their products for prices determined and fixed in the markets of the world, and have been compelled to buy the commodities produced by the manufacturing industries of the United States at fictitious, artificial, and extortionate prices because of the heavy taxes imposed in the tariff bills enacted by the Republican Party. Some of the agriculturalists have begun to realize the deception which has been practiced upon them, and they have become partially disillusioned.

Instead of denouncing the iniquitous tariff policies of the past and the oppressive tariff taxes which have been imposed upon them, some have compromised with the monopolistic manufacturing forces, and for giving support to these extreme and oppressive rates are to be given tariff duties upon agricultural products. Of course, the manufacturers can safely promise 20 or 30 or even a higher rate of duty upon products which come from the farm and the field which do not meet, and can not meet, with foreign competition.

The agriculturalist derives no benefit from the deal. His products will not be enhanced in price, and he is being used as a tool to fasten upon his own neck and upon the necks of the American people chains of industrial bondage fashioned by the industrial trusts and manufacturing combinations of the United States.

The farmers of the United States should demand a low rate of duty upon manufactured products, and should oppose the imposition of these burdensome taxes which the manufacturers propose shall be levied by the McCumber bill.

Mr. President, this bill ought not to pass. It is economically unsound. It contravenes the fundamental principles of trade and commerce. It is hostile to the best interests of the American people. It will benefit, at least temporarily, the monopolies and predatory interests for whose benefit it is written. It is so incongruous, so complicated, so deceptive and misleading, so hateful and harmful and injurious that it ought to be killed or recommitted to the Committee on Finance, there to repose until the conditions in the world have been materially changed. This is no time to write a tariff bill. This is no time to increase the burden of taxation. The great majority which the Republican Party has both in the House and the Senate may enable them to pass this bill. If it does become a law, I make the prediction that there will be no industrial peace in the United States until it is repealed or greatly modified. If it is not a Frankenstein to devour its makers, it will at least prove to be the iconoclastic weapon with which the proud and arrogant party which now rules this Republic will be broken and shattered.

Mr. WALSH of Montana. Mr. President, the Senator from North Dakota explained the necessity of a duty of 1¼ cents per pound upon ferromanganese while there is a duty of but 1 cent on managnese by explaining that a quarter of a cent would not take care of the situation, because there is a great loss in the ores containing a low percentage of manganese. Touching the matter of the metallic recovery, I want to submit the following from the Tariff Commission:

> The manufacture of ferromanganese and spiegeleisen from manganese or manganiferous ores involves some metallic losses. It is a matter of importance to take account of such losses in view of the fact that they are of vital concern whenever the question of compensatory tariff rates arise. Unfortunately only rough general estimates can be made, as these losses vary with the ores used, the process employed, and the experience of the producer.
>
> With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent of less silica and 48 per cent or more manganese, is about 80 per cent in good practice. Very seldom, with even the highest grade ore and the best practice, does it get above 85 per cent.
>
> During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent. The manganese loss in the manufacture of spiegeleisen was 38 per cent. It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.
>
> The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent. This loss, however, was much larger than the average. The manufacture of ferromanganese in electric furnaces is too limited and recent to admit of any categorical statement. Furthermore, the ores used in these furnaces are mainly American and therefore of lower average grade than the foreign ores employed in blast furnaces.
>
> Practice and experience count for much in metallic recoveries. There is a great variation in the percentage of loss among new and old producers. As a rule the former show a larger percentage of loss than the latter. One of the largest and oldest manufacturers reported that its average practice in a blast furnace—

Bear in mind this is a blast furnace, not an electric furnace.

> One of the largest and oldest manufacturers reported that its "average practice in a blast furnace shows that about 17½ per cent of manganese contained in the ore is entirely lost during the process of manufacture into ferromanganese."

It should be borne in mind that 45 per cent of the ferromanganese produced in this country is produced by the United States

Steel Co. I submit, in connection with this Tariff Commission showing, that this is specifically a rate to take care of one of the great products of the United States Steel Co., which it sells to other producers of steel in this country.

Mr. WALSH of Massachusetts. Mr. President, I should like the attention of the Senator from Montana. I noticed that he referred to the fact that ferromanganese was very extensively used by the United States Steel Corporation, and that the tariff rate proposed would benefit that corporation.

Mr. WALSH of Montana. It is not only used by them but they produce it extensively, their production amounting to 45 per cent of the consumption, as I understand.

Mr. WALSH of Massachusetts. As a matter of fact, do they use all they produce?

Mr. WALSH of Montana. They sell some, although they use, of course, the greater proportion of the amount they produce.

Mr. WALSH of Massachusetts. I want to say to the Senator that my information is—and I do not think we differ in principle at all—that it was largely due to the influence of the United States Steel Corporation that manganese was put upon the free list; that ferromanganese was also through this influence put upon the free list; for all the other alloys used in making of steel bear a high duty. The provisions of the House bill show a substantial duty on ferromanganese. The Senate committee, as the Senator well knows, put manganese upon the free list, and also put ferromanganese on the free list, their action being largely due to the influence of this corporation which a few years ago purchased extensive and valuable manganese mines in South America. Thus the putting of manganese on the free list would permit the Steel Corporation to get all of its manganese without paying any duty, and enable it also to produce without this duty its ferromanganese from the manganese obtained from South America.

The information which has come to me is that the discrimination in these amendments involved in putting these two products upon the free list was due to the influence of the United States Steel Corporation exerted on the majority members of the Finance Committee. At any rate, the fact is that the House in its bill provided for a duty upon manganese and ferromanganese, and the bill as reported by the Senate Finance Committee put them upon the free list. The provisions of the Senate amendment were of undisputed value to the United States Steel Corporation, in view of its extensive deposits of manganese in South America. The conclusion is that the change was made in the interest of that corporation. So, therefore, whether my argument or the Senator's is sound, both tend to show that special consideration was given to the interest of this great trust in establishing this duty.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from North Dakota to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 49, line 13, it is proposed to strike out "$1.25" and insert "$1," so as to read:

ferromolybdenum, metallic molybdenum, molydenum powder, calcium molybdate, and all other compounds and alloys of molybdenum, $1 per pound on the molybdenum contained therein—

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

Mr. WALSH of Montana. Mr. President, this entire paragraph deals with what are known as ferro-alloys; that is to say, metals which are combined with iron in the production of steel. The imposition of a duty upon manganese and manganese ore necessitates a compensatory duty on the ferromanganese. A duty is imposed upon tungsten and there should be a corresponding duty on the compounds of tungsten used for the purpose of alloys. I am inclined to think that much can be said for the imposition of a duty on tungsten and quite certainly on chromium; so that the compounds of those metals used as alloys should carry a duty; but my investigation has led me to believe that outside of the alloys to which I have thus specifically referred there is no justification whatever for the duties proposed.

Of course, if a duty of 75 cents a pound is imposed on the molybdenum content of molybdenum ore, there should be a compensatory duty as provided in the part of the bill to which our attention is now directed; but no opportunity was given to discuss the subject of whether molybdenum ore should or should not carry a duty, because there was no amendment proposed with respect to that article. New that a duty is proposed upon ferromolybdenum, the question is presented whether or not molybdenum ore should carry a duty. Of course, if the duty proposed upon ferromolybdenum is not agreed to by the Senate, doubtless the committee will be moved to make some change in the provisions of the bill in relation to molybdenum ore.

Now, I wish to submit briefly such information as we have concerning molybdenum ore as given to us in the Tariff Information Survey, designated as FL 28, from which I read as follows:

Molybdenum is used by the steel industry in the manufacture of stainless and high-speed steels and by the chemical industry in the manufacture of ammonium molybdate and other molybdenum compounds.

DOMESTIC PRODUCTION.

Previous to the war the bulk of the molybdenite produced came from small, scattered deposits in Australia, Norway, Sweden, and the United States. During the war large deposits were discovered in Colorado, and new properties were opened up in various other Western States, so that in 1915 the United States was the world's largest producer. The production in 1918 was equivalent to 430.8 tons of metallic molybdenum (861,637 pounds).

Prior to 1918 only about 50 short tons of molybdenum, or less than 30 per cent of the 1917 production, were consumed each year in the United States. The balance was exported either in the form of concentrate or as ferromolybdenum.

* * * * * * *

IMPORTS.

With the exception of 8 tons imported in 1913, practically no molybdenum in any form was imported until 1918. The imports during the last half of 1918 and first quarter of 1919 amounted to 116 short tons. In the calendar year 1919 they amounted to 53 short tons (106,743 pounds).

COSTS AND PRICES.

Molybdenum ore costs are variable owing to the "spotty" character of the deposits. The operation requires a large amount of development work per ton of concentrate. The price of molybdenite rose from 30 cents per pound in 1912 to 70 cents early in 1914. During the first year of the war the price jumped to $2 per pound, and after minor recessions reached $1.80 per pound in 1917. During that year some material sold for as high as $3 per pound and closed in December at $2.25.

In 1918 the European embargo was removed and increased production drove the price down to $1 per pound. Sales in 1919 were from 65 cents to 85 cents per pound.

* * * * * * *

COMPETITIVE CONDITIONS AND TARIFF CONSIDERATIONS.

The demand for molybdenum is expanding materially, but unless new uses are discovered for the metal or its alloys the domestic production will satisfy all domestic demands for some time. Costs at the new low-grade deposit in Colorado are as low as those obtained anywhere in the world for production in quantity.

Notwithstanding the fact that the Tariff Commission tells us this ore can be produced in Colorado as cheaply as anywhere in the world, there is a duty of 75 cents a pound put upon it.

To show how the domestic production is crowding out the imports, I call attention to the f ct that in the year 1918 there was imported molybdenum ore to the value of $123,924. Of course, it was on the free list. In 1919 the importations dropped to $77,752, and in 1920 to $9,707, and that, of course, because of the conditions to which reference has been made.

The Tariff Commission tells us, with reference to tariff considerations, as follows:

The probability of any imports of molybdenum, either as metal (or ferro-alloy) or as crude mineral is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.

Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

That is, more than half of all the molybdenum produced in the world is mined right here in the United States.

The Tariff Commission continues:

In case a domestic demand develops for molybdenum, competition may be expected from Canada in the domestic market if prices of over about $1 a pound are maintained. A surprising development of the industry has taken place in the last two years in Quebec and Ontario. The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound. At this price a great demand would develop in the home market, which has looked askance at molybdenum as a high-priced tungsten substitute in expensive tool steels, but would welcome a large supply of cheap metal. It is not likely that any other mines in the world could meet such a reduction in price of the product except at a loss.

Mr. President, so much for the duty on molybdenum ore. Ferromolybdenum is, of course, produced from the molybdenum ore in union with iron and carbon and other elements; but in the matter of the production of ferromolybdenum we are in exactly the same favorable condition that we are with respect to the raw material from which it is produced, as will appear from the Survey of the Tariff Commission C–1, at pages 133 and 134, from which I read as follows:

The cost of producing molybdenum and ferromolybdenum is high, but the greater part of this expense is the cost of the metal in ore concentrate. As in the case of ferrotungsten, the item of raw material constitutes the bulk of the total cost. At present no country is so favorably situated with reference to raw material as the United States.

That takes care of the raw material item.

The price of electric power is an important item in the conversion cost; but, as in the case of ferrotungsten, the expense of conversion is a relatively small part of the total cost. With reference to this power cost, however, the American producer of ferromolybdenum has the same handicaps that the manufacturers of other electric-furnace ferro-alloys have.

Some molybdenum and ferromolybdenum have been imported into this country during recent years, but most of it came as a result of the stocks left over in other countries after the war.

I dare say that that statement will explain not a little of the information that is given to us in the Reynolds report. I dare say the saws that the Senator told us about yesterday as being sold at less cost than American saws belong to some stocks left over after the war.

The importation before the war, as has already been seen, was prior to the discovery of the large deposits in Colorado and other Western States. To-day the American industry is not seriously threatened with competition from abroad.

Continuing:

Under present conditions there are no tariff problems connected with the manufacture of molybdenum and ferromolybdenum. Aside from the question of tariff classification, as it pertains to the ferro-alloys in general, no problem arises with reference to grades or character of tariff rates. The competitive situation favors the American producer. As imports are small and sporadic, little revenue would be derived from any duty on this metal.

The question of compensatory duties is not likely to arise, as the supply of molybdenite from domestic sources is so large that a duty on this ore would not influence prices in this country. Prices of metallic molybdenum and ferromolybdenum to steel manufacturers would not be raised by virtue of any duty on the alloy for practically the same reason. Assuming no monopoly conditions, domestic producers are in a position to satisfy the home demand for metal and alloy at prices at least as low as those prevailing elsewhere in the world.

In view of this condition of things I should like to have somebody explain why this duty is put on here. Of course some one wants it put on. There is no doubt about that. It is not here by mere accident. Somebody is asking for it, and asking for it for only one reason, which is frequently disclosed in this bill in connection with articles the importations of which are practically a nullity or entirely negligible. They want it in order to have an opportunity behind the wall thus created to raise their prices to the domestic consumer without any peril of competition from abroad.

Mr. President, in line 13 I move to strike out "$1" and insert "1 cent."

Mr. McCUMBER. Mr. President, this is one of the war babies, born in the throes of a great world conflict. It came into existence in 1914, after the war started in Europe. Prior to that time we had produced none of any account.

I look over the molybdenum ore summary table and I find the following figures of production in this country:

We produced in—	Pounds.
1910	Nothing.
1914	1,297
1915	181,769
1916	206,740
1917	350,200
1918	861,637

That shows the wonderful growth of this product since 1914. It cost considerable, of course, to produce it in this country. One ton of the material will produce only 10 pounds of the concentrate in Colorado. I have not before me the proportionate amount in the old country, but undoubtedly it is very much greater.

The factories in Colorado have shut down. The imports are coming in. There is considerable of the product of the American factories still on hand. It is being sold at about 50 cents a pound. The foreign product is sold for about 40 cents a pound, and the cost of transportation, and so forth, brings it up to about the American cost. With our own factories closed down and with a great increase in the importation of the product, knowing that this business was not in existence prior to the war, that it is closed down now, and that the product is being sold for less than the cost of production, I really think that the business of producing it in this country is worth saving.

I will read from but one paragraph of the Tariff Information Surveys:

The doubtful factor in the molybdenum situation is the market. Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop.

Mr. President, I think that information of itself is sufficient to justify the continuance of the production in the United States; and I think further, from the evidence before us, that without a protective duty the manufacturers in this country can not possibly compete with the importing costs.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator where he gets the information that the foreign product is selling in this country for 40 cents a pound?

Mr. McCUMBER. The importing price is now about 49 cents a pound.

Mr. WALSH of Montana. Where does the Senator get that information?

Mr. McCUMBER. I have it here in a very late report in the Engineering and Mining Journal-Press of June, and the 50 cents per pound for 85 per cent is the price of the American product in the United States. My understanding is that the foreign product is sold for about 49 cents—I have not the record before me just at the present time—and that it is produced at about 40 cents a pound.

Mr. WALSH of Montana. The fact is that some of the American product has been sold for 50 cents a pound, and of course if the American product is sold for 50 cents a pound the foreign product can not be sold for any more.

Mr. McCUMBER. No; I assume that they are both selling for substantially the same price.

Mr. WALSH of Montana. So that apparently, according to the statement of the Senator, some foreign molybdenum has been sold for 49 cents, and some American molybdenum has been sold for 50 cents. That is the statement the Senator makes.

Mr. McCUMBER. At a very serious loss, so I am informed.

Mr. WALSH of Montana. The loss will be as great on the foreign production as it will on the American production, because we can produce more cheaply in America than they can produce abroad. There is not any opportunity for controversy about these facts. They are undisputed.

This is referred to as an industry developed by the war. To be sure it is. It is a new industry everywhere. The use of molybdenum as a substitute for tungsten in the production of steel is a recent discovery.

I want to read a little further from the document from which the Senator was reading about competitive conditions:

Norway can be expected to maintain a production of not over 100 tons of molybdenum a year. This figure is practically double the pre-war production, and was reached only by greatly increased costs and loss of efficiency. Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound).

I call the attention of the Senator to the fact that the Tariff Commission tells us that foreign producers can not compete with this country at a price less than 95 cents a pound. Of what significance is it that some molybdenum was sold, under what circumstances we do not know, for 49 cents a pound and some American ore was sold at 50 cents a pound? Of course, they are not mining molybdenum ore in Colorado just now, when the market price is only 50 cents a pound. They were not mining copper ore in Montana for nine months of the past year when copper was down to 11 cents a pound. But it was not because of foreign competition; it was because there was a lack of demand for it anywhere, either here or abroad. The Tariff Commission, in the survey, say:

Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound). If prices lower than this prevail a large part of the production would cease. Another factor in the Norwegian output is the probability of manufacture of ferromolybdenum with the aid of cheap electric power near the mines. The more general adoption of local reduction in Norway would not greatly reduce the cost of ferromolybdenum and is not considered of material consequence.

The doubtful factor in the molybdenum situation is the market.

That is the trouble with the 49-cent and 50-cent molybdenum. The market is not here. The production of steel has fallen off.

Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop. It is not possible to predict the extent of this demand or the limiting price at which it will actually develop. Some difficulty has been experienced in disposing of the great quantities of material produced in the United States. Prices were accepted that were much below those quoted, as the market and the market quotations have been lowered 50 per cent.

I really think the Senator from North Dakota ought to take into consideration whether this commodity should not be on the free list or a mere revenue rate fixed upon both the molybdenum ore and the ferromolybdenum. I see no reason at all for this duty, and I must confess that the Senator has not offered any which seems to me at all persuasive.

It is true that this is a new industry; but, apparently, we have an abundance of the ore. The mining is comparatively inexpensive as compared with the cost of mining in other countries, and I can not find any justification for the duty. I should move to put it on the free list, but this is not permitted at this time, so I ask for a vote on the amendment proposed.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. I notice that only the Senator from North Dakota [Mr. MCCUMBER] and myself and the junior Senator from Nevada [Mr. ODDIE] are in the Chamber. I accordingly suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Borah	Glass	McLean	Simmons
Brandegee	Gooding	McNary	Smoot
Broussard	Hale	Newberry	Spencer
Bursum	Harris	Nicholson	Sterling
Cameron	Heflin	Norris	Sutherland
Capper	Johnson	Oddie	Townsend
Caraway	Jones, Wash.	Overman	Underwood
Cummins	Kendrick	Phipps	Walsh, Mass.
Curtis	Keyes	Pittman	Walsh, Mont.
Dial	King	Poindexter	Warren
Dillingham	Ladd	Pomerene	Watson, Ga.
Ernst	La Follette	Ransdell	Watson, Ind.
Fernald	McCormick	Rawson	Williams
France	McCumber	Sheppard	Willis
Frelinghuysen	McKinley	Shortridge	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. As we are about to vote on this item, I should like to have the attention of the Senate so that I can state what it is about.

The amendment proposed relates to the item found on line 11, page 49, $1 a pound on ferromolybdenum. That is intended to be compensatory for a duty of 75 cents a pound on molybdenum in molybdenum ore.

The Tariff Commission reports that molybdenum can be produced in the United States, and actually is produced in the United States, cheaper than anywhere else in the world; that it can be produced in Colorado at a cost not to exceed 50 cents a pound; and that the foreign product can not come into competition with it until the price runs as high as 95 cents a pound. There is accordingly no excuse whatever for a duty on molybdenum ore, and there should be no duty whatever on ferromolybdenum.

These facts are not controverted or openly disputed. It is information given to us by the Tariff Commission. There is no country in the world where this ore can be produced as cheaply as it can be produced in the United States. There is no country in the world where ferromolybdenum can be produced as cheaply as it is produced in the United States, and yet there is a duty put upon it of $1 a pound.

I move to strike out "$1" and to make the rate "1 cent."

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

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

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. STERLING (after having voted in the negative). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I observe that that Senator has not voted. I transfer my pair with him to the Senator from New York [Mr. WADSWORTH] and permit my vote to stand.

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

Mr. ERNST (after having voted in the negative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair, after having voted in the negative). The Chair desires to state that the senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I promised to take care of him for the day with a pair. I find, however, that I can transfer my pair to the junior Senator from Oklahoma [Mr. HARRELD], which I do, and allow my vote to stand.

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

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

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

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

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 22, nays 38, as follows:

YEAS—22.

Ashurst	Heflin	Pittman	Walsh, Mass.
Caraway	Kendrick	Pomerene	Walsh, Mont.
Dial	King	Ransdell	Watson, Ga.
Glass	La Follette	Sheppard	Williams
Harris	Norris	Simmons	
Harrison	Overman	Underwood	

NAYS—38.

Borah	France	McKinley	Smoot
Brandegee	Frelinghuysen	McLean	Spencer
Broussard	Gooding	McNary	Sterling
Bursum	Hale	Newberry	Sutherland
Cameron	Johnson	Nicholson	Townsend
Capper	Jones, Wash.	Oddie	Warren
Curtis	Keyes	Phipps	Watson, Ind.
Dillingham	Ladd	Poindexter	Willis
Elkins	McCumber	Rawson	
Ernst	McCormick	Shortridge	

NOT VOTING—36.

Ball	Fletcher	Moses	Robinson
Calder	Gerry	Myers	Shields
Colt	Harreld	Nelson	Smith
Crow	Hitchcock	New	Stanfield
Culberson	Jones, N. Mex.	Norbeck	Stanley
Cummins	Kellogg	Owen	Swanson
du Pont	Lenroot	Page	Trammell
Edge	Lodge	Pepper	Wadsworth
Fernald	McKellar	Reed	Weller

So the amendment of Mr. WALSH of Montana to the amendment of the committee was rejected.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President——

Mr. SMOOT. I was about to make a statement with reference to the next item.

Mr. HARRISON. I merely desire to ask unanimous consent to have something printed in the RECORD. It will only take a moment.

Mr. SMOOT. I yield to the Senator for that purpose.

Mr. HARRISON. There was printed in yesterday's New York Times an article written by the leader on this side, the senior Senator from Alabama [Mr. UNDERWOOD]. It is headed "Worst tariff bill in country's history. Rates of taxation higher and less defensible than any that have ever been proposed in American Congress. Story of iron and steel." It is a very splendid article, and I ask unanimous consent to have it incorporated in the RECORD in 8-point type, so the country can read it.

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

[From the New York Times, June 11, 1922.]

WORST TARIFF BILL IN COUNTRY'S HISTORY—RATES OF TAXATION HIGHER AND LESS DEFENSIBLE THAN ANY THAT HAVE EVER BEEN PROPOSED IN AMERICAN CONGRESS—STORY OF IRON AND STEEL.

(By OSCAR W. UNDERWOOD, United States Senator from Alabama.)

One man in the Senate is seldom interviewed for publication. He is OSCAR W. UNDERWOOD, of Alabama, author of the Underwood tariff law and leader of the Democratic minority. The attack on the Fordney-McCumber tariff bill, now before the Senate, is largely in the hands of Senator UNDERWOOD, who has set forth for the New York Times what he termed "a few observations" on the bill.

"In approaching the consideration of a customs tariff bill one's viewpoint is largely governed by the principles involved. To the believer in the theory of a protective tariff a bill prepared by those advocating that theory is more than likely to receive the immediate approval of the advocates of protection without a careful investigation of the details involved in the bill.

"On the other hand, those believing in the revenue or competitive theory of tariff taxation are equally predisposed to accept the views of those advocating the theory without analysis of the details.

"I have always opposed in principle the theory of protection, and have leaned strongly to the idea that customs taxation

should be levied primarily in the interest of revenue for the Government and that all rates of taxation should be so adjusted as to allow a reasonable inflow of goods from abroad in order that the customhouse might have an opportunity to take its toll as they passed through and some degree of competition might be established. I have never contended that in the interest of a revenue tariff it is necessary to bring about destructive competition, but a tariff that fixes the rates of taxation so high as to practically prohibit foreign goods from entering the American market at all has been abhorrent to my ideas of the proper use of the taxing power of the Congress of the United States.

"Accepting the statement I have just made as to the viewpoint of approach of this subject, it is not surprising to find the Members of Congress who favor protection giving their practically united support to the tariff bill now pending before Congress. There are comparatively few men in the Congress who have given a detailed study to tariff questions and understand the resultant effect of levying either high or low rates at the customhouse.

"A protectionist who has not given careful analysis to the details and resultant effect is apt to reach his conclusion from the standpoint that the main thing to be considered is to keep the foreign goods out of the American market, and, if the rates are high enough to do that, he is prepared to accept whatever else may result. It is, of course, to be expected that with the Republican Party in power in both branches of the Congress and the Republican Party committed to the principle of protection, a tariff bill drawn along those lines should pass the Congress, and there would certainly be no complaint from those believing in the theory of protection if that was all that was involved in the issue; but there is a great deal more in the pending tariff bill than the mere question of asserting and fostering the theory of protection.

OUTSTRIPS ALL OTHER BILLS.

"There are some few low rates in the pending bill. There are some articles on the free list. But, taking it all in all, it is undoubtedly the most prohibitive tariff bill that has ever been proposed in the American Congress, and the rates of taxation are higher and less defensible than any that have ever been presented to us in the past. It looks as if those charged with the responsibility of writing the bill have accepted unqualifiedly the rates proposed by the special interests desiring protection and have not given consideration to the resultant effect on the general business of the country or the burdens that must be borne by the consumers of America. Should the bill become a law, the American people will find this out in time, but it will be after they have paid the price of the experiment.

"The Democratic Party is often charged with being a free-trade party. So far as I know, from the beginning the Democratic Party has never abandoned the system of raising taxes at the customhouse. There are free traders in the Democratic Party, and I have known of some in the Republican Party. As I understand it, the position of the Democratic Party is that taxes levied at the customhouse should be for revenue purposes only, that the customhouse is a place where revenue may be obtained to run the Government, and that it provides a convenient way of raising a certain amount of revenue; that if a revenue tax be levied at the customhouse in such a way that it does not unduly stifle competition from abroad, and the person who pays it really pays it to the Government, it is a reasonable way to raise revenue. But when a tax is levied so high that very few imports come in—and if imports do not pass through the customhouse they leave no taxes behind them—the result is merely that of raising the price, which goes into the pockets of the home producer.

"The effect of protective tariff laws, as distinguished from tariffs for revenue only, has been to tax the great mass of the American people and to increase the profits of a few. I often hear socialism and communism condemned. I do not believe in either, but it is discrimination on the part of the Government against the masses of the people for the benefit of the few that sows the seed from which grows the tree of discontent, and discontent when brought about by unjust laws reflects on the whole system of Government. I believe that the great powers of the Government are intended to be used only for the benefit of all the people, not for the promotion of special interests, and I care not whether those special interests come out of the fields of agriculture or arise from the smokestacks of a steel mill.

"I am of that school of thought which believes that the legislative branch of this Government has no constitutional right—I might say no moral right—to use the taxing power of this Government for the purpose of building up fortunes or of tearing them down. I am just as much opposed to the idea of so levying a tax, under the guise of protecting American industry, that the mass of the people must contribute out of their pockets to build up a special industry and make a few rich as I am of extending the power of taxation so far that it confiscates the property of the individual and accomplishes by the power of force of taxation what the communism of Russia has accomplished with the red flag.

WHERE THE FARMER COMES OUT.

"In my opinion, if it were not for the support given this bill by Senators who represent agricultural constituencies it would be impossible to pass it through the Senate. The argument is advanced that since taxes are to be levied on manufactured products taxes should also be levied on agricultural products, and that if the people are to be penalized for the benefit of the manufacturer they should likewise be penalized for the benefit of the farmer. Where the fallacy of this argument comes is that under the guise of doing something to help the farmer in some particular item their support is asked for a bill that as a whole means that for every dollar the farmers may derive from the bill they will pay $100 in taxes for the benefit of somebody else. In other words, for every 1 per cent of protection they are given they pay 99 per cent of protection for the benefit of other people. I do not think there is any question about that.

"Take the wool schedule, known as 'Schedule K' in the Payne-Aldrich bill, but having a number in the bill that is now before the Senate. If the tax proposed in the bill is levied, the farmer will have to pay the tax the same as does the man who lives in the city, the man who works in the store, the machine shop, the foundry, or in an office. If the analysis be worked out, it will be demonstrated that the tax of 33 per cent on scoured wool will cost the public nearly $200,000,000, of which those engaged in the growing of wool will receive something like $72,000,000, against which the farmers as a whole will pay about $99,000,000, the rest of the people will pay in proportion, while the Government will receive as its share of this enormous tax less than $20,000,000. Yet it is contended that this duty on wool will help the American farmers. I admit it will help the men whose business is raising sheep, but the other farmers of the country—those who do not grow wool but raise wheat and corn and cotton—will pay the bill; that is, a most substantial part of it, and for every woolgrower there are a thousand farmers who do not raise sheep. I do not have in mind the little farmer who raises cotton or wheat and has a few sheep on the side, but the men whose business is growing sheep and who are only a few in number when compared with the great mass of farmers who will pay so large a proportion of the tax proposed in the pending measure.

"So we find some of the proponents of the pending measure maintaining that its enactment will greatly relieve the agricultural situation in this country, because it raises the tax on their products at the customhouse. Personally I have never believed that such a tax would prove of any benefit to the American farmer. We are told how the bill is going to help the farmer by an increased tax on wheat, by increasing the tax on certain kinds of cotton, neither of which will ever be of any benefit to the farmer or put one dollar in his pocket. This talk may sound like music to the farmer, but does the farmer realize that there are also in this bill paragraphs taxing the necessities of life, necessities that are vital to the farmer, the necessities by which agriculture lives?

"When the present law was written not only were all kinds of fertilizer, which are imported into the United States and are valuable in the development of agriculture, placed on the free list but binding twine for the man who raises wheat in the West and ties and bagging for the farmer whose basic crop is cotton were likewise placed on the free list. Under this bill they propose to put these things back on the tax list, and there is no evidence that either of these industries has suffered from outside competition under existing law. Some of the fertilizers coming into this market and many of the commodities from which fertilizers are made also will be taxed under the proposed law. I am confident that the farmer will not be long in finding out these things. The items I have cited are simply illustrative. Others which concern the welfare of agriculture can be found all through the bill.

"Let us examine the steel and iron schedules. I do not believe that the agricultural masses of this country will approve a tariff bill which proposes to impose prohibitive taxes on the raw materials from which their plows, their trace chains, their agricultural implements of all kinds are made. When the present law was written it was my view that as to the heavy commodities in the iron and steel schedule the great American industry was full grown and able then, as now, to fight its own battles in any market in the world. We are the master iron makers of the world. In framing the tariff act of 1913 I put

some of the articles embraced in the iron and steel schedule on the free list. There was just one reason why the rest of them were not also placed on the free list, and that was that I realized the tariff house had been built on stilts, that it had been on stilts for a great many years, and if it was brought down by cutting the timber with an ax and letting it drop I might shock the business sentiment of the country and force a reaction on what I was endeavoring to do.

THE STORY OF IRON AND STEEL.

"Therefore I attempted to reduce the rates by lowering the tariff with a jackscrew, hoping that time would justify the course I had taken and that at a later day the entire list of heavy iron and steel commodities and other similar articles covered by the bill might also be put on the free list, when the people might understand that this country could get along without tariffs on everything and that the American consumer could not be mulcted behind a tariff wall.

"Consider the paragraphs in the pending bill that relate to iron and steel sheet plates. They constitute the basic material out of which plows are made, the basic material in the manufacture of wagons, the basic material out of which ships are constructed, the basic material out of which are built freight cars for carrying the commodities of the country to market, the basic material for almost everything found in the blacksmith shop, and so on. On these commodities the schedule is built. And under this bill the rates on iron and steel plates have been largely increased. In 1920 we produced in the United States plates and sheets totaling 9,337,680 gross tons. We imported 29 gross tons and exported and sold in the markets of the world more than 1,000,000 gross tons. These statistics tell the story. Comment is unnecessary.

"I have had to fight this iron and steel question out a good many times. The truth about the matter is this: For many years in the other House of Congress I represented a great iron and steel district. I am in the business myself. I would not willingly harm a people that I represented, but neither would I willingly betray a people I represented by taxing them unjustly for special interests. I know this iron and steel schedule, and I know that it is a fraud and sham upon the people of this country. I know that it is not even in the interest of the industry in the end, and that it is very much better for this great industry to take the shackles of a tariff off its limbs. It can compete anywhere in the world. Let it sell to the mills at home, to the blacksmith, the automobile and the wagon maker, the roof maker, at reasonable profits and develop a home market for its products. It can stand a giant in the world of industry. There is no excuse for its being wet-nursed in a baby's crib when it is a full-grown industry.

"These wool and steel schedules are illustrative of the policy followed throughout in the drafting of this bill. I might cite schedule after schedule in proof of this; for instance, the duties proposed on glass, on cotton goods, silks, chemicals, and so on, indefinitely, but that would require too much space. The man or woman who reads the bill will have no difficulty in understanding what its enactment will mean.

"Scan for a moment the administrative features of the pending tariff measure. The bill authorizes the President to adjust rates under certain conditions where they do not equalize the difference of conditions of competition in trade. I know of no measure by which you can judge of the equalization of conditions of competition in trade other than the price of the article. The bill does not make plain whether it contemplates wholesale or retail conditions. Of course, it would be very much more extreme if we assumed that it meant to equalize the difference in retail conditions, with retail profits added, than if we assumed that it referred to wholesale conditions. But it must mean one or the other.

"EQUALIZATION" NOT DEFINED.

"It must mean that the President can equalize the difference in competition in trade between foreign goods after they are landed on American soil and goods manufactured in this country, as governed by either the wholesale or retail price, because that is the only way in which the President can measure it. It does not say 'wholesale or retail prices,' but that is, nevertheless, the measure of trade conditions. For the sake of argument, however, it is my assumption that the milder form of equalization is contemplated, namely, wholesale prices.

"Where is this competition going to be equalized? Is it to be equalized in Salt Lake City, with freight rates often equaling the value of the commodity, or is it to be equalized in New York, Chicago, New Orleans, or Boston? It is reasonable, I think, to assume that the equalization will take place where the competition is met; that is, at the seaboard.

"If that is what is meant by this bill, and the President must levy a tariff duty high enough to make the wholesale price of the foreign commodity equal to the price of the home manufactured commodity—and most of these commodities are made in the interior—at the port of entry, it will mean that the moment the foreign article starts toward the interior freight rates will be added to its price, accumulating on the price above that of the wholesale American manufacturer, and that will absolutely prohibit its sale in the American market. It would therefore seem reasonable to assume that the rates will be prohibitive at the customhouse and that the foreign manufacturer will find it hard to enter the American market at all.

"If this be true, then the very terms of the pending bill have destroyed foreign competition. Of course, from the standpoint of protection, it may be argued that the American producer is entitled to the entire American market, and if it were not for the fact that this proposed law taxes the American people there might be some justice in trying to bring about such a result. But when the home manufacturer is given a monopoly by levying taxes at the customhouse high enough to prevent foreign competition, then we make the consuming masses pay the price of industrial monopoly, and, in my mind, there is no doubt that is what the pending bill accomplishes.

"In other words, the proposed law contemplates a tariff wall which will foster and build up monopoly in this country and do what the beneficiaries of the protective system have clamored for for 30 years, and which Congress has never intentionally heretofore granted them—that is, a protective tariff to protect their profits, a tariff that makes it possible for them to pyramid their profits on the cost of production, and then stands between them to drive the foreign competitor out of the American market.

"It is true that the Congress may delegate to the executive branch of the Government the power to administer legislative provisions, but it has never been held yet that the legislative branch can directly transfer to the administrative branch the power to legislate.

"In the pending bill it is to be left to the discretion of the President to fix any rate he may choose up to and including 50 per cent. We all recognize the fact that we may delegate the power, upon the happening of an event, for the Executive to put into force a tax that has been agreed upon by Congress, but it is my contention that no definite event is fixed in this bill, and that the happening is a matter of discretion with the President. There is no dispute about the fact that when the event has happened the President may exercise his power and fix any rate of taxation from 1 to 50 per cent.

SEES BUREAUCRACY AHEAD.

"I say the primary thing in taxation is the rate, and that Congress in the bill has abandoned any control of the rate of levying taxation on the American people except a limitation of 50 per cent. If that is held constitutional, then next year it can be made 1,000 per cent or 2,000 per cent, and the Congress can abandon its control of taxation entirely to some subordinate bureau of the Government.

"Of course, we all recognize that, although we are speaking in the name of the President of the United States, we are delegating to him a power which he could not exercise himself because he has not the time to put it into force. The moment we delegate this power to the President he must turn it over to a subordinate bureau of the Government to exercise for him—a bureau without direct responsibility to the American people, giving to a bureaucracy the unlimited power to control industry—the unlimited power to levy taxes on the American people.

"You can not build up a market overnight. It takes time and it takes labor and it takes money to develop and build up markets for any class of goods. When an importer comes into this country to sell boots and shoes—which he could not sell here—laces, or cotton goods, or any other necessity of life, he has to establish his distributing points; he has to establish his agencies; he has to advertise his goods and make them attractive to the American public; and when he has done that, then he finds his market and commences to sell his goods. If you fix the machinery of law so that he can only come in here on an equal basis with the cost of production with a profit added, and the American manufacturer for the time being drops his selling price just to the extent of his profit, or half his profit, he drives out the foreign goods, and they will not come back as long as that law stands on the statute books, because when you have driven them out they will not again go to the expense of appointing their agencies, developing their market, and advertising their goods for sale, when they know that under your law the American manufacturer, by giving up a part of his profits, can drive them out again. The result is that you establish an embargo,

you create a monopoly in favor of the American manufacturer, and he can exploit the American people to any extent he desires."

Mr. SMOOT. Mr. President, I can not see why the House placed a rate of 75 cents upon the metallic content of molybdenum. Evidently that is one of the industries in the United States which prospered, but with such a duty I want to say to the Senate there would be no industry in the United States because of the fact that unless the product sells in the United States at from 50 to 55 cents a pound it would not be used in the manufacture of automobile axles, automobile cranks, and products of that kind. The Senate will remember that not long ago there was a molybdenum car built, and it was then thought molybdenum would be used in the building of all sorts of cars.

Molybdenum simply displaces vanadium, and if it goes above the price of vanadium, then, of course, molybdenum is not going to be used. What is the use of a duty upon it greater than the price of the article at which it can be sold and used in this country? If used, it displaces an article, and that article at any time would be used if molybdenum costs more than 75 cents a pound. I know that the State of Colorado is interested in this industry. I know the industry is down at the heels at the present time like other industries. But this is a tariff bill that is to be permanent and I feel just as confident as I live that if a rate of 75 cents a pound is put upon the content of the ore, it will never take the place of vanadium, and unless it can do that it will not be used or produced in the United States. Therefore, I am going to move to strike out "75 cents," in line 23, on page 48, and insert "35 cents."

The PRESIDING OFFICER. The Chair desires to state to the Senator from Utah that the question, first, is upon the amendment of the committee, in line 13 on page 49.

Mr. SMOOT. Then I will move to amend committee amendment with the statement that if it is amended, I will return not only to the content of the molybdenum ore but I will also refer back to paragraph 305.

Mr. WALSH of Montana. I suggest to the Senator that doubtless unanimous consent would be given to consider first the amendment now suggested by the Senator from Utah.

Mr. SMOOT. The other course can be just as well taken I will say to the Senator, because I have them worked out in a compensatory form. I now move, on page 49, in line 13, to strike out "$1" and insert "50 cents."

The PRESIDING OFFICER. The Senator from Utah moves to amend the committee amendment on page 49, line 13, by striking out "$1" and inserting in lieu thereof "50 cents."

Mr. WALSH of Montana. The Senator intends that to compensate for the duty of 35 cents on the ore?

Mr. SMOOT. Yes; and then, I will say to the Senator, that will be reduced to 65 cents instead of $1.25.

Mr. WALSH of Montana. Then, for the purpose of presenting the matter, I move to amend the amendment offered by the Senator from Utah by making the same 25 cents instead of 50 cents, and now that a few more Senators are here, I want to read again——

The PRESIDING OFFICER. The Chair would suggest to the Senator from Montana that that would be an amendment in the third degree.

Mr. WALSH of Montana. Very well. I will say that if the amendment of the Senator from Utah to the amendment of the committee is defeated, I shall then move to amend by making it 25 cents. I desire to read the following:

> The probability of any imports of molybdenum, either as metal (or ferroalloy) or as crude mineral, is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.
>
> Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

Further:

> The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound.

And yet it is proposed to put a duty of 30 cents a pound upon that commodity.

Mr. SMOOT. I think the statement just read as to the cost of production in Colorado is a little too broad. From all I can learn, it can not be produced in Colorado at 70 cents.

Mr. WALSH of Montana. They could not be 100 per cent wrong. The Tariff Commission reports that the article can not come in at less than 95 cents. They can not produce it abroad and land it here at less than 95 cents. If the cost is 50 per cent higher in Colorado, if it costs them 75 cents, they would still have a big margin here over the foreign producer, not to speak of a duty.

Mr. SMOOT. The Senator must understand that that statement was made at a time when the price of molybdenum was a great deal higher than it is to-day.

Mr. WALSH of Montana. It does not make any difference what the price was, the statement is that they can produce it at 50 cents a pound.

Mr. SMOOT. What I am speaking of is the foreign article coming into the United States for less than 95 cents a pound. That was true at that time, but it is not true to-day. It can be shipped here for a less price than that to-day. I feel that 35 cents a pound is ample, and I think myself that it will give the industry to the companies in the United States. If the price is too high, I will say to the Senator, then they will not use it in the United States because, as I said, it is a displacement article, and vanadium will take its place and can be used for the same identical purpose, and when one rises in price above the other, the one that is the highest in price is not going to be used.

Mr. WALSH of Massachusetts. I ask the Senator from Utah if the amendment offered by him is in the nature of an amendment or a substitute offered by the committee to the amendment reported in the bill?

Mr. SMOOT. After I came into the Senate I discussed the question with all the majority members of the committee, including the chairman, and they authorized me to offer the amendment.

Mr. WALSH of Montana. In that event I renew my motion to amend the amendment and to make the rate 25 cents.

Mr. WALSH of Massachusetts. In that event the motion of the Senator from Montana is not withdrawn.

Mr. WALSH of Montana. No; that does not change the motion to amend.

Mr. SMOOT. I have already moved to amend the committee amendment.

Mr. WALSH of Montana. I understood that the committee offered this as a substitute. The committee, of course, is entitled to change its amendment if it sees fit to do so. As the committee amendment changes the rate to 50 cents a pound, my motion to amend the committee amendment is in order.

Mr. SMOOT. I will say to the Senator that the only way I know to change the rate is to offer it as an amendment.

Mr. WALSH of Massachusetts. Every time the Senator from Utah has offered an amendment in the name of the committee he has offered it personally. Whenever the Senator from North Dakota [Mr. McCUMBER] modifies a committee amendment in the bill he moves it as a substitute. What has just happened has occurred several times. The Senator from Utah is offering an amendment in his own name rather than in the name of the committee.

Mr. SMOOT. It is on behalf of the committee I am offering the amendment, I will say to the Senator.

Mr. WALSH of Massachusetts. Why is it not a substitute if it is offered in behalf of the committee?

The PRESIDING OFFICER. Does the Senator desire to withdraw the original amendment and propose as a substitute the rate of 50 cents?

Mr. SMOOT. That is what the committee desires to do.

Mr. WALSH of Massachusetts. That has been the course pursued by the other members of the committee.

The PRESIDING OFFICER. That will make the amendment of the Senator from Montana [Mr. WALSH] in order.

Mr. SMOOT. There will be no trouble about it, because should there be any trouble I would withdraw the committee amendment and allow the Senator to offer his amendment first. So long as I may substitute the rate of 50 cents for the rate originally proposed, I ask that that may be done.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent to withdraw the committee amendment and to insert for it 50 cents. Is there objection? The Chair hears none. Now the Senator from Montana may offer his amendment.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting "25" for "50."

The PRESIDING OFFICER. The Senator from Montana moves to amend by substituting "25" for "50." The question is on the amendment of the Senator from Montana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Now I ask to go back to page 48, line 23, and on behalf of the committee I move that "75 cents" be stricken out and "35 cents" inserted.

The PRESIDING OFFICER. The question is on the amendment of the committee striking out "75" and in lieu thereof inserting "35."

Mr. WALSH of Montana. I move to make that rate "15 cents" instead of "35."

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana [Mr. WALSH] to insert "15" instead of "35."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I desire, so as to clear this whole matter up, again to return to paragraph 305, and on page 53, line 16, I move to strike out "$1.25" and to insert "65 cents."

The amendment was agreed to.

Mr. SMOOT. The next amendment is on page 49, line 14.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 49, line 14, to strike out the numerals "17" and insert in lieu thereof the numerals "15."

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

Mr. SIMMONS obtained the floor.

Mr. WALSH of Montana. I should like to make an inquiry of the Senator from Utah.

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

Mr. SIMMONS. Yes.

Mr. WALSH of Montana. What is the purpose of putting on this additional 15 per cent ad valorem duty? We have a duty now of 50 cents a pound and of 15 per cent ad valorem on this commodity. The current prices for molybdenum——

Mr. SMOOT. We allowed 15 per cent in this case, as in the others, as a protective duty and on account of the loss that may be incurred.

Mr. WALSH of Montana. That has been taken care of by making a differential between 35 and 50 cents.

Mr. SMOOT. But this is volatile, I will say to the Senator, and there is a heavy loss attached to it which the 15 per cent will not more than take care of. It is the same rate as was allowed on the ferromanganese.

Mr. WALSH of Montana. Yes; and there is a margin of 15 per cent which would take care of the loss of from 33 to 35 per cent.

Mr. SMOOT. I will ask the Senator from Montana to look at the present law. With the ore free 15 per cent ad valorem duty was imposed, just as the committee now recommends. The other House gave 17 per cent ad valorem duty on the American valuation. The Finance Committee allowed as protection 15 per cent, which is the same as the duty under the present law. We granted the same rate upon the other ferroalloys.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment was, on page 49, in line 16, to strike out "72" and insert "60," so as to read:

ferrotungsten, metallic tungsten, tungsten powder, tungstic acid, and all other compounds of tungsten, 60 cents per pound on the tungsten contained therein.

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

Mr. WALSH of Montana. Mr. President, the next bracket refers to tungsten compounds and tungsten. I do not know whether these rates are justified or not, indeed, I must confess, although I know something about tungsten, I do not know how one would arrive at any kind of a just rate. The fact about the matter that tungsten, or at least ores bearing tungsten, are, I think, perhaps without exception what are known as "spotty" in character, and so it becomes next to impossible to determine what the cost of production here is and what the cost of production abroad is.

Mr. SMOOT. I can state to the Senator in a very few words just why the rate here is proposed.

Mr. WALSH of Montana. I will be very glad to have the Senator tell us how the committee arrived at the rate.

Mr. SMOOT. Mr. President, on tungsten ore and concentrates the House allowed a rate of 45 cents a pound on the metallic content. There is a recovery of 75 per cent, and the House allowed 72 cents a pound on the metallic tungsten. The loss, however, does not justify that, the differential allowed being altogether too much. Figuring upon a basis of 45 cents a pound for the metallic tungsten and a 75 per cent recovery, gives 53 cents as a strictly compensatory duty for the loss in the production from the ore to the metal.

Mr. WALSH of Montana. I inquire of the Senator where is the ore taken care of?

Mr. SMOOT. On line 25, page 48, at the bottom of the page—

tungsten ore or concentrates, 45 cents per pound on the metallic tungsten contained therein.

As I have said, with a duty of 45 cents a pound on the metallic tungsten and a 75 per cent recovery, 53 cents is indicated as the compensatory duty. If the Senator will figure that, he will see that it just makes 60 cents a pound on the metallic tungsten.

Mr. WALSH of Montana. I think, if we put the duty at 45 cents a pound on tungsten ore, that a duty on the compounds of 60 cents is not disproportionate.

Mr. SMOOT. It figures out exactly, I will say to the Senator, just as nearly as it can be, unless a fraction be added.

Mr. WALSH of Montana. I wanted to ask the Senator what he has to say about putting a duty of 45 cents a pound on tungsten contained in the ore. That makes, of course, a duty of $900 a ton.

Mr. SMOOT. I shall ask that this item go over until I find out definitely what the price of tungsten is to-day. The Senator will remember that the first time a duty was imposed upon tungsten directly was in the Payne-Aldrich law. That was done at the time the first discovery of tungsten was ever made in Colorado. At that time tungsten was worth about a dollar a pound, as I remember, and perhaps a little more than that. I recall a statement being made upon the floor of the Senate by the then Senator from Colorado that tungsten was being sold at that time for about $4,000 a ton. At that time there was a duty of 45 cents a pound on the metallic tungsten contained in the ore. The House evidently gave the same rate as provided in the Payne-Aldrich law, and there was no amendment made to it by the committee. Mr. President, I ask that the item go over for the present, and in the meantime I will see if there has been a change in the price of tungsten between the time the Reynolds report was made and the present date, and when that is ascertained we may refer again to this item for consideration.

Mr. KING. Let me say to my colleague that the imports have been rather small and the unit value shows that the price is not very large. For instance, in 1921 the importations were 1,441 tons and the unit value $192.

Mr. SMOOT. Of course, the Senator will notice that ferrotungsten rather than the tungsten ore has been imported because under the existing law there was not allowed the necessary differential in order to take care of the spread between the ore and the ferrotungsten.

Mr. WILLIS. Mr. President, I desire to ask the Senator from Utah a question.

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

Mr. SMOOT. I yield.

Mr. WILLIS. Will the Senator state to the Senate whether the rate proposed by the committee represents an increase or a decrease? Perhaps the Senator has already explained that, but I could not hear him.

Mr. SMOOT. I beg the Senator's pardon, but I did not catch his question.

Mr. WILLIS. The Senator is speaking of the rate on tungsten, is he not?

Mr. SMOOT. Yes.

Mr. WILLIS. Will he state to the Senate whether the compound rate amounts to an increase or to a decrease? There seems to be a decrease in the case of one item and an increase in the other.

Mr. SMOOT. It amounts to an increase, I will say to the Senator.

Mr. WILLIS. I make the inquiry because I want to ask the Senator another question.

Mr. SMOOT. But compared to the rates in the House, of course, it is a decrease. I think perhaps that is what the Senator had in mind.

Mr. WILLIS. That is what I am asking.

Mr. SMOOT. Oh, well, then it is a decrease.

Mr. WILLIS. The House rate is "72 cents per pound on the tungsten contained therein and 17 per cent ad valorem." Now, it is proposed to make it 60 cents a pound—that is a decrease—and 25 per cent ad valorem—that is an increase.

Mr. SMOOT. The 17 per cent in the House was on the American valuation. The 25 per cent is on the foreign valuation.

Mr. WILLIS. So the Senator thinks, taking the two items together, that it makes a decrease?

Mr. SMOOT. It makes a decrease.

Mr. WILLIS. Now, let me ask the Senator another question. There has been some complaint amongst the people of our State, particularly the Cleveland Twist Drill Co., of Cleveland, Ohio, who make very high-grade tools, claiming that this rate is excessively high as compared with the rate on the finished product. Can the Senator state whether the compensatory duty has been carefully worked out there and whether it is sufficient?

Mr. SMOOT. I will say to the Senator that if the rates that are now named in the bill are finally agreed to there ought to be a change in the compensatory rate on the products made from it, particularly the steel products in the high-speed tool paragraph.

Mr. WILLIS. Can the Senator tell me what paragraph that is? I can look it up, but the Senator can tell me more quickly.

Mr. SMOOT. We shall have to make a paragraph for that if this is agreed to, and we will change it, because the way it is written we might just as well put it in a paragraph by itself, and then hereafter we will know just what the statistics are.

Mr. WILLIS. They make the statement—I can hardly believe that it is true, but they make the statement, and I think my colleague [Mr. POMERENE], perhaps, has similar correspondence—that there is a higher rate on this raw material than there is on certain grades of their finished product.

Mr. POMERENE. Mr. President, I was simply going to confirm what my colleague has said on that subject. The complaint is general out there among the steel people, particularly the tool-steel people.

Mr. SMOOT. That is where the burden falls.

Mr. WILLIS. They make very high-grade tools.

Mr. SMOOT. I think there is only one class that is dissatisfied, and that is the makers of the high-speed steel.

Mr. POMERENE. I should have to go over my correspondence again to say definitely about that.

Mr. SMOOT. I am quite sure the Senator will find that that is the case.

Mr. POMERENE. I know that the high-speed steel makers are complaining very bitterly about it, and I feel that their cause was just, no matter what viewpoint we may take of this tariff problem.

Mr. SMOOT. We shall have to decide first on the rates upon tungsten.

Mr. WILLIS. If these provisions are agreed to, then does the Senator intend to take up the item with reference to tools?

Mr. SMOOT. I think a new paragraph will have to be written for that.

Mr. WILLIS. Does the Senator intend to take that up this afternoon?

Mr. SMOOT. I think not. I think the only thing we can do now is to allow this matter to go over until we finally decide on the rates.

Mr. WILLIS. Very well. I will get the material I have, and have it prepared.

Mr. ODDIE. Mr. President, I should like to ask the senior Senator from Utah a question. Referring to the statement just made by the junior Senator from Utah [Mr. KING] as to the small tonnage imported recently, is not that due to a large extent to the accumulation in this country since the war?

Mr. SMOOT. This is the best answer to that: I think, as I said, that the ferrotungsten has been coming in rather than the tungsten ore. In 1919 there were 396,460 pounds of ferrotungsten imported, and in 1920 there were 1,997,719 pounds imported; so when I stated that it was not coming in in the shape of ore, but that it was coming in in the shape of ferrotungsten, of course the record shows that to be a fact.

Mr. ODDIE. I should like to state, Mr. President, that the impression has gone abroad quite generally that the native deposits are insufficient. I should like to correct that by stating that in a number of Western States there are very large deposits of tungsten ore, and new ones are being discovered constantly, and there are many to my knowledge that are undeveloped awaiting development.

Mr. KING. Mr. President, let me say to the Senator from Nevada, if I may, that the imports of the ore in 1912 were only 381 tons; in 1913, 766 tons; in 1914, 238 tons; in 1915, 1,317 tons; in 1916, 3,335 tons; in 1917, 4,357 tons; in 1918, 10,362 tons; in 1919, 5,400 tons; in 1920, 1,740 tons; and in 1921, 1,441 tons.

As stated by my colleague, the ferrotungsten that was imported in 1918 was negligible, only $8 worth; in 1919, 396,460 pounds; in 1920, 1,997,719 pounds; and for nine months of 1912, 507,206 pounds. So that there has been a perceptible diminution in the imports since 1918. They reached the maximum in that year, and there was a perceptible increase in the imports of the ore, because in 1912 they were only 381 tons; and in the case of the ferrotungsten there was an increase in 1920, and a decrease in 1921.

Mr. SMOOT. I think I can explain that to the Senator and the Senate. I think in 1921 the unit value began to drop, and they wanted to use the stock they had on hand rather than import any larger stocks, with the market going that way; and in 1921 the Senator knows that the mills in the United States were not in operation 25 per cent of the time.

Mr. KING. To what mills does the Senator refer?

Mr. SMOOT. The steel mills throughout the country.

Mr. KING. Oh, yes; of course, the consumption was less.

Mr. SMOOT. That is another thing.

Mr. McCUMBER. Mr. President, I understand that the Senator from Utah has requested that all of these clauses relating to tungsten should be passed over; and if that is the case, there is no use in discussing the subject at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? What amendments does the Senator refer to?

Mr. SMOOT. I refer to all of the amendments commencing in line 14 and going down to and including the words "ad valorem" in line 21, page 49, down to "ferrosilicon."

The PRESIDING OFFICER. Is there objection to the request that those amendments go over? The Chair hears none.

Mr. McCUMBER. Mr. President, that brings us down to ferrosilicon. I think I should make some brief statement with reference to the next clause, which relates to ferrosilicon, in order that we may understand clearly not only its uses but also the duties levied and the reason.

Ferrosilicon is an alloy composed of silicon and iron. If you take steel scrap and silicon in the form of high-purity quartz and melt them at an especially high temperature, the iron and the silicon of the quartz rock alloy themselves, and the product is called ferrosilicon.

Ferrosilicon is used as a purifier of steel. Many of the high grades of steel can not be made without it. At the time of the war ferrosilicon in a single year entered into and was necessary to the production of 30,000,000 tons of steel. In the early days, and to a large extent at the present time, ferrosilicon containing less than 15 per cent silicon is made in the blast furnaces. For the past 15 years especially it has been found that ferrosilicon containing a higher percentage of silicon could not be made in the blast furnaces, because the temperature necessary to force the silicon into an alloy with the iron could not be reached. For this reason it was necessary to employ the electric furnace in the production of high-grade ferrosilicon.

In the electric furnaces the temperature rises to over 6,000 degrees. High-grade ferrosilicon was developed first in this country. The industry was then taken over by France, Norway, and Germany; but its manufacture was undertaken here in 1908, and a tariff of 20 per cent ad valorem was accorded ferrosilicon under the Payne-Aldrich bill.

In the tariff bill of 1909, I think, blast-furnace ferrosilicon was treated separately and accorded a rate of $5 per ton on ferrosilicon containing not more than 15 per cent silicon and 20 per cent ad valorem on ferrosilicon containing more than 15 per cent of silicon. The Underwood law gave a rate of 15 per cent on all ferrosilicon. These rates in both laws proved ineffective until the war; and as the industry advanced in the higher qualities of ferrosilicon, where the difficulties were greater, the duties finally became wholly inadequate.

The Ways and Means Committee after exhaustive consideration gave to ferrosilicon containing 8 per cent or more of silicon and less than 30 per cent a duty of 2½ cents per pound on the silicon contained therein; containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein; containing 60 per cent or more of silicon and less than 80 per cent, 3½ cents per pound on the silicon contained therein; containing 80 per cent or more of silicon and less than 90 per cent, 4 cents per pound on the silicon contained therein; containing 90 per cent or more of silicon and silicon metal, 8 cents per pound on the silicon contaied therein. Then the Senate Finance Committee reduced the House rates on these grades of silicon most largely used and of most importance, which are the ferrosilicons running from 8 to 60 per cent, cutting the rate on ferrosilicon containing from 8 to 30 per cent one-half of 1 cent per pound on the silicon contained therein; from 30 to 60 per cent, three-fourths of 1 cent per pound on the silicon contained therein; and from 60 to 80 per cent, one-fifth of 1 cent per pound on the silicon contained therein.

Mr. WILLIS. Mr. President——

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

Mr. McCUMBER. I yield.

Mr. WILLIS. If the Senator prefers to yield later, I do not care to interrupt his statement, but I wanted to ask him a question right on that point. What does the committee propose to do with the silicon below 8 per cent? It starts in, as the amendment would now make it, "containing 8 per cent or more of silicon and less than 60 per cent." I should like to know what is the rate on that below 8 per cent.

Mr. McCUMBER. That would fall under the metals, under a basket clause, of course, if it came in; but I do not think it will come in of a less percentage.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, a great deal of ordinary, common pig iron has sand in it; and if you taxed it below 8 per cent, instead of falling in the pig-iron class, you might put it in the ferrosilicon class and raise the tax on pig iron to $44 a ton instead of $1.25. I suppose that is why the committee left it out.

Mr. WILLIS. Mr. President, the reason why I ask the question is that I suppose at least 60 or 65 per cent of all the blast-furnace ferrosilicon made in the United States is made in the State of Ohio.

Mr. UNDERWOOD. Of course as to whether the ferrosilicon really is to be useful depends on the amount of sand or silica in it. As I said, the modern method is to cast it in an iron cast, but the old method was to put it in big beds of sand, and in that way a certain amount of sand got into the pig; and if you tried to put a rate on all pig that had silica in it, you might be taxing pig iron at a very high rate.

Mr. WILLIS. The product of some of our Ohio blast furnaces, particularly the ones at Jackson and Wellston, is about 7 per cent, or perhaps below 7 per cent. There is a fair rate of protection given to the high grades, but apparently no protection to the low grades, and those people are left out. Would the Senator from North Dakota permit an amendment to this provision when an amendment would be in order?

Mr. McCUMBER. I do not understand that with less than 8 per cent of silicon it really has any value whatever.

Mr. WILLIS. I think the Senator is mistaken about that.

Mr. McCUMBER. I do not understand that it is usuable.

Mr. WILLIS. I know there are large blast furnaces in Ohio whose product is 7 per cent and below. I can furnish the Senator very conclusive information on that. They have been running there for years. Just now they are not running, as they have been closed down.

Mr. McCUMBER. Do they use that very low grade at all in the manufacture of steel?

Mr. WILLIS. I so understand it. I am very certain that is the case. If the Senator would permit an amendment to make it 6 or 7 per cent, it would take care of that situation.

Mr. UNDERWOOD. As the chairman said, all ferrosilicon was originally made in blast furnaces. Some of the old furnaces using that method still exist in Ohio, but they really are not now making the ferrosilicon of commerce. They may be making a silicon iron, but not ferrosilicon. It is ferrosilicon in one sense, because all pig iron that is mixed with silicon is ferrosilicon, but in the commercial sense they are not making ferrosilicon. They are making a silicon iron, which may have its advantages for casting. But if you try to put a tax on it as being in the class of ferrosilicon, you would make an enormous tax on that class of iron, and I think the committee would get themselves in serious trouble, even more serious trouble than they have already gotten themselves into.

Mr. WILLIS. It would make serious trouble in Ohio if this were not changed. They would shut down unless we got a change in the rate. Of course, it is not in order now to offer an amendment.

Mr. UNDERWOOD. The Senator recognizes that as time goes on the methods, not only of the production of silicon but of the pig iron, change. Your furnace of 40 years ago, which did not improve its methods of making pig, has gone out of existence, and probably will remain out of existence.

Mr. WILLIS. The Senator admits that, yet a fair proportion of the ferrosilicon in the United States is blast-furnace ferrosilicon and not electric-furnace ferrosilicon.

Mr. UNDERWOOD. I think I am correct in saying that is a ferrosilicon iron. The purpose of putting the silicon in the iron is to make it flow easier and keep the blowholes out, so that it does not crack so easily, either in iron or steel. I think what the Senator is talking about is a silicon iron and not ferrosliicon.

Mr. WILLIS. I ask permission just here to print in the RECORD a brief statement of facts on this matter from some of my constituents, which I think will throw light on the subject. I will not interrupt the Senator further at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE JACKSON IRON & STEEL CO.,
Jackson, Ohio, September 19, 1921.

Hon. FRANK B. WILLIS,
United States Senator, Washington, D. C.

DEAR SIR: The Fordney House tariff bill, now being considered by the Senate, carries a protection of 2½ cents per pound per unit of silicon in ferrosilicon carrying 8 per cent and higher. Grades of ferrosilicon from 7 per cent to 15 per cent have been made in this State for years, principally in Jackson County and at New Straitsville; in fact, the manufacture of this product has been the principal industry in Jackson County for years and has been a source of keeping alive the blast furnaces here, and the city of Jackson is dependent on its three blast furnaces, which furnish more than 60 per cent of the labor. During the World War steel became a great winning factor; ferrosilicon is so necessary in its manufacture that it became a sort of a key to steel production. The governments of the Allies, as well as this Government, did everything possible to encourage the building of plants to increase production. Electrolytic furnaces, in which grades above 16 per cent are made, were erected at many places in this country where hydroelectric power could be had. Also, Canada built several of these plants, ostensibly for the production of the higher grades—50 per cent and upward. With the ending of the war there came a great slump in the ferrosilicon consumption, and the electrolytic furnaces turned their attention to producing the lower grades, i. e., 7 per cent to 15 per cent, and as a consequence all of the blast furnaces producing this material in this State have been closed down, in most part for more than a year. Our investigation shows that the Canadian electrolytic producers, by reason of their cheaper hydroelectric power, are able to produce the material so much cheaper that they have practically driven the blast furnaces out of the business, and are doing the same thing to the electrolytic furnaces of the United States. The State of Ohio produces 65 per cent or more of the Bessemer ferrosilicon (ferrosilicon made in blast furnaces) of the total amount made in the United States.

Canada is a very small user of ferrosilicon; therefore has a very large surplus, which it can and is dumping in the United States. Its surplus capacity will absorb the major portion of the consuming power of the United States. Its extraordinary cheap hydroelectric power makes it possible to sell at a profit below the States' cost of production.

* * * * * * *

Yours very truly,

NOAH G. SPANGLER, *General Manager.*

UNITED STATES TARIFF COMMISSION,
Washington, May 17, 1922.

Hon. P. J. McCUMBER,
Chairman Committee on Finance,
United States Senate.

MY DEAR MR. McCUMBER: On May 11 you forwarded to us the two letters herewith inclosed, addressed to Hon. FRANK B. WILLIS, in which it was claimed that the dividing line in the ferrosilicon classification should be 7 per cent silicon content instead of 8 per cent and asked us to advise the Committee on Finance relative to this matter.

It gives me pleasure to transmit to you a memorandum by Doctor Berglund of the commission's staff in reply to this request.

Sincerely yours,

THOMAS O. MARVIN, *Chairman.*

GLOBE IRON CO.,
Jackson, Ohio, March 13, 1922.

Hon. FRANK B. WILLIS,
Washington, D. C.

DEAR SENATOR: I thank you for yours of the 10th, and have received copy of House bill with Senate changes on ferrosilicon, as noted in pencil. The committee has given more than ample protection to the higher grades (say 50 per cent ferrosilicon) and have left the American plants producing the lower grades, or grades below 20 per cent, at the mercy, absolutely, of the Canadian manufacturers.

Please note how it works:

A ton of iron, gross, is 2,240 pounds, and 50 per cent silicon content in the ton is 1,120 pounds, which, at 2 cents per pound equals $22.40 tariff, which is fair, or more than fair, perhaps. But 8 per cent silicon, or 179 pounds silicon to the ton at 2 cents per pound, equals $3.58 tariff, 10 per cent $4.48, and so on, which is entirely too low for protection.

Your bill simply means that the American producer of the higher grades, which is mainly 50 per cent, will have the market absolutely to themselves, for not a ton of this grade can be shipped into this country. This is all right, but what will be the position of the American producers of the lower grades when the Canadian manufacturers turn their attention from the 50 per cent to 7 per cent to 20 per cent with the low-tariff rates?

It means that the American blast furnaces will be entirely shut out of this business, for the foreign producers, after being shut out of this country by the high tariff on 50 per cent material, will naturally turn to the lower ferrosilicons with their low-tariff obstacles. Ohio, your State, produces all of the blast-furnace ferrosilicon in the United States, and the bill as it now stands shuts out the 70,000 tons Canadian capacity of 50 per cent in order to allow it to ship in 210,000 tons Canadian capacity of the lower grades, taking absolutely every ton of our trade, for we can not compete with the foreign manufacturers on this grade on account of the low electric power they get.

The Ohio plants, located at Jackson, Wellston, and New Straitsville, make a specialty of ferrosilicons, and 95 per cent of the output is of this material. My plant has been running on ferrosilicon for 30 years, and to be knocked out of a trade that we have spent almost a lifetime in building up and to be compelled to start in again on another grade and seek and build up a new line of customers is awfully discouraging.

Don't forget that the same plants in Canada that now are able to produce, say, 70,000 tons of 50 per cent ferro will be able to produce three times this tonnage, or 210,000 tons, of the lower grades, so the bill keeps out the smaller tonnage and lets in the larger tonnage, which, by the way, is more than America needs or can use. Also, the larger the American tonnage displaced the larger is the number of American laborers displaced.

Keep out all the foreign material, both 50 per cent and lower ferrosilicons, by a tariff equal to the difference in cost, which should be at least $5 and up, according to value; and I would suggest an ad valorem duty, for this method charges the tariff against the value of the material at time of sale.

The minimum silicon content in ferrosilicon is 7 per cent and not 8 per cent, as stated in the bill.

I am sorry to write at such great length, but I want to put up the matter fairly and squarely and in a way I hope that you can understand and appreciate.

Yours very truly,

JOHN E. JONES, *President.*

MAY 16, 1922.

Memorandum on ferrosilicon.

Referring to the communication of Mr. John E. Jones, president of the Globe Iron Co., Jackson, Ohio, addressed to Hon. (Senator) FRANK B. WILLIS, concerning the dividing line between ferrosilicon and pig iron in the Fordney bill and the comments on the differences in the rates imposed on pig iron and ferrosilicon, some explanation is necessary concerning (1) the definition of ferrosilicon, (2) the processes employed, and (3) the relative cost of production.

Definition of ferrosilicon: In the Tariff Commission's report on "The Ferroalloy Industries" ferrosilicon is defined as "an alloy of iron and silicon. The silicon content ranges from 7 or 8 per cent to over 90 per cent." (See p. 71.) In paragraph 302 of the Fordney bill the rates of duty on ferrosilicon begin to operate with the 8 per cent grade, leaving the 7 per cent and lower grade silicon irons subject to the rate prescribed in paragraph 301 on pig iron ($1.25 per ton). There is no reason, however, why the dividing line between pig iron and ferrosilicon should not be drawn at 7 per cent rather than at 8 per cent. It may be stated in this connection that it is difficult to draw any precise line between these two commodities. Foundry iron generally contains from 2 to 4 or 4½ per cent silicon; and silvery iron, which should not be confused with ferrosilicon, from 5 to 10 per cent silicon. The principal distinguishing characteristics of silvery iron differentiating it from low-grade silicon, are the lower average percentage of silicon, the higher phosphorous content (above 0.1 per cent), and, as its name implies, the possession of a silvery fracture.

Processes of manufacture: The tariff problem with reference to ferrosilicon relates mainly to the processes of manufacture. Ferrosilicon is made by either the blast-furnace or the electric-furnace method. The grades containing over 15 per cent silicon are manufactured by the latter method, and sometimes grades containing 15 per cent and less, particularly the grades from 12 to 15 per cent. The lower grades of ferrosilicon, especially those containing less than 12 per cent, can be more economically made in blast furnaces than in electric furnaces, and hence in these grades the blast-furnace method tends to prevail.

Relative cost of production: The electric-furnace method is absolutely necessary in the manufacture of the grades of this ferroalloy having a silicon content in excess of 15 per cent, because sufficient heat can not be generated by the blast-furnace method. Electric power, however, is costly, forming a large proportion of the total expense of manufacture and a proportion which tends to increase with the rise in grade. This power is also more expensive in the United States than in Canada and some European countries (Norway, Sweden, and France). Itemized cost statements furnished the Tariff Commission by manufacturers of ferrosilicon show that in the year ending September 30, 1919, over 26 per cent of the total expense of producing the 50 to 60 per cent grades, and over 37 per cent of the total of the 70 to 75 per cent grades, constituted power cost (see Tariff Commission's report on "The Ferroalloy Industries," p. 86). Since 1919 labor and raw material costs have declined while power costs have remained practically the same. Therefore, a similar cost statement compiled to-day would show larger percentages for electric power.

Investigations made by the Tariff Commission in 1920 show that the producers of ferrosilicon at Niagara Falls were paying $20 per horsepower year for their electric energy, and some producers in other parts of the country considerably more, while their principal competitor, at Welland, Ontario, was charged only $12.75 per horsepower year. Scrap, which constitutes an important item in the raw material cost of manufacturing ferrosilicon, was cheaper at that time in Canada than in the United States, although it must now be said that this situation has changed.

When it comes to low-grade or blast-furnace ferrosilicon, especially the grades containing less than 12 per cent silicon, the American producer is not at the same disadvantage compared with his foreign competitor as the domestic manufacturer of the electric furnace product. Raw material and fuel (coke) in 1919 constituted about 65 per cent of the total cost of manufacture, and these items were as cheap in the United States as in any other country of the world. Coke, which constituted over 36 per cent of the total expense, was appreciably cheaper. Even to-day, when the prices of coke here and abroad are more nearly equal than they were two or three years ago, it is less costly in the United States than in Great Britain. Thus in April, 1922, blast-furnace coke was selling in England at £1 2s. 6d. to £1 3s. 6d. per ton (approximately equivalent to $4.95 to $5.17 per long ton) (converted at the exchange rate of $4.40 to the pound sterling), while at the same time in this country similar coke was selling at $4.50 per long ton. The wages of furnace men are higher in this country than abroad, but in 1919, when they were much higher than they are to-day, labor cost constituted less than 11 per cent of the total expense of manufacturing ferrosilicon.

GENERAL CONCLUSIONS.

Within certain limits the precise point at which a dividing line between pig iron and ferrosilicon should be drawn is a matter which can be decided arbitrarily. Seven per cent silicon content might just as well be fixed upon as the lowest grade of silicon iron, which should be governed by the rates in the ferro-alloy paragraph (paragraph 302), as 8 per cent silicon content. The custom among manufacturers would, in all probability, favor the change.

The distinction between the electric-furnace and blast-furnace grades of this ferro-alloy should be observed. Blast furnaces can be operated in the United States as cheaply as in any other country in the world. Electric furnaces, however, can not be operated here as cheaply as in Canada and some European countries, mainly on account of the greater cost of hydroelectric power in this country. Hence the recognition of this difference in tariff rates is entirely consistent with any policy looking toward an equalization of the cost of the domestic and foreign product in American markets.

Mr. McCUMBER. The Senator from Ohio stated that he would move to make the rate 6 cents. The ferrosilicon, containing from 8 to 60 per cent of silicon, is taxed at only 2 cents.

Mr. WILLIS. The Senator misunderstood me. I was calling the attention of the Senator to the situation if the committee amendment on line 22 shall stand. It reads "containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound." I am not talking about the rate. I am talking about the percentage of silicon. If we get that down so as to take in the ferrosilicon containing 7 per cent of silicon, which we produce in Ohio, it will take care of the situation; but under the rules under which we are proceeding I suppose such an amendment would not now be in order.

Mr. McCUMBER. During the war ferrosilicon was made in nine plants in the United States, all of them using hydroelectric power. I did not know that it was still made under any different method. I especially desire the attention of Senators to this statement. In the standard grades of ferrosilicon it takes one horsepower of electrical energy one year to make 1 ton of ferrosilicon. Horsepower in the United States costs from twenty to thirty dollars per horsepower year. I understand there is a difference of about $15 per ton between this country and Canada in the cost of hydroelectric power alone in the production of these most largely used grades of ferrosilicon. Horsepower on the American side costs between $20 and $30 per horsepower per year, whereas on the Canadian side, I am informed, it is about $7 per horsepower per year, that difference growing out of the law of supply and demand, the American side being very much short of the supply of horsepower, and the Canadian side being long on horsepower, with little demand. That must be considered, as I stated before, in connection with the difference in the matter of taxing, the Canadian not being charged a tax at all for the use on the American side.

Mr. WALSH of Montana. I have been attracted by the statement made by the Senator that power can be secured in Canada at $7 per horsepower. That seems to me impossible. The investigations conducted by various committees here, as my recollection serves me, have shown that hydroelectric power was produced more cheaply in Norway than anywhere else in the world, and it cost from $9 to $12 per horsepower to produce it there.

Mr. McCUMBER. I am informed by the tariff expert who has examined this matter that the cost in Canada is about $7, and that is shown to be about the price of hydroelectric power in Norway, namely, about $7.40 per horsepower year. I notice by the report of the Tariff Commission Survey, however, that the horsepower in Canada is $12.75. My informant may be in error, but he is the Tariff Commission's expert, and he says it is about $7.

Mr. WALSH of Montana. I did not think of it so much in connection with this as with a multitude of industries. If they can produce hydroelectric power and sell it in Canada for $7 per horsepower, they have the potential manufactures of the world over there in Canada.

Mr. McCUMBER. Even if we take the Tariff Commission Survey report, which gives it at $12.75, that would be nearly 40 per cent less than the regular rate charged by American alloy manufacturers for the Niagara Falls horsepower. So that would be enough to make up the difference. The freight rates from European points to the United States to the points of the largest use are less than the freight rates of American manufacturers to the points of use, especially the eastern seaboard because of the difference between ocean freight rates and rail rates in the United States. These differences amount to from two to eight dollars per ton. Labor and transportation costs of raw materials are much higher in the United States.

Therefore, in order that the American manufacturer of ferrosilicon using hydroelectric power may compete with Norway and Sweden, it is necessary that he should receive at least the rates accorded in the bill as reported by the Finance Committee, which amounts, in the various grades, to from $3.60 on the lowest to $22.40 per long ton on the 50 per cent grade, which is the standard. The change from ad valorem to specific duties is not only essential because of the undervaluation during the years past, but gives a rising standard of duty in proportion to the difficulties of our manufacture, and it is therefore necessary, and ferrosilicon is an ideal for the application of specific rates.

I desire to read only one paragraph from a letter received by me March 2 from the Tariff Commission relating to ferrosilicon. It says:

Cost of production: The cost of producing ferrosilicon of standard grade (50 per cent of silica) in foreign countries, namely, France, Sweden, and Norway, we find to be at this time, according to the best available information, $38 to $44 per ton. The cost of the production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

That, I think, presents the matter in a nutshell.

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

Mr. WILLIS. Let the amendment be again reported, so that we may understand what we are voting on.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 49, line 23, it is proposed to strike out "30 per cent, 2½" and to insert "60 per cent, 2," so that if amended it would read:

ferrosilicon, containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound on the silicon contained therein.

Mr. KING. Do I understand the Senator to contend that this product, which exists in the United States in such prodigious and inexhaustible quantities, is to bear a rate of duty of 2 cents per pound?

Mr. McCUMBER. I suppose the Senator, of course, means upon the silicon content?

Mr. KING. Yes; upon the silicon content. I confess my inability to comprehend the reason for such an enormous rate.

Mr. McCUMBER. I just gave it in the very last paragraph which I read, in which the foreign cost is stated to be $38 per ton; cost in the United States, as given here, $78 per ton; highest foreign, $44 per ton; highest in the United States, $82 per ton. I see from that that we have scarcely equaled the difference.

Mr. KING. Before the war the price, as I recall it, was about $50 to $55 per ton. The processes employed in manufacturing ferrosilicon are not difficult. There are no metallurgical or other obstacles or serious complications. It is simply the fusing of silica which exists here and everywhere. We have not only millions but billions of tons of silica and quartz in every State in the Union. The fusing of the metal, with the addition of such ingredients as may be necessary, is a very simple process. To impose this high tariff, of course, is a tax upon the production of steel, and a tax upon the production of all steel is a tax upon the production of all of the articles of the household, the farm and the country, of which iron and steel form a constituent part.

I am not quite able to comprehend who are the beneficiaries of this particular paragraph. I can not say that it is the Steel Trust, because this means an augmentation of the price of the product employed in the production of steel. It must be the few plants or the many plants engaged in the production of silica.

It seems to me that the bill is fashioned upon the theory that everything must bear a tax. We put a tax upon steel products. We put a tax upon everything that enters into the production of iron and steel. Then, of course, we must pass on to what might be denominated the intermediates or the finished products, all of the antecedent factors, and they are pyramided until finally the housewife who buys the knife or the fork or some product composed in part of iron or of steel, or the farmer or the mechanic or the American people, must bear all of the prior accumulations.

The Senator said that because horsepower in Canada is cheaper than horsepower in the United States, therefore we must add an additional duty or tax so as to protect those in the United States who can not get horsepower quite as cheaply. I suppose under that view if horsepower was the principal factor in the production of this or other products, and it could be had for nothing in Canada or in Mexico, it would be the theory of the proponents of the bill to throw away that rich gift of nature and impose an exorbitant tax and pass it on to the American people to enable somebody to engage in the business here under disadvantageous circumstances. But I am not able to perceive, in view of the inexhaustible supply of the silicia and the quartz, the inexhaustible supply of water power, and, of course, of coal, how the cost of silica should mount up to $75 or $85 per ton. As I stated, the pre-war price was between $50 and $56 per ton.

I am unwilling to increase the price of silica to the Steel Trust or to the independents or to any person who may use silica, because in so doing I would know that the person who was compelled to pay that tax would add to the product which he manufactured the entire tax plus other costs for handling the matter, overhead expense, profit, and what not, and the person who purchased his product would add to his intermediate or finished product all of the antecedent costs, and they in turn would be passed on to the ultimate consumer.

I think this illustrates the vice of the bill, the inherent iniquities of it, and, of course, with these accumulated costs and taxes the ultimate consumer must be burdened not with hundreds of millions in the aggregate but billions of dollars. So that the American people must make up their minds when the tax bill is passed that they will have to pay the tax and all of its accumulations which will rest upon their bowed backs.

Mr. McCUMBER. Mr. President, I wish to put in the RECORD the horsepower rates of the different countries that are given me by an expert from the Tariff Commission. The United States averages $20 to $30 per horsepower year; Norway, $5.40 to $9; Sweden, $6 to $10; Germany, $8 to $10; France, $8 to $12.

I am also informed that the imposition of the duty as fixed by the Senate Finance Committee would mean an added cost of about 10 cents per ton in the manufacture of silicon.

Mr. WALSH of Montana. Can the Senator inform us from what source the Tariff Commission gets this information?

Mr. McCUMBER. Page 89 of the Tariff Information Survey C–1.

Mr. WALSH of Montana. My attention was diverted when the Senator was giving some figures. I did not understand whether it was the cost of production of ferrosilicon in this country and abroad or the price at which it is sold.

Mr. McCUMBER. The cost which I gave in this country and in foreign countries was from a letter which I received from the Tariff Commission. A like letter was sent to the Senator from West Virginia [Mr. SUTHERLAND]. It is dated March 2, 1922. It is in reply to a request for information regarding ferrosilicon, its costs abroad and in the United States. The costs which I gave here in the two countries were the costs which were given in that letter from the Tariff Commission.

Mr. WALSH of Montana. Would the Senator give us the figures again?

Mr. McCUMBER. They said:

The cost of producing ferrosilicon of standard grade, 50 per cent of silica, in foreign countries, namely, France, Sweeden, and Norway, we find to be at this time according to the best available information, $38 to $40 per ton. The cost of production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

Mr. WALSH of Montana. "We estimate and believe to be," they say.

Mr. McCUMBER. That is the Tariff Commission. Of course, they get that upon a very thorough investigation.

Mr. WALSH of Montana. I undertake to say there is something wrong with the figures. I have before me the result of a careful investigation made by the Tariff Commission, which I shall be glad to give to the Senate, disclosing that that quality of ferrosilicon was produced in this country in 1919 by blast-furnace process at a cost of $42.07 a ton, and by the electric-furnace process at a cost of $53.49.

Mr. McCUMBER. On page 86 of the Tariff Information Survey C–1 is a table giving the cost in 1919, and the cost in that year in the United States was $94.54.

Mr. WALSH of Montana. That is 50 to 60 per cent and 70 to 75 per cent.

Mr. McCUMBER. That is 50 to 60 per cent silicon content, of course.

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

Mr. WALSH of Montana. I yield.

Mr. KING. I have before me the American metal market and daily iron and steel report—May 11, 1922—which shows electrolytic ferrosilicon, delivered at Pittsburgh Valley and Cleveland, Ohio, 50 per cent, $55 to $60. That is just last month, and it ought to be cheaper now than it was then, unless the trusts are forcing the prices up all the time. Of course, there is a profit in that figure, too. That is the price at which it was sold.

Mr. McCUMBER. On the contrary, my information is that they were selling far below cost.

Mr. KING. Oh!

Mr. McCUMBER. Oh, that does happen sometimes.

Mr. KING. I have not discovered any trust selling very much below cost. Their dividends indicate quite the reverse.

Mr. WALSH of Montana. Mr. President, I want to offer a few figures for the information of the Senate. I am going to assume now that the Senator is giving us the correct figures of the cost of the production of ferrosilicon in this country at $95 a ton. Now, let us see where we come out.

The only difference is in the cost of power. We compete with Canada and the only advantage she has over us is in power. The power entering into the production of this commodity amounts to 26 per cent of the total cost. Practically one-fourth of the total cost is power. Of the $95 a ton, therefore, one-fourth would be $24. Twenty-four dollars is the power cost to produce a ton of ferrosilicon, the total cost of which is $95.

Let us assume that we can get power in Canada for $12.50 per horsepower as against $25 in this country; that is to say, the power costs twice as much. Instead of the $24, therefore, that

could be had for $12 in Canada. Let us assume also that the wages in Canada are the same as the wages in this country; but, no, let us assume that the wages are 25 per cent higher in Canada than they are in this country. The total labor amounts to 17.5 per cent of the $95, and the difference will be about $4.50 in labor, or $16.50 total difference in the cost of the power and labor in this country over Canada. I am assuming a difference of 25 per cent against us in the matter of labor.

In order to take care of a difference in the cost of production of $166.50 it is proposed to put a tariff of 2 cents a pound, or $40 a ton, on this commodity; but there is nothing extraordinary about this. That is about the way these things run. The rates are professed to be put on because of the difference in the cost of labor, and invariably the rate put on is more than the total amount of the labor.

Mr. McCUMBER. Will not the Senator revise that estimate a little? Forty dollars per ton would be 100 per cent of ferrosilicon, and it is on 50 per cent of ferrosilicon we are levying the rate. Therefore it would be just one-half of that.

Mr. WALSH of Montana. The rate is 2 cents per pound.

Mr. McCUMBER. No; it is not. It is on the content.

Mr. WALSH of Montana. Exactly; 2 cents a pound on——

Mr. McCUMBER. On the silicon content, and the silicon content in a ton of 50 per cent silicon would be only half of $40.

Mr. WILLIAMS. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Mississippi.

Mr. WILLIAMS. Where does the Senator derive his idea that there is a difference of 25 per cent in the cost of labor in Canada and the United States?

Mr. WALSH of Montana. I do not. The Tariff Commission report that there is no difference.

Mr. WILLIAMS. But the Senator just admitted for the sake of argument that there was a difference of 25 per cent.

Mr. WALSH of Montana. Even if the Senator from North Dakota were right, he has a rate of $20 on 50 per cent silicon to take care of a difference in the cost of power that does not exceed $12.

Mr. WILLIAMS. Mr. President, the people of the United States and the people of Canada are in a state of flux all the time. Americans are constantly crossing the border seeking employment, and Canadians likewise are constantly crossing the border seeking employment. Is there, as a matter of fact, any difference at all in the price of labor in Canada and in the United States?

Mr. WALSH of Montana. There is practically none.

Mr. WILLIAMS. And yet the Senator in making his argument admitted for the sake of the argument that there was a difference of 25 per cent?

Mr. WALSH of Montana. Yes; because it is assumed.

Mr. WILLIAMS. Who assumes it?

Mr. WALSH of Montana. It is generally assumed that labor costs are less anywhere in the world than they are in the United States.

Mr. WILLIAMS. But who assumes it?

Mr. WALSH of Montana. It is assumed generally by those who advocate this bill.

Mr. WILLIAMS. Does the Senator know any particular person who assumes it?

Mr. WALSH of Montana. No; I would not attribute the assumption to any particular person.

Mr. WILLIAMS. Did the Senator from North Dakota assume it?

Mr. WALSH of Montana. He confined his argument, I think, chiefly to power.

Mr. WILLIAMS. As a matter of fact, there is absolutely no difference between the cost of common labor in Canada and in the United States, just across the border, is there?

Mr. WALSH of Montana. I think not; or skilled labor either, for that matter.

Mr. WILLIAMS. So that the whole Republican idea of erecting a tariff barrier between the United States and Canada as against an inferior cost of labor is a piece of humbuggery?

Mr. WALSH of Montana. I will give the Senate the benefit of the conclusions of the Tariff Commission with reference to this particular product. It is stated:

> Summing up the competitive situation the following conclusions may be drawn:
>
> 1. The cost of producing Bessemer or blast-furnace ferrosilicon is as low in the United States as anywhere else in the world.

"Anywhere else in the world."

Mr. WILLIAMS. Can not the Senator from Montana go beyond that and say that at Birmingham, Ala., the cost is lower than anywhere else in the world?

Mr. WALSH of Montana. I am not sure that they produce ferrosilicon at Birmingham.

Mr. WILLIAMS. No; but the Senator was talking about the Bessemer process.

Mr. WALSH of Montana. I referred to Bessemer blast-furnace ferrosilicon.

The survey continues:

> The raw material and fuel, which constitute about 65 per cent of the total cost, are as abundant and as low in price here as elsewhere. Labor cost is only 10 per cent of the total—

Ten per cent of the total is the amount of the labor cost—

> and, as in the case of ferromanganese, the higher wages in this country are offset by the larger output per man employed.

So that, so far as labor costs is concerned, there is not any difference.

Mr. WILLIAMS. If the Senator will pardon me for just a moment more, I remember that about 16 years ago I offered an amendment when a Republican tariff bill was being considered in the House of Representatives which provided that where the difference in labor was any given amount the tariff duty levied upon the foreign product should never be beyond 100 per cent of the labor cost—not 100 per cent as representing the inferiority of foreign labor, but that the duty never should be above 100 per cent of the total labor cost. I remember that Grover Cleveland, who was at that time an ex-President of the United States, and however poor a Democrat in some respects, he was a mighty good one on the tariff, came out in a public article indorsing that idea. Is there anything in this bill now which indorses the idea that there shall not be any import duties above the total cost of labor in the production of a given article?

Mr. WALSH of Montana. No; I think there is not; but, in view of many of the disclosures which have been made in the discussion of the bill thus far, an amendment of the character suggested by the Senator from Mississippi would be exceedingly pertinent, and I can not conceive why anyone should oppose it.

Mr. WILLIAMS. Does the Senator from Montana imagine that any Republican, even the Senator from North Dakota, at the head of the Finance Committee, would accept it?

Mr. WALSH of Montana. I am not able to say as to that.

Mr. WILLIAMS. I shall offer an amendment later on to the effect that wherever the total labor cost of a product shall amount to a given sum the total import duty shall not be above 100 per cent of that sum.

Mr. WALSH of Montana. I take this occasion to say to the Senator—perhaps he was not present—that the Senator from North Carolina [Mr. SIMMONS] a few days ago submitted a very elaborate table showing the labor cost entering into various commodities as compared with the rate which they bear in this bill, from which it appeared that often the rate fixed amounted to more than the total labor cost.

Mr. WILLIAMS. Of course, that might be a matter of dispute between the Senator from North Carolina [Mr. SIMMONS] and some Republicans; but if any Senator on this side of the Chamber were to offer an amendment to the effect that the import duty should never exceed the entire labor cost in America of a given product, does the Senator from Montana imagine it would be accepted?

Mr. WALSH of Montana. I imagine not. It would be said that there was a difference in the cost of power.

Mr. WILLIAMS. Of wind, water, and other things.

Mr. SIMMONS. The Republicans would not accept such an amendment because, if they did accept it, it would practically wipe out of the bill about one-third of the proposed duties.

Mr. WILLIAMS. I do not know the exact proportion. I am glad to hear it would be about one-third.

Mr. SIMMONS. I merely ventured that as an estimate.

Mr. WILLIAMS. If the Republican Party are sincere—the Senator from Utah [Mr. SMOOT], for example, and the Senator from North Dakota [Mr. MCCUMBER], for example—and really want the cost of labor of Europe and here to be equalized, they ought to be satisfied with an import duty equal to the entire cost of the labor entering into a product, whatever it may be.

Mr. SIMMONS. They would be if they were writing a bill for protection purposes, but where they are writing a bill for the purpose of maintaining certain prices and to permit additional profits, of course, they would not be satisfied.

Mr. WILLIAMS. I do not join in that sort of tirade. I do not believe for one moment that distinguished Republican statesmen are attempting to do what the Senator from North Carolina insinuates. I believe that they are only trying to equalize the cost of European, Asiatic, and African labor with the cost of American labor. Of course, if that be their true intent and purpose, then a duty equal to the entire cost of labor entering into an American product—the American cost and not the European cost, because the American cost would be still greater, according to them—they ought to be satisfied. But I scorn to

believe that, as the Senator from North Carolina has intimated, Senators on the other side are engaged in any effort to keep up present prices or to increase them. The Senator from North Carolina knows as well as I do that they have disclaimed that intent time and time again, and he knows that, as Mark Antony said of Brutus and Cassius, "they are all honorable men."

Mr. WALSH of Montana. Mr. President, I am obliged to the Senator from Mississippi for the contribution he has made to this discussion. Of course, his vast experience in connection with tariff legislation entitles him to very considerate attention whenever he chooses to discuss what is before the Senate. We all regret that he does not participate more frequently than he does.

I have shown, Mr. President, by the Tariff Commission's report that so far as blast-furnace ferrosilicon is concerned, it can be manufactured in this country as cheap as anywhere in the world and there is no occasion whatever for the imposition of a duty.

Blast-furnace ferrosilicon ordinarily contains, as I understand, from 8 to 15 per cent silicon. The first bracket in this paragraph of the bill embraces all ferrosilicon containing more than 8 per cent silicon; so it would include all blast-furnace ferrosilicon.

Mr. WILLIS. All except that below 8 per cent.

Mr. WALSH of Montana. That is regarded as not ferrosilicon at all, I understand.

Mr. WILLIS. There is a difference of opinion about that. I have here the report of the Tariff Commission in which they say that 7 per cent is included.

Mr. WALSH of Montana. Very well. All blast-furnace ferrosilicon, then, is included within this bracket bearing a duty of 2 cents a pound or $40 a ton—$40 a ton, bear in mind, on a product which the Tariff Commission tells us we can produce in this country as cheaply as anywhere in the world, the item of power not entering into the proposition at all, and the labor cost being only 10 per cent of the total cost of the product.

Now we come to the ferrosilicon produced by the electric-furnace process, utilizing power. In that case there is a differential against us because power is cheaper in Canada than it is in this country, although there is by no means the disparity that would be indicated by the remarks of the Senator from North Dakota, as I shall show presently, but there is some difference. The Tariff Commission says:

2. The cost of producing electric-furnace ferrosilicon, especially the standard and higher grades, is greater in the United States than in some countries. This difference is mainly owing to the fact that in such countries as Canada, Norway, and France, water power, which is a very important item in the total cost, is cheaper than in the United States. In Canada, where we get the bulk of our imported ferrosilicon, power costs range from 10 to 50 per cent less than at Niagara Falls, N. Y., where power on any large scale is sold more cheaply than in any other part of the United States. As the grade of product rises power cost becomes more important, and hence the advantage of the country having low-price power becomes more pronounced.

Mr. President, I repeat that if we were able to get power in this country at just twice the cost of power in Canada, paying for it $25 a horsepower as against $12.50 in Canada, the increase in the amount that it would cost to produce ferrosilicon in this country by reason of that increase in the cost of power would be just $12; and in order to cover that $12 a rate of 3 cents a pound is put on when it contains 60 per cent or more of silicon, which would be $42. A duty of $42 is put on—$42, bear in mind, or better—to cover an excess of power cost of only $12.

Bear in mind, now, I am figuring upon the basis that power in this country costs twice what it costs in Canada while the Tariff Commission tells us that the difference is from 10 to 50 per cent. The particular figures I shall give presently.

Leaving power out of consideration, the commission says:

3. Other cost factors like raw material and labor give the foreign producer, under normal conditions, but slight, if any, advantages. There is little difference between the wages of American and Canadian workmen, and while labor cost may be lower in Europe than in the United States, it is not such a big factor in the total cost as power and raw material. Coke or coal and silica rock are about as cheap here as in other countries.

So that all we have to take care of in this matter is the matter of power. How much power do you have to use in order to make a tariff of $60 a ton justifiable on the silicon content?

Of course that is $60 a ton. If it contains only 60 per cent, the price would be $42—bear in mind, $42 a ton duty upon this to take care of the difference in power, when the total cost of the power in this country is only $25; not the difference, but the total cost.

Now, let us see about the difference in the cost of power:

At Niagara Falls, N. Y., where the leading producers of ferrosilicon in the United States have their plants, the present (1920) cost of power for electrometallurgical work is $20 per horsepower year.

Twenty dollars per horsepower. I figured on $25. If it is $20, that reduces the difference in the power cost so much.

For this price the consumer must use 500 kilowatts as a minimum and for a term of not less than five years. This cost is divided into "firm energy to be supplied or kept available for supply" at a price of $23 per kilowatt per annum and "compensation for loss of electric energy between the point where the same is measured, and for the agreed value of the service for the transmission of such 'electric energy' supplied or kept available for supply as firm energy between the generating station of the company and the premises of the customer" at a price of $3.80 per kilowatt per annum. The total charge is thus $26.80 per kilowatt per annum, or approximately $20 per horsepower year.

On the Canadian side of the Falls electric power is cheaper, ranging from $10 to $18 per horsepower in Ontario. If we can get it on this side at $20, and on the other side at $10, there is a difference in power of $10, for which the American people are required to submit to a tariff of $42 per ton—$42 per ton to take care of a difference in power of $10. But, Mr. President, the cost is not uniform, but it runs from $10 to $18 per horsepower, or a difference of $42 to take care of a difference in the cost of power of just $2.

I wonder how long the American people are going to stand this kind of thing. I wonder how they are going to regard a bill that is framed as this one is, and in the face of facts of this character.

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

Mr. WALSH of Montana. I yield to the Senator.

Mr. NORRIS. The Canadian power costs that the Senator has been giving are in Ontario, as I understand.

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. Has the Senator there, or is there given there, the reason for the difference in power costs between the American side and the Canadian side of the Niagara River?

Mr. WALSH of Montana. No; that subject I do not find discussed here; but the Senator from North Dakota tells us that it is due to the fact that they have a superabundance of power on the Canadian side and a limited demand, while on this side they have a lack of power and an excess of demand.

Mr. NORRIS. The Senator is aware, I presume, that the power on the Canadian side is Government owned and on the American side privately owned?

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. I think I called attention once before while this bill was here to a report that is being used to prevent the Government of the United States from developing as a Government any of its water powers, wherein a famous engineer makes a comparison between the Ontario price to the consumer and the American price to the consumer, and reaches the conclusion that the American consumer is getting his power cheaper than the Canadian Government-owned organization gives it to the consumer over there. That, however, was not for the purpose of levying a tariff or something. The object there was to discourage Government operation and Government development of water power in the United States. It seems now, in this instance, where it is desired to levy a tariff on a product, and it is desirable to show that the Canadian cost of the product made from this power is cheaper than the American cost, that it is demonstrated that the Government-owned power development of Canada is cheaper than the privately owned power development in the United States.

Mr. WALSH of Montana. It seems that the figures are flexible, depending upon the conclusion at which you desire to arrive.

Mr. NORRIS. Yes.

Mr. WALSH of Montana. But, Mr. President, the end is not here at all. Thus far we have been considering the matter of power being procured over in the United States on a basis of $20 per horsepower, but let me submit the following from this same report:

While the power rates on the American side of the Falls is $20 per horsepower-year, some producers of ferrosilicon, by virtue of old contracts, pay less. Some of these rates are as low as $15 and $16 per horsepower-year, and in one instance the rate is even lower. As old contracts expire the rate is raised to $20.

During the war some of the American producers of ferrosilicon at Niagara Falls were obliged to add to their allotment of power in order to supply the increased demand for this ferro-alloy. As the available water power was already in use, resort was had to steam-generated power, which cost as high as $80 and $90 per horsepower-year. This high cost was, of course, a temporary condition brought on by a great world crisis and was not excessive compared with what is paid in other parts of the country for steam-generated electrical energy. Since the war the use of steam-generated electric power has been discontinued by manufacturers of ferrosilicon.

The great bulk of the ferrosilicon manufactured in Canada is produced by one company, whose plant is located at Welland, Ontario. In 1907 this company entered into a contract whereby it was to be supplied with hydroelectric power for 30 years at a cost of $12.75 per horsepower-year, or nearly 40 per cent less than the regular rate charged American ferro-alloy manufacturers by the Niagara Falls Power Co.

So I feel that we are justified in saying that at the very highest the difference in the cost of power in this country and in Canada is the difference between $12.75 and $20, or $7.25—

$7.25, and a tariff of $42 a ton is put on to cover that difference. But, as I said, the same showing is repeatedly made with respect to many items in this bill in which the tariff is put on ostensibly to cover the difference in the cost of labor in this country and abroad; but it is disclosed often that the total labor cost is nowhere near the amount provided for the tariff rate.

Mr. President, this is a wholly indefensible provision, and I move to amend it by making the rate 1 cent per pound instead of 2 cents. One cent would be $10 per ton in the case of 50 per cent silicon. Of course, we will reach presently the case of the 60 per cent and more, 3 cents.

Mr. SMOOT. Mr. President, I am not going to repeat what the Senator from North Dakota has said upon this subject matter, but I want to say to the Senate that the Senator from Montana has been discussing one article and applying it to an article that has no more reference to what he was discussing than if it were made in a foreign country and never entered America.

The Senator has been reading from the tariff report the figures on blast-furnace ferrosilicon. It is sometimes called Bessemer ferrosilicon. The usual grade of that kind of ferrosilicon carries 10, 11, and 12 per cent—never above 12 per cent—of silicon. The average is 11 per cent; and when it goes above 15 per cent, as provided for in what the Senator has been talking about, it is never made in a blast furnace. It can not be made in a blast furnace. It is made in an electric furnace under the electric-furnace process.

I have a few figures to show just how far afield the statement was that was made by the Senator. Taking 11 per cent as the average, the silicon content of a long ton of 2,240 pounds—and all of the importations are given in long tons—would equal 247 pounds.

The duty is 2 cents a pound, or $4.94 cents a ton, and not $44, or $40, or any other amount. It is $4.94 a ton. The price of the ferrosilicon of 11 per cent is $44.80 a ton to-day, and $4.94 per ton would equal an 11 per cent ad valorem duty. That is what the committee has reported.

At present our only imports run 50 per cent and above, nothing under, and there is not a pound of ferrosilicon imported into the United States that is made in a blast furnace; not one single pound. Yet we have been told that the duty upon it is $44, and that it costs only some $7.75 more to produce it in the United States because of the difference between the cost in the United States for water power and that in Canada. The whole duty on the item is $4.94 a ton, and of course the water power does not cut any figure in this case at all. But if the product contains 50 per cent silicon or over, then it does cut a figure, and that is just what I have already stated. That is a product not made in a blast furnace but made by electrical furnace process.

The Senator from North Dakota, I think, gave the figures, and a concise statement, as to just what was intended by the amendments proposed by the Senate Committee on Finance, and I have made this statement simply because of the fact that the Senator from Montana read from the report of the Tariff Commission as to one item and applied the statement to another.

Mr. WALSH of Montana. Mr. President, there is no justification for that statement at all. I read what the Tariff Commission said about the blast-furnace ferrosilicon, and they said there was no difference at all. The blast-furnace ferrosilicon contains anywhere from 8 to 15 per cent.

Mr. SMOOT. That is what I said.

Mr. WALSH of Montana. This amendment includes from 8 to 60 per cent, so it includes all the blast-furnace ferrosilicon there is.

Mr. SMOOT. As I stated, there is not a pound of blast-furnace silicon imported into the United States.

Mr. WALSH of Montana. I do not care what the Senator said; I am talking about what the Tariff Commission said. Let us take the figures about which the Senator is talking. The item under consideration embraces everything containing from 8 per cent silicon to 60 per cent silicon. That bears a rate of 2 cents a pound. The average of all that is 34 per cent. There would be 680 pounds of the silicon in the average of this, running from 60 per cent up. Of course, if it was 50 per cent, there would be a thousand pounds, and 2 cents a pound on that would be $20, as a matter of course. That is what you have on your first item, $20. Nobody can controvert those facts, if it is 50 per cent. If it is 60 per cent, your duty is $24, to take care of the difference in the power cost, which I have shown can not exceed $7.25.

Mr. SMOOT. The Senator probably did not hear the letter read by the Senator from North Dakota from the Tariff Commission, dated, I think, March 2.

Mr. WALSH of Montana. I read it; but the Tariff Commission tell us that there are contracts outstanding by which the ferrosilicon manufacturers get their power for from $15 to $16 a horsepower, and likewise they tell us that the power cost for work of this character is $20 per horsepower.

Mr. SMOOT. If Canada could make it so much cheaper than any other foreign country, or anyone with whom we were in competition, it certainly would furnish the product to England, instead of Norway furnishing it to England. Norway produces it more cheaply than any other country in the world. Norway has a power price of $6 to $7 a horsepower per year. That is where ferrosilicon is produced cheaper than anywhere else in the world, and it furnishes, I think, all the ferrosilicon sent to England.

Mr. WALSH of Montana. The Tariff Commission does not seem to think that the competition from Norway is deserving of any consideration at all, because it simply discusses the competition of Canada.

But while we are on this item we might just as well consider the other items. If the product contains from 50 to 80 per cent silicon, it gets 3 cents. The average is 70 per cent. That is 1,400 pounds in every ton, and 3 cents a pound would make it $42. Forty-two dollars, as I said, is the tariff on the high-grade ferrosilicon.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. WILLIS. Will the Senator permit me to call attention to an inevitable result of this paragraph, if adopted as it stands? I called his attention a moment ago to the fact that 7 per cent ferrosilicon is ferrosilicon proper, and not pig iron. If this shall be adopted as it stands, the inevitable result will be that instead of producing the higher grades of ferrosilicon, as they now produce them in Canada, they will use this cheaper power to which the Senator has referred in producing the lower grades. The Senator from Utah pointed out the fact that up to date blast-furnace ferrosilicon has not been imported. That is true, but unless we shall include the 7 per cent ferrosilicon it will inevitably be true that the Canadian manufacturers will produce a lower grade, and therefore we will have importations. That is why we ought to have 7 per cent there instead of 8 per cent.

Mr. WALSH of Montana. The ferrosilicon which contains from 80 per cent to 90 per cent gets 4 cents a pound. The average would be 1,700 pounds, 85 per cent, figuring on 2,000 pounds to a ton and 4 cents a pound.

Mr. SMOOT. I do not see why the House put that in. There is no such thing as that used in commerce. Eighty per cent is the highest. That is the standard, and I can not understand why they made provision in the bill for the product containing between 80 and 90 per cent silicon. It is not used anywhere.

Mr. WALSH of Montana. I certainly can not enlighten the Senator.

Mr. SMOOT. I think the extra cost attached to the manufacture, if such a thing were on the market, would be more than the advantage they would receive in the freight rates, even where it comes from Europe or anywhere else.

Mr. WALSH of Montana. There would, then, according to the Senator, be two classifications, one of more than 8 and less than 60, and another more than 60 and less than 80, or, generally, more than 60. From 8 to 60, and from 60 above, would be the two classifications suggested by the Senator, the first to bear 2 cents and the second to bear 3 cents.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. If you figure it from 60 to 80, as I have said, that makes an average of 70, and 3 cents a pound would make the tariff $51.

Mr. SMOOT. The only importations are of the 50 per cent grade; then there is a 75 per cent grade. Wherever it is 90 per cent it is silicon metal, and they might just as well make the product into silicon metal as to try to make one containing 90 per cent of silicon. As I said before, I do not see why they put the bracket in the bill, because it is not commercially used. It is not known; it is not advertised. Nobody tries to make it.

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

Mr. SIMMONS. I ask that the amendment to the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out "2 cents" and to insert "1 cent," so that, if amended, it would read:

Ferrosilicon containing 8 per cent or more of silicon and less than 60 per cent, 1 cent per pound on the silicon contained therein.

The amendment to the amendment was rejected.

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

The amendment was agreed to.

The next amendment was, on page 49, line 24, to strike out the words, "containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein."

Mr. WILLIS. Before we leave the other provision I desire to say a word.

Mr. SMOOT. I would not care whether that were made 8 per cent or 7 per cent, but I am not authorized by the committee to make that change. I promise the Senator that the question shall be brought to the attention of the committee. I do not know what the committee will do, but as far as I am personally concerned it will make no difference, in my opinion, whether it is 7 or whether it is 8.

Mr. WILLIS. The Senator is willing to let it go over, then?

Mr. SMOOT. That item is not amendable now, anyhow; but the committee may amend it if they so desire.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting 1½ for 3 cents.

Mr. SMOOT. The Senator will allow us to vote upon this first amendment, will he not, striking out lines 1 and 2? The next amendment is what the Senator has in mind.

Mr. WALSH of Montana. Yes; that amendment may be acted upon.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, striking out the words which have been read, on page 49, line 24, and lines 1 and 2, page 50.

The amendment was agreed to.

The next amendment was, on page 50, line 4, to strike out "3½" and insert "3" before the word "cents," so as to read:

Containing 60 per cent or more of silicon and less than 80 per cent, 3 cents per pound on the silicon contained therein.

Mr. WALSH of Montana. I move to amend by substituting "1½" for "3."

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. WALSH of Montana. I would like to inquire of the Senator from Utah if it is his purpose to move to strike out at the appropriate time the remaining clause, and to make the appropriate amendment to carry out his ideas there?

Mr. SMOOT. I have not presented that to the committee. It will be presented to-morrow, if we get time.

Mr. WALSH of Montana. As I understand it, then, it would read substantially, if made to conform to the idea of the Senator, starting with line 2, "containing 60 per cent or more of silicon, 3 cents per pound on the silicon contained therein," with the remainder stricken out?

Mr. SMOOT. That would be perfectly satisfactory to me, and I think it would be to commerce, because it is not known as a commercial product, although if we do that, then we will have to have silicon metal provided for. Silicon metal runs at least 90 per cent and over, and that would have to be taken care of if this provision as to ferrosilicon is stricken out.

Mr. WALSH of Montana. Let me inquire. Silicon metal would be simply plain sand, would it not?

Mr. SMOOT. I will say to the Senator that silicon metal is made of plain sand, but it is the plain sand reduced to a metal through a process which I think the Senator understands.

Mr. WALSH of Montana. No; I do not, because I supposed silicon reduced to metal was pure glass.

Mr. SMOOT. That is one process of making glass, but mixed with other chemicals.

Mr. WALSH of Montana. I thought when we had pure quartz we had pure silicon.

Mr. SMOOT. That is what it is if it were possible to make it.

The VICE PRESIDENT. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 50, line 14, the committee proposes to strike out the word "ferrocerium" and the comma.

Mr. SMOOT. This is what may be called the basket clause. It is reported at 30 per cent ad valorem. I move to strike out "30" and insert "25."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. In line 13, strike out "30" and insert in lieu thereof "25."

Mr. WALSH of Montana. Is it the Senator's purpose to make the same amendment in line 13?

Mr. SMOOT. That is the amendment I am now offering.

Mr. WALSH of Montana. I thought the Senator referred to the "30" in line 13.

Mr. SMOOT. That is a special metal.

Mr. WALSH of Montana. It is chromium.

Mr. SMOOT. It is the cerium metal to which the Senator is referring?

Mr. WALSH of Montana. No; there is a duty of 30 per cent on chromium and its compounds. In line 19 there is a 30 per cent duty on various compounds.

Mr. SMOOT. The committee made no change in those items.

Mr. WALSH of Montana. That is to remain the same?

Mr. SMOOT. Yes; the same. There is no amendment offered.

Mr. WALSH of Montana. Then I take it that is practically a revenue duty.

Mr. SMOOT. No; it is not only revenue but it is a protective duty.

Mr. WALSH of Montana. There are none of those metals that require any protection, are there—ferrophosphorus, for instance?

Mr. SMOOT. If the Senator will look at the importations, he will find there are large quantities of chromium imported from France.

Mr. WALSH of Montana. We export from this country millions of dollars worth of phosphates.

Mr. SMOOT. But this is ferrochromium.

Mr. WALSH of Montana. Ferrophosphate, of course, and other kinds of phosphates.

Mr. SMOOT. That comes in the next bracket. They will fall in the basket clause at 25 per cent. That is the very first item in what I term the basket clause, and I wanted to move to strike out 30 and insert 25.

Mr. WALSH of Montana. On what page?

Mr. SMOOT. On page 50, in line 13, before the words "per centum ad valorem," following ferrochrome and ferrochromium, following the words "ad valorem" is "ferrophosphorus." I thought this was what the Senator had reference to.

Mr. WALSH of Montana. Yes.

Mr. SMOOT. On page 50, line 13, following the words "ad valorem," "ferrophosphorus" is the first word, and that is the first item in what I term the basket clause. They also carry 30 per cent in the House text, but the Senate committee desires to strike out "30" and insert "25."

Mr. WALSH of Montana. I think that is only a revenue rate, and I do not know any particular reason why these products should be revenue producers, except, of course, that they burden the industry to a very considerable extent. There are none of these which require any kind of protection. Take ferrovanadium, for instance. We import the ore very largely from South America, and yet we can compete with the world in the manufacture of ferrovanadium, as appears from the Tariff Commission Survey C-1, page 128, from which I read as follows:

Under present (1920) conditions no tariff problem arises with reference to the manufacture of ferrovanadium. This country furnishes most of the ferrovanadium produced in the world and controls the principal sources of supply of raw material. The imports of ferrovanadium having been very small and sporadic, the imposition of a duty yields only a negligible revenue.

Mr. SMOOT. I will say to the Senator that outside of ferrophosphorus all those items are used only in very small quantities. There are none of them which are really made in any quantity, not only in this country but in the world.

Mr. WALSH of Montana. There is ferrouranium, for instance. Uranium, it will be remembered, is the metal from which by some process radium is produced. We control the supply of the world, and it can not be produced anywhere in the world more cheaply than in the refineries of Pittsburgh.

Mr. SMOOT. I do not know whether there are 100 pounds of it used anywhere in the world. The Senator knows that in making up these basket clauses, they are made with the view that we do not know what will develop in the future. There are items in the bill, particularly in the basket clause, as to which a new discovery may be made, and it is generally put somewhere in the tariff bill. It would fall in the basket clause if they wanted to know something about the statistics of the item itself.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question?

Mr. WALSH of Montana. I yield for that purpose.

Mr. SIMMONS. I think one of the purposes of the power which is to be conferred upon the President in the amendment delegating to him power to fix rates under certain conditions is to meet the cases which the Senator says may possibly arise in connection with the very item he is now discussing.

Mr. SMOOT. If it is on the free list, I will say to the Senator, the President will have no power to take it off the free list.

Mr. SIMMONS. It is not on the free list.

Mr. SMOOT. I know it is not now. The power given to the President would allow him to increase whatever rate is fixed not to exceed 50 per cent, and this is a 25 per cent rate.

Mr. SIMMONS. And he may increase it 50 per cent.

Mr. SMOOT. He may do that. That is, he could increase it to 37½ per cent.

Mr. SIMMONS. The Senator is proposing to confer that power to increase the rate 50 per cent to meet a purely conjectural case.

Mr. SMOOT. Well, we can not tell. No living soul can tell. The Senator knows items of that kind are in every tariff bill.

Mr. SIMMONS. There may be items of that kind in every tariff bill, but I supposed the power given to the President was to take the place of these items.

Mr. SMOOT. Not at all. Nobody can tell what it may be. It may be 100 years before anything is discovered, and it may be 100 days or 100 weeks or 100 months.

Mr. WALSH of Montana. I should not spend any time on these items, which in a way are trifling, except that they illustrate to some extent the characteristic feature of the bill to clap a tariff on anywhere. Take ferrovanadium, as to which we control the world. The importations all come from South America and the mines are owned by American capital. Take ferrouranium. Nobody in the world produces uranium in a fractional part of the quantity that is produced here in this country. Indeed, we supply the world. Take ferrophosphorus, for instance. We have phosphate beds in the West limitless in amount, and they have so much down in Florida and Tennessee that we are shut out of the market absolutely. It is a drug on the market, so far as the United States is concerned, and yet it is proposed to put a tariff of 25 per cent on that product. The Tariff Commission says:

> There is no special problem with reference to tariff classification or kind of duty to be imposed. The competitive position of the domestic producers is not seriously menaced by any known special advantages which the foreign manufacturer may have. While hydroelectric power is cheaper in some foreign countries than in the United States, the blast-furnace ferrophosphorus made in this country, as shown by the small importation, has been able to hold its own against the foreign product. Certain radical alterations in the relative prices of coke and hydroelectric power may, of course, change this situation.
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> The importation of ferrophosphorus has been too small to yield any considerable revenue. Since 1912 the duties collected on imports in any one year never amounted to as much as $1,000. In 1911, under a 25 per cent ad valorem rate, the duties collected on the unusually large importation of 195 tons amounted to only $1,716.

Ferrotitanium is another item in the so-called basket clause. We are in the same favorable situation with respect to that, as appears from the Tariff Commission report, as follows:

> With the present small and sporadic importation of ferrotitanium the tariff problem is not an urgent one, either because of adverse competitive conditions or on account of revenue possibilities. In tariff classification, however, recognition should be given to the fact that the carbon-free ferrotitanium is a much more expensive product than ferro-carbon-titanium, and is produced under different conditions. The possibility of serious competition in the future on account of high power costs merits some consideration.

But for the present there is no occasion for a tariff at all.

Mr. SMOOT. Mr. President, is it not strange that this was all right in 1913? It was all right to name these very items and place a duty upon them in 1913. It was the duty of a statesman to do that in 1913, but in 1922 it is all wrong. Every item, with the exception of ferrozirconium, was named specifically in the law of 1913, and that product was not known at that time, or it would have been included. The importations in this bracket were only $25,000, and I have stated why they are mentioned in the bill. They are items which are not used to any extent in any part of the world. What would the world do if some one were to produce a pound of radium? What would it mean—a pound of radium for all the world? I do not think we ought to take any time in disposing of these things. It makes no difference to the bill whether they come out or whether they stay in.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. In line 14, page 50, the committee proposes to strike out the word "ferrocerium" and the comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 15, page 50, strike out "ferrosilicon" and insert "zirconium ferrosilicon."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 20, page 50, the committee proposes to strike out the words "ad valorem" and insert "ad valorem; cerium metal, $20 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Now, my motion is to strike out, in line 19, the numeral "30" and insert "25."

Mr. SIMMONS. Mr. President, in voting on amendments, we much prefer that the Chair, instead of saying "Without objection, agreed to"—we may not agree to the amendments—would permit a vote to be taken where there is no call for the yeas and nays. I should much prefer that the Chair should put the question on agreeing to amendments.

The PRESIDING OFFICER. The Chair will be glad to put the question on amendments. The amendment offered by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. In the House text at the end of line 19, on page 50, it is proposed to strike out the numerals "30" and to insert the numerals "25."

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

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 50, line 20, after the words "per cent," to strike out "ad valorem" and insert "ad valorem; cerium metal, $2 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

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

Mr. WALSH of Montana. Mr. President, I wish some Senator would make some explanation of that amendment. I have not been able to get any information in reference to it. Two dollars a pound seems to be a pretty stiff duty.

Mr. FRELINGHUYSEN. Mr. President, the duty of $2 per pound on cerium metal is warranted by the import price of $10 a pound. The price on the ferrocerium during the war was $100 a pound. The average price is now about $25 a pound.

The cerium industry is not a large one. During the war a process was developed in this country for the manufacture of cerium alloys and we were able to furnish the Army of the United States and its allies ignition means, without which they would have been seriously handicapped. Prior to the war it was all controlled by an Austrian trust; but during the war the patents were taken over and we began to manufacture it in this country. There were three or four concerns which manufactured it during the war. If we are to maintain this industry in this country it is necessary to impose these duties, which are practically, as near as I can figure them out, about 40 per cent of the cost of the product. I desire to read into the RECORD at this point a statement concerning the character, production, uses, and so forth, of cerium metal:

> Cerium is a soft black heavy metal produced in the electric furnace. Its only recognized use is as the basis of pyrophoric alloy (designated commercially as sparking metal or flints) for lighting appliances, such as mining lamps, gas and pocket lighters, which alloy is composed of about 70 per cent impure cerium metal, hardened by about 30 per cent of iron, zinc, copper, magnesium, or other metals. The alloy is marketed mainly in small cylindrical shaped sizes about one-eighth inch diameter by one-eighth inch long, running about 1,500 to 2,000 pieces to the pound. The normal market in this country is only about 500 pounds monthly, the principal countries using same being France, Germany, Austria, Poland, and Russia, and tropical countries where matches are injured by moisture.
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> The cerium salts used to produce the metal are the residues left after extracting thorium salts (used in the making of gas mantles) from the monazite sands found principally in India and Brazil. The sands are concentrated so that when marketed the Brazilian sands contain 5 to 7 per cent of thoria and the India sands 8 to 10 per cent, the India sands consequently being superior. About 70 per cent of the volume of sands treated for thoria is left as residue. About 5 pounds of such residue, carrying about 50 per cent of cerium salts, are required for a pound of cerium metal.
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> Before and during the war the gas-mantle and the cerium industry of Europe was controlled by a German-Austrian cartel, of which Von Dernberg (the recognized financial representative of Kaiser Wilhelm) was the largest stockholder. The principal company of the cartel was the Treibacher Chemische Gesellschaft, of Treibach, Austria, formed by Auer von Welsbach, the original inventor of the gas mantle. The cartel had branches or subsidiary companies which they controlled in the principal parts of the world, and also controlled the monazite sands of India through a British company, of which they owned the stock. The Brazilian sands were and still are controlled by a French company that worked in accord with the cartel. The cartel produced probably about 5,000,000 pounds of thoria per year, the greater part of which they marketed with their gas mantle, doing a business of several million yearly. The two or three American companies which manufactured thoria were independent of the cartel, but had necessary trade relations on account of their need for getting the monazite sands. Their cost of producing thoria and gas mantles was higher than in Europe on account of their more limited production and because they had no market for their residues. During the war the company controlling the India sands was taken over and sold by the British Government as alien-owned property, and is now controlled by a former German who became a British subject. They have a working agreement with the French company and expect to succeed the original cartel by controlling the main deposits of monazite sands.
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> Before the war the sparking metal business in this country was supplied by a branch of the Treibacher Co. in New York City, in charge of their agent. The cerium metal was shipped here from Austria and made up into alloy at this branch.
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> Cerium metal is produced by an intricate electric-furnace process. The alloy is produced by an even more difficult process. These proc-

esses were kept secret by the cartel. In 1917 a group of leading electrometallurgists here took up the question of producing the metal and the alloy and in 1918 were able to supply all our needs, and resulted in this corporation, representing outlays of more than $250,000.

The cost of producing cerium metal here per pound is about $3.50 and the cost of producing the alloy per pound is about $4.50. The cost abroad, owing to cheaper labor, money, and materials, and larger production on account of larger market, is less than half these costs. The agent of the Treibacher Co. stated that their pre-war cost was less than $1 per pound. This statement is probably fairly accurate. At any rate, the production costs abroad are so much lower that it will be impossible for this newly established industry to continue without reasonable tariff protection. Without such protection our own market, as well as other markets, will be supplied only by foreign-made alloy.

We desire to emphasize the great difference between cerium metal as covered by paragraph 1542 of schedule 15 and the crude minerals or other metals also included in the free list.

Cerium is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we have developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it.

Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording an important help to this industry against foreign competition which it would not otherwise have. The national importance of the gas-mantle industry has been recognized by other countries—England particularly—in regarding the manufacture of thorium nitrate and other salts as one of the key industries, and protecting same accordingly. We respectfully contend that the preservation of the cerium industry in this country by suitable tariff protection is of national importance, because the pyrophoric alloys, of which it is the prime constituent, provide the only substitute for matches or other igniting means where these latter can not be obtained or used. During the war, by reason of the processes which we developed for the manufacture of cerium and its alloys, we were able to furnish to the armies of the United States and its allies ignition means without which they would have been seriously handicapped, not only for the uses of the soldiers in the trenches but also in tracer shells and the like. Furthermore, cerium alloys are of vital importance for miners' safety lamps, and mining operations would be seriously handicapped if, in a national emergency, it would be impossible to provide by American manufacture means of ignition for purposes of this kind.

We desire to also call special attention to the difference between ferrocerium and other ferro-alloys with which it is grouped at the present time in paragraph No. 302 of schedule 3 of the proposed tariff. Ferrocerium, as distinguished from the other ferro-alloys, is not used as a subsidiary product for the treatment of alloy of steel, but its only use is in lighting appliances, as previously stated. What we desire to emphasize is that though known as ferrocerium it is not a member of the so-called ferro-alloy group and should be treated absolutely independent of same and under entirely different considerations.

The need for protection of "special-purpose metals" and their alloys has already been recognized in the proposed tariff bill, as, for example, in schedule 3, paragraph 302, molybdenum and other metals; paragraph 375, magnesium and its alloys.

* * * * * * *

Dated December 28, 1921.

Mr. SIMMONS. Will the Senator from New Jersey allow me to ask him a question?

Mr. FRELINGHUYSEN. Certainly.

Mr. SIMMONS. I understood the Senator to say that we are now manufacturing this commodity for $25 a pound.

Mr. FRELINGHUYSEN. I understand that is the price of ferrocerium.

Mr. SIMMONS. I understood the Senator further to say that during the war it sold for $100 a pound?

Mr. FRELINGHUYSEN. Yes; that is my information.

Mr. SIMMONS. There was an embargo during the war; and why did it sell for so much at that time?

Mr. FRELINGHUYSEN. I do not know, unless it was due to the cost of the manufacture. I understand it was difficult to get.

Mr. SIMMONS. I was wondering—and it is about that I desire to elicit an opinion from the Senator—why should this commodity have cost so much as $100 per pound to make during the war when it had an embargo on it, and why have we been able to reduce the price to $25?

Mr. FRELINGHUYSEN. Everything was costly here during the war.

Mr. SIMMONS. Does the Senator know that its manufacture cost 400 per cent more during the war than it now costs?

Mr. FRELINGHUYSEN. Yes; the price of labor has now come down. It cost more to manufacture everything during the war.

Mr. SIMMONS. I do not know how it is in this particular industry about the labor coming down, but labor has not come down in any other industries in any such proportion to that.

Mr. FRELINGHUYSEN. I understand also that when the patents were taken over the manufacture of this commodity was in its experimental stage.

Mr. SIMMONS. But the manufacturers were in possession of the patents when they were charging $100 a pound, were they not, as they are in possession of them now?

Mr. FRELINGHUYSEN. Undoubtedly.

Mr. SIMMONS. It looks like somebody has been practicing extortion upon the American people. If they are not practicing extortion now, they must have been doing so when they charged $100 a pound for this material.

But allow me to ask the Senator another question. Before the war, before we got possession of the patents about which the Senator has spoken, and when we were entirely dependent upon Austria for this particular product, will the Senator tell me what the price of the commodity then was?

Mr. FRELINGHUYSEN. All I have, I will say to the Senator from North Carolina, is the information furnished by the Tariff Information Survey, which gives us the following information:

Before the war the pyrophoric alloy manufactured in this country was made from metallic cerium imported from Germany. Soon after the imports were cut off by the war, the manufacturers of metallic cerium was undertaken by the New Process Metals Co. of New York. This company was, however, unable to make the pyrophoric alloy with iron owing to a patent controlled by the Austrian manufacturers, and the company therefore sold their product to the American agent of the Austrian producers. Under the trading with the enemy act in 1917 the New Process Metals Co. was able to secure a license from the Federal Trade Commission and is now manufacturing pyrophoric alloy under the patents formerly controlled by the Austrian manufacturers. Pyrophoric alloy has been quoted at $25 to $40 per pound—

That is the ferrocerium, as I understand—

depending upon its quality and the degree of manufacture. Misch-metal sells for about $10 per pound—

That is the cerium metal, as I understand—

Statistics for the domestic production are not available, but the annual consumption in the United States has been estimated at about 20 tons. During the war a small export trade with the Allies was developed, but it is very doubtful if this will be held after normal conditions are restored in Europe.

Imports of pyrophoric alloys are not published separately in the official statistics. Imports of "cerium, cerite, or cerium ore," which are made up chiefly of metallic cerium and misch-metal, are shown in Table 20.

Mr. SIMMONS. What I desired particularly to find out was how much more we have to pay for this little item now that we are manufacturing it than we had to pay when we were not manufacturing it. I think it would be very desirable information if we could get it. I should also like to know what the price was before we began to manufacture it, when we imported it from abroad. Has the Senator any information as to what we paid for it before we began the manufacture of it?

Mr. FRELINGHUYSEN. I have not that information, I regret to say to the Senator from North Carolina.

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

Mr. WALSH of Montana. Mr. President, before voting on this item, I desire to give the Senate the benefit of further information on this subject furnished by the Tariff Commission. Before I do so, however, I desire to recall that the Senator from North Dakota informed us that hydroelectric power could be secured in Norway for something like $7 per horsepower. That statement, he advised us, was made upon the advice of the expert of the Tariff Commission who sits with him in this Chamber. To show how the information that thus comes offhand from the expert should be regarded, I read from page 159 of the Survey C-1, which must have been the source of the information given to the Senator from North Dakota by his assistant:

In Europe rates for hydroelectric power are hard to state, on account of the demoralized monetary conditions prevailing over the greater part of the Continent. In Norway, as noted in discussing ferrosilicon, one American company—

One American company—

according to a contract entered into in 1913, pays a rate of $7.40 per horsepower year, or about $0.0011 per kilowatt hour. A Swedish metallurgical engineer, now president of a blast-furnace company in Sweden, informed a representative of the Tariff Commission that hydroelectric power in Norway now (1920) costs three times as much as it did in the pre-war period.

As to cerium, upon which the Senator from New Jersey modestly asks for a tariff duty of $2 a pound, the Summary of Tariff Information states:

Description and uses: Cerium is a soft, steel-gray metal occurring in more than 60 minerals. Of the entire list of cerium-bearing minerals, two may be regarded as commercial sources. These are the phosphate (monazite sand, par. 1616)—

That is, it is on the free list—

and the silicate (orthite). Cerite, a hydrous silicate occurring in Sweden, was for some time the only commercial source of cerium compounds. Monazite sand, the most important cerium ore, is mined for its content of thoria, which is used in incandescent gas mantles. Cerium is a by-product and is obtained in excessively large amounts.

It is a by-product, Mr. President, of the production of thoria, and in the production of thoria is secured an excessively large amount of cerium. There is so much of it that it is found next to impossible to dispose of it—

No commercial use has been found for the pure cerium metal, but certain of its alloys and compounds have a fairly extended range of application. The quantity consumed, however, is only a small fraction of the production. Incandescent gas mantles, besides thoria, contain 1 per cent of ceria. Certain cerium alloys, e. g., pyrophoric alloys, throw off glowing particles when scratched by a hard metal, a property utilized in automatic cigarette and gas lighters. Other alloys are used as reducing agents and as dexodizers in the manufacture of high-grade iron and steel castings—

It will be seen that we usually run up against the steel industry in connection with these products—

Cerium fluoride is used extensively in carbon electrodes for "flaming" electric arc lamps. Cerium salts are also used in medicine.

Production statistics of cerium are not available, but consumption of monazite sand indicates an output of at least 250 tons of ceria (cerium oxide).

A duty of $2 a pound represents $4,000 a ton; so that the duty on 250 tons would be a trifling matter of $1,000,000 imposed on the taxpayers of the country by this innocent-looking item in the bill:

At least 10,000 tons of ceria are estimated to have accumulated at the gas-mantle factories.

Imports of cerium, cerite, and cerium ore are small and of no significance. They were valued at $10,712 in 1914 and at $5,260 in 1918 (fiscal year). They came entirely from Austria in 1914. There were no importations in 1919 and only $30 worth in 1920.

Mr. FRELINGHUYSEN. Mr. President, everything that the Senator from Montana has said is perfectly true, with the exception of the statement that this is a tax on the consumers of this country to any great extent. If we are going to protect this industry and keep it here—and I am in favor of doing so—$2 a pound is not an excessive duty.

Cerium is a by-product, but I am informed—and this is some expert information which I have procured—it is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it. Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording to this industry an important help against foreign competition, which it would not otherwise have.

Mr. President, as I am informed that the cost of the manufacturing process is some $4.50 to $5.50, I submit that a duty of $2 will not create an embargo. The Senator from North Carolina has asked why the price is $25 a pound. It seems to be due to the fact that the process and the labor employed in it must constitute a very large portion of the cost of production and manufacture. If a duty of $2 a pound is placed upon this product, with a lower cost of manufacturing in Germany or Austria, which have been the competing countries heretofore, it surely will not prevent to any great extent the competitions of Europe or cause an increased tax upon the consumers in this country.

Mr. SIMMONS. Mr. President——

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

Mr. FRELINGHUYSEN. I do.

Mr. SIMMONS. I do not know whether I understood the Senator a little while ago, but I thought I understood him to say, while he was reading from the brief there, that the cost of manufacture was $4 a pound or $4.50 a pound.

Mr. FRELINGHUYSEN. I understand from the figures I have here that the cost of producing ferrocerium is about $4.50 to $5.50 per pound.

Mr. SIMMONS. Then I again ask why it is sold for $25 a pound.

Mr. FRELINGHUYSEN. I do not know, Mr. President, why it is sold for $25 a pound.

Mr. SIMMONS. That is a very important thing.

Mr. FRELINGHUYSEN. Nor do I know what the foreign cost is.

Mr. SIMMONS. The foreign cost has nothing to do with it. The Senator says that he wants an article protected which is produced in America for $4.50 and sold to the American consumer for $25 a pound.

Mr. FRELINGHUYSEN. Why, certainly, Mr. President. I am basing my argument for a duty on a cost of production of $5.50 per pound.

Mr. SIMMONS. Mr. President, if an American producer can sell his product in this market for six times what it costs to produce it, it must be because he already enjoys a monopoly; otherwise he could not command any such profit as that upon his product. It seems to me that where it is shown that the American consumers are having to pay six times the cost of producing an article in the domestic market, if it can be made anywhere else and sold to us at a rate that would protect us against this enormous, this unconscionable profit of six times the cost of production, we ought not to be excluding it by this high, prohibitive tariff.

Mr. FRELINGHUYSEN. Mr. President, does the Senator contend that $2 a pound duty against a manufacturing cost of $5.50, even if the product is selling at $25, is a prohibitive duty?

Mr. SIMMONS. It would appear that something is prohibiting it. I do not know.

Mr. FRELINGHUYSEN. But is the duty prohibiting it?

Mr. SIMMONS. Is it not apparent to the Senator that this product does not require, and that the producers of this product have no right to ask the American people to keep out foreign competition when they are selling that article in this market to the American people for six times what it costs to produce it? That is the point I am making.

Mr. FRELINGHUYSEN. Mr. President, I was informed that the price was $25, and I am informed that that was during the war. I have some further testimony on the subject.

Mr. SIMMONS. But the Senator said it was $100 during the war, and is $25 now. That is the point I am making with him.

Mr. FRELINGHUYSEN. It was $100 during the war.

Mr. SIMMONS. And that it is $25 now, and that it costs $4.50 to produce it in this country.

Mr. FRELINGHUYSEN. I did say that.

Mr. SIMMONS. Now, the Senator wants to protect the American people against foreign competition on an article that is being sold to the American consumer for six times what it costs to produce it.

Mr. FRELINGHUYSEN. Mr. President, here is some further testimony upon this rather vague subject—the testimony of Mr. Alexander Harris, at page 4421:

The price in this country is $7 per pound, but special grades of this material bring about $15 per pound, and some other grades bring $18 per pound.

Mr. SIMMONS. If the Senator keeps on he will get it down to nothing after a while. He started with $100, and got it down to $25, and now he gets it down to $15 and $18.

Mr. FRELINGHUYSEN. No; I would not do that, because then the duty would be too high.

Mr. SIMMONS. I think we ought to have the yeas and nays on this amendment.

Mr. WALSH of Montana. Mr. President, I think I shall ask for the yeas and nays on this amendment; but before doing so I should like to summarize the situation.

It costs $5.50 a pound to produce this commodity. It is sold for anywhere from $7.50 to $25 a pound. We know absolutely nothing whatever about what it costs to produce it abroad. We do not even know what the foreign price is. That is the brief situation as it has developed. It is a by-product, just simply utilizing some waste.

I ask for the yeas and nays.

Mr. McCUMBER. Mr. President, I will ask if the Senator from New Jersey will be willing to pass over this paragraph?

Mr. FRELINGHUYSEN. Why, no, Mr. President, unless the Senator insists, of course.

Mr. McCUMBER. No; I will not insist.

Mr. FRELINGHUYSEN. I think it ought to be voted on. I do not think the duty is at all unreasonable, and it might just as well be settled now.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on which the yeas and nays have been requested.

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

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and ask that this announcement may stand for the day. I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to the transfer of my pair, I vote "yea."

The roll call was concluded.

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

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GERRY. I desire to announce that the senior Senator from Alabama [Mr. UNDERWOOD] is unavoidably detained. He

is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH] and vote "yea."

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

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

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

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

Mr. ERNST (after having voted in the affirmative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The result was announced—yeas 34, nays 25, as follows:

YEAS—34.

Brandegee	Gooding	McLean	Spencer
Bursum	Hale	McNary	Sterling
Capper	Johnson	Nelson	Sutherland
Curtis	Kendrick	Newberry	Townsend
Dillingham	Keyes	Oddie	Warren
Elkins	Ladd	Phipps	Watson, Ind.
Ernst	McCormick	Poindexter	Willis
France	McCumber	Rawson	
Frelinghuysen	McKinley	Smoot	

NAYS—25.

Borah	Heflin	Norris	Swanson
Caraway	Jones, N. Mex.	Overman	Walsh, Mont.
Dial	Jones, Wash.	Pittman	Watson, Ga.
Gerry	King	Pomerene	Williams
Glass	La Follette	Ransdell	
Harris	Myers	Sheppard	
Harrison	Norbeck	Simmons	

NOT VOTING—37.

Ashurst	Edge	New	Stanfield
Ball	Fernald	Nicholson	Stanley
Broussard	Fletcher	Owen	Trammell
Calder	Harreld	Page	Underwood
Cameron	Hitchcock	Pepper	Wadsworth
Colt	Kellogg	Reed	Walsh, Mass.
Crow	Lenroot	Robinson	Weller
Culberson	Lodge	Shields	
Cummins	McKellar	Shortridge	
du Pont	Moses	Smith	

So the amendment of the committee was agreed to.

DISTURBANCE OF OPEN-AIR MEETINGS BY AIRPLANES.

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of the joint resolution which I send to the desk.

The PRESIDING OFFICER. Without objection, the joint resolution will be read by title.

The joint resolution (S. J. Res. 207) to prevent airplanes from disturbing public assemblies in the District of Columbia was read twice by its title.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the present consideration of the joint resolution.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is made.

Mr. HEFLIN. Mr. President, does the Senator from Mississippi know just what this resolution seeks to do? Did the Senator from Mississippi hear the title read?

Mr. WILLIAMS. Of course I did, or I would not have objected. What does the Senator mean by that sort of an insolent inquiry?

Mr. HEFLIN. It is a joint resolution to prevent airplanes from flying overhead and disturbing public assemblies in the District of Columbia.

Mr. WILLIAMS. I understood that perfectly, and I also understood that an airplane interfered with a public meeting at which the Senator from Alabama was making a speech.

Mr. HEFLIN. That is correct. I was speaking under the auspices of the Washington Elks on the subject: "The American Flag."

Mr. WILLIAMS. And I have objected to unanimous consent for the consideration of the resolution. What did the Senator mean by his insolence in asking me whether I understood?

Mr. HEFLIN. I meant no insolence whatever. Am I to understand that the Senator from Mississippi would object to a resolution to prevent the disturbance of people assembled for the purpose of paying tribute to the American flag?

Mr. WILLIAMS. Mr. President, I was not objecting to preventing any disturbance——

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

Mr. HEFLIN. No; I do not yield.

Mr. WILLIAMS. I shall not object to preventing any disturbance——

The PRESIDING OFFICER. The Senator from Alabama has the floor, and he declines to yield to the Senator from Mississippi.

Mr. WILLIAMS. Then I will wait until he is through, and I will claim the attention of the Chair.

Mr. HEFLIN. Mr. President, complaints have come frequently from patriotic bodies and religious bodies holding open-air meetings in the District of Columbia about being disturbed by airplanes flying overhead or near by them. The weather is warm, and people are holding meetings in the open air in the District of Columbia, as they have a right to do. These airplanes come out and circle around overhead and near the assemblies, disturb these meetings, and make it impossible for the people to proceed with their programs.

Just two weeks ago the President of the United States was making a speech down at the Lincoln Memorial, receiving that magnificent monument on behalf of the people of the greatest Government in all the world, and one of these airplane fellows, taking pictures for a moving-picture show, I am told, circled overhead and made such a noise as to greatly disturb the President, and the President was naturally very indignant at the aviator's performance. Everybody was indignant at that discourteous treatment of the President of the United States and of the patriotic people who had assembled for the purpose which called them together.

On yesterday the Elks of the city of Washington had their flag-day service, and we were assembled at the base of Washington's Monument, out in the open air, in the Sylvan Theater. Representative FREE, a Republican Member of Congress from the State of California, read the Elks' tribute to the flag. I had been invited by the Elks to make a speech upon that occasion, to deliver the principal address, and my subject was "The American Flag." There we were, Mr. President, assembled out on the green, holding this patriotic meeting, and an airplane making a tremendous noise passed over the assembly. It disturbed me and disturbed the meeting. I had to stop speaking two or three times on account of the noise. Several people, including myself, waved to him to leave. In about five minutes he returned and repeated the annoying performance. He circled over and around us about three times. He annoyed, irritated, and disturbed everyone present. The whole audience showed its resentment at his uncouth conduct. That patriotic assembly in the Capital of the Nation had to endure the outrageous performance. I announced that I was going to undertake to protect the people of the District of Columbia from such annoyances and disturbances in the future. The audience with hearty applause expressed its approval of my suggestion. The people of Washington are entitled to the protection that my resolution provides. When the Senator from Mississippi objected, I thought that he probably had not understood the purpose of the resolution and I felt that maybe his desire to go on with the tariff discussion prompted his objection to the consideration of the resolution at this time. Certainly I meant no offense to the Senator by asking if he understood what it was I was trying to do.

The Senator became angry and indignant because I wanted to know if he knew what it was I was trying to do at this time. I merely thought he did not want to consider any resolution now. But he informed me that he did know, and that he did object, so that is all there is to it. I will just have to wait until I can get it up at some other time.

Mr. WILLIAMS. Is the Senator through?

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

Mr. HEFLIN. Not yet; he doesn't look friendly enough to warrant me in yielding to him yet.

Mr. WILLIAMS. Go ahead, then.

Mr. HEFLIN. Mr. President——

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has declined to yield to the Senator from Mississippi.

Mr. WILLIAMS. Oh, has he?

Mr. HEFLIN. I yield to the Senator from Mississippi.

Mr. WILLIAMS. No; I shall wait until the Senator from Alabama imagines he is through.

Mr. HEFLIN. It will probably be an hour or so before I am through.

Mr. WILLIAMS. All right, then, I will wait for an hour or two.

Mr. HEFLIN. Mr. President, I was merely jesting about speaking an hour. I believe that is about all I desire to say at this time. I really did not think there would be any opposition

to the joint resolution, but I will have to wait, since the Senator from Mississippi will not agree to take it up at this time.

Mr. WILLIAMS. Mr. President, I am highly delighted at the idea that the Senator from Alabama has expressed that maybe he could "wait for an hour or two" until I had gotten through expressing my objections to this. Of course, I conceived long ago that the Senator from Alabama expressed some remarkably new ideas or a remarkably new concurrence of modern ideas that might at some time be renaissance. The Senator just informed me that he was advocating this resolution because of certain "religious or patriotic" motives, and as far as I can learn his religious and patriotic motives amount to this, that at a certain meeting in the city of Washington, where he was speaking, an airplane flew over and interfered with his discourse.

Of course, every now and then something may interfere with the distinguished Senator from Alabama in his discourse. Shall I call it a discourse?

I leave that to posterity. It may be or it may not be. At any rate, in the opinion of the Senator from Alabama, an airplane flying around loose in the free air interferes with the discourse of a Senator of the United States. Why, Mr. President, if that Senator were even the Senator from Utah [Mr. SMOOT] or the Senator from North Dakota [Mr. MCCUMBER], much more political personages than the Senator from Alabama even, I would contend that a fellow had a right to fly around in the air regardless of who was walking or talking on the earth below him just so he did not injure him. You know, I can not imagine that even the Senator from North Dakota, at the head of the Finance Committee, or one of his experts, or even the Senator from Utah, of secondary consideration upon the Finance Committee, or one of his experts, could have a right to utter a protest against another American citizen flying around in the air away yonder above them maybe 500 feet, maybe 5,000 feet, not disturbing them at all, not rustling up against them, not hurtling their elbows.

Why, Mr. President, can you imagine a Senator from the State of Washington—and there is one from that State sitting in the chair at this present moment—can you imagine that when he was flying an airplane from Washington State on the way to Washington City, coming by way of Mississippi, that I would be entitled to complain, because he interfered with a Fourth of July speech of mine or some other speech of mine, which I chose to consider a form of "public worship"? Even a Fourth of July speech of mine is generally a very good speech. I say so myself. I acknowledge it. I do not admit that an ordinary speech of the Senator from Alabama is a very good speech. But suppose that I entered into the arena claiming that the Senator from Vermont [Mr. DILLINGHAM], who sits opposite me now, had no right to fly an airplane and flutter its wings, while I, an immortal Senator of the United States, were talking to a Fourth of July audience about something. Anyhow, the Senator from Alabama was talking to somebody about something. It was the immortal Senator from Alabama who was talking to somebody about something, and a "balloon riz up," an airplane impudently fluttered in competition with his voice. He did not quite realize what he was talking to, but that is an ordinary habit with him.

Mr. HEFLIN. Mr. President——

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

Mr. WILLIAMS. Of course.

Mr. HEFLIN. The Senator from Alabama knew about what he was saying and the audience he was addressing.

Mr. WILLIAMS. Oh, Mr. President, I have no doubt that the Senator from Alabama thought that. I have no sort of doubt that he thought the audience was following him. I have watched him for quite awhile in this body, and I have never caught an audience following him. But perhaps that particular audience was following him. At any rate, I am thoroughly convinced that the Senator from Alabama was convinced that he was speaking seriously and that a lot of other people were listening seriously.

Now, Mr. President, so far as I can learn, there is nothing free in the world except the air. The earth is not free because the trusts own it. The political future of the United States is not free because the Republican tariff barons own it. Europe is not free because France's militaristic instincts own it. There is nothing free except the air. For God's sake, leave the air free even if it interrupts the President of the United States or the Senator from Alabama.

I started to go further and say that it ought to be left free even if it left the Senator from Mississippi interrupted by an airplane fluttering, but I will not say that because I represent the State that has been represented by Jeff Davis, by Robert J. Walker, as Secretary of the Treasury, by George Poindexter, by Edward Cary Walthall, and James Z. George—and by me, outside of all them, and they and I were or ought to be sacred—sacro-sanct.

But, Mr. President, just think—just think for one moment of the audacity and the insolence of an infernal airplane flying over my head right now, for example, while I am trying to address your intelligence, which is singularly absent by lack of attention. Think of what it would amount to. Why, I could not stand for that any more than the Senator from Alabama could stand for it. Airplanes! Things up in the air with no regulated routes, with no regulated highway, flying around as they darned please, fluttering over a President, and worse than that, infinitely worse than that, now and then fluttering over the head of the Senator from the State of Alabama.

Think of it! Why, the fellow that is running that airplane is taking his life in his hands. He may be risking his existence, but I challenge him to risk his existence at the expense of the oratory and the eloquence of the Senator from Alabama. He has no right to do it. It is too little of an ante in comparison with the pot. The oratory and the eloquence of the Senator from Alabama are so much of a public nature, of so much public value, that a man in the air flying an airplane, even if he were formerly an aviator operating for America in France or Belgium, has no right to interfere with his eloquence and his oratory. His eloquence and his oratory I am acquainted with, and you are, too, and they are of the very highest excellence. They are of that form of excellence that punishes itself with constant matutinal and vesper performances at the expense of the grandest banking system and the grandest financial system that the world has ever seen.

Why, Mr. President, I hear somebody on the Republican side saying, "Not only has an airplane interferred with the Senator from Alabama"—of course, that is the biggest thing in the world—"but an airplane absolutely offended President Harding, the President of the United States, and came flying down just a while ago over the Lincoln Memorial." Mr. President, Mr. Harding, whom I love very much—I served with him here in the Senate for years, and I learned to love him very much—has no cause for complaint, because he had his photograph taken under the airplane and the airplane taken over his photograph.

Mr. President, I believe that is all I have to say, except that as between a division of the universe between the earth and the air, the earth devoted to the President of the United States and the Senator from Alabama, and the air devoted to God and the angels and the airplanes, I would rather a little bit be on the side of the airplanes and God and the angels. There is no telling what is coming from the air after awhile, but everybody knows what is coming from President Harding and from the Senator from Alabama.

Oh, Mr. President, why all this camouflage? Why all this nonsense? Why all this disproportion? Why all this idea that the Congress of the United States, exerting its influence only over the District of Columbia, can control and conclude the air routes above us and the earth beneath us? When I get up to make a public speech in the open air at some time or other, as I may some time when I have less sense than I have now—I would not do it now for $1.25—I would defy all the planes of heaven or in heaven or in the air pretending to be heaven—I do not know which—to interfere with my "discourse," because my discourse will be founded upon sentiment and honor and logic, and no airplane flutterings can interfere with that sort of discourse. My discourse will come from the old-time traditions and from new-time idealism, and airplanes can not flutter me out of existence and can not even flutter me out of patience. I am not astonished at the Senator from Alabama that he should have been fluttered out of patience, because he never had too much patience, anyhow; but I was astonished at President Harding that he should be fluttered out of patience, because I always imagined that about the chief virtue President Harding had was his patience—patience with "standpatters," patience with "progressives," patience with everybody. Methinks I hear a voice from Alabama saying to the air, "Wait awhile longer and I will tell you what I meant."

Mr. HEFLIN. Mr. President, I shall detain the Senate for but a moment. The joint resolution which I have submitted, I believe, would be indorsed by all the men, women, and children of the District of Columbia. Airplanes circling over public gatherings make such a noise that the people can not conduct in a decent and orderly manner their public meetings. They are entitled to be protected from such noises and disturbances. The Senator from Mississippi [Mr. WILLIAMS]

probably never heard one of these airplanes buzzing around in the air. I do not know that he knows that they circle over the city of Washington, but they really do. They fly around here very promiscuously. There are statutes in the States against disturbing public assemblies. Penalties have been imposed upon people who disturb public worship or who disturb public speaking by making noises which interfere with the proper conduct of such exercises. The people in the District of Columbia, in the Capital of the Nation, are entitled to have protection from disturbing noises made by anybody on the ground or in the air above the ground. I resented the insult and the insolence offered to the President of the United States by the man who swooped down over that assemblage when the President of the country was speaking at the Lincoln Memorial dedication exercises. Everybody without a single exception—men and women, Democrats and Republicans—who have talked to me about the incident said there ought to be some way of preventing its recurrence. I agreed with them.

On yesterday, as I have said, services in honor of flag day were being held at the Washington Monument, certainly a sacred place, and certainly the speaking was about something which is dear to the heart of every loyal American—the American flag. It was also upon the Sabbath Day, and surely we were entitled to be protected from the noise of the buzzing airplanes flying over the heads of the people there assembled, trying to listen to some one whom they had honored by inviting him to speak upon that occasion, and who had responded to their request and was doing the best he could under the circumstances.

I protested then; everybody there protested. Scores of those who were present came up afterwards and told me that they hoped I would introduce a resolution designed to prevent such occurrences in the future. Representative FREE and I—he a Republican Member of the House of Representatives and I a Democrat in the Senate—agreed that we would frame a resolution for the purpose of protecting outdoor meetings in the District of Columbia from such annoyance.

That is my purpose in now offering the joint resolution. It is designed to prevent the recurrence of such incidents hereafter when open-air meetings are being held in the District of Columbia, whether by civic organizations, religious organizations, or patriotic assemblies, for they are all entitled to be protected from such disturbing noises. That is the purpose of the joint resolution which the Senator from Misssissippi has not even permitted to be read in the Senate. I tried to have the resolution read, but he would not even hear the preamble, and so he does not know any more what is in it than does a mouse-colored mule about operating an airplane. He rushes to the rescue to keep the air free. I suppose there would not be any harm, according to the Senator's view, in dropping a few bombs out of the air, because the air is free and one may drop bombs out of it just as he can make a noise. Mr. President, I am going to insist upon protecting the open-air meetings of the people in Washington from disturbing noises.

Mr. WILLIAMS rose.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. I yield to the Senator.

Mr. WILLIAMS. Oh, no. I have not asked the Senator to yield. I was waiting until he got through, and I thought he was through.

Mr. HEFLIN. The Senator is again mistaken, as he usually is.

Mr. WILLIAMS. Oh, I know that.

Mr. HEFLIN. Mr. President, I do not believe I will say anything more now. I am sure that everybody here understands the situation. I shall bring the joint resolution up at some other time.

Mr. WILLIAMS. Mr. President, when I rose thinking that the Senator from Alabama was through, I knew he was through. Just for a moment or two he denied that he was through, but I knew he was through, because I knew he had nothing more to say of any description.

The Senator tells me that men, women, and children heard the airplane threatening destruction of everybody below. Mr. President, I have seen men, women, and children gathering around every now and then to see the airplanes fluttering in the air, doing no harm to anybody, but making a little noise. Why should anybody quarrel with a thing which makes a noise in competition with a Senator making a noise? [Laughter.] They are both equally noisy and, between the two, the airplane is the more scientific noise. The airplane makes a scientific noise, while a Senator makes an ordinary plebian noise; an ordinary common noise. And when the Senator complains that an airplane has entered into competition with him, Mr. President, that simply means that he thinks that gas in the air running an airplane ought not to be recognized as superior to gas on the floor of the Senate running a Senate plane. I decline to recognize that superiority.

The Senator went on a little bit further, misled by his religious sentiment, to say that airplanes were "disturbing religious worship." Think of that, Mr. President, and, by the way, think of it twice, and think of it three times! Airplanes up yonder were disturbing religious worship down here where the Senator was and where the President was—either or both. Whose religious worship? What religious worship? The religious worship of the President of the United States uttering a great speech? And by the way it was a great speech. I am a Bourbon Democrat, but it was a great speech.

The airplane did not disturb that speech; it went to the whole country. It probably struck a responsive chord in the hearts and minds of all the nonpartisan people of the United States, although I knew when I read it that there was a lot of partisanship in the heart of it and that he meant something which perhaps the majority of the people in the United States did not understand.

Then, Mr. President, the second great argument is that the Senator from Alabama was carrying on public worship. Was it public worship, or was it not?

Mr. HEFLIN. It was a service in honor of the United States flag.

Mr. WILLIAMS. Oh, I understand; and in his speech about this question the Senator said the airplane was disturbing public worship—and I took that phrase down—but now he tells me that it was worship of the United States flag. Well, Mr. President, I am not an idolator even of the United States flag. My children have fought for it; my forefathers have; my grandfathers have; but we never recognized that God's image on earth was on a piece of bunting, and never thought that such an occasion was a species of public worship. We never believed in any form of idolatry, even flag worship.

There was an airplane flying over the Mount Vernon Church. Was it the Mount Vernon Church? I wish to be accurate.

Mr. HEFLIN. The exercises were at the Washington Monument. The 14th day of June is flag day, and they were holding flag-day services on Sunday.

Mr. WILLIAMS. Where was the Senator speaking?

Mr. HEFLIN. At the Washington Monument—out in the open.

Mr. WILLIAMS. At the Mount Vernon Church?

Mr. HEFLIN. No; at the Sylvan Theater in the Washington Monument Grounds.

Mr. WILLIAMS. Now we have it. So this meeting was being conducted in a sylvan theater—s-y-l-v-a-n, I suppose, one of the most highly attractive words in the English language. The Senator was there and he was making a speech, and all at once there arose a humming sound. What was it? An airplane. There was a buzzing sound way up in the air which disturbed the eloquence of the Senator from Alabama, who upon this occasion complains that they were "disturbing public worship." I believe he said the airplane was disturbing public worship.

Mr. HEFLIN. A public assembly.

Mr. WILLIAMS. Oh, public assembly; that is still more indefinite. "Public worship" I could have understood, but "public assembly" I can not understand for the life of me. It may mean an assembly of anybody; it may mean an assembly of Russian soviets; it may mean an assembly of French communists; it may mean an assembly of American labor unions, or it may mean an assembly of those who are protesting against labor unions. Public assembly! The Senator now, on second thought, declines to say that it was a case of "public worship," although he has been very particular to tell me that it all happened on Sunday—the Lord's Day—the Sabbath Day. The Senator himself talked, and he tried to listen to others talk as he tells us. Why? The airplane was not trying to listen. Why? It knew why, and in that respect it was superior to the Senator, or his audience.

And then the Senator closes up with a general little anecdote about "a mouse-colored Alabama mule."

Mr. President, there are all sorts of Alabama mules. There are nearly all sorts of mouse-colored Alabama mules. I would hate to say it, I would hate to believe it, I would hate to designate it, but judging by the Senator's matutinal and vesper attacks upon the greatest achievement of the American people, the reserve bank system, morning and night, every day and every morning, matins and vespers—Mr. President, I would hate to say it, but I am almost compelled to say, that the Senator from Alabama is absolutely mistaken about the mouse-colored

Alabama mule's particular personality and localization. Is not that about the kindest way I could put it, the most charitable way that I could put it?

The VICE PRESIDENT. The joint resolution will lie on the table.

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. Mr. President, I believe now that we have disposed of the paragraph that was just under consideration; and if that is the case, I desire to return to page 76, paragraph 359, surgical and dental instruments. I offered an amendment this morning to the first part of that paragraph, and the Senator from North Carolina [Mr. SIMMONS] asked that it might be temporarily passed over. I therefore yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, the Senator from New Mexico [Mr. JONES] desires to be heard upon that paragraph, and he has just come into the Chamber.

Before beginning the consideration of the paragraph I desire to read a letter which I have received to-day from the Williams Brush Co., importers, 1009 and 1011 Filbert Street, Philadelphia, addressed to myself:

DEAR SIR: We were recently requested by the United States Tariff Commission to furnish them confidentially with information concerning the cost of our goods, the profits we made, and other data of this nature pertaining to our business. We complied promptly, but added the suggestion that the domestic manufacturers who were so insistent for increased protection should also be requested to furnish the same data, because if a just solution of the tariff problem is what you are seeking, we believe such information necessary. We named particularly the following houses:

Florence Manufacturing Co., Florence, Mass.
Rubberset Brush Manufacturing Co., Newark, N. J.
Arlington Manufacturing Co., Arlington, N. J.

We believe that you will see the justice in this. We call your attention to the matter because we are to-day notified by the United States Tariff Commission that your committee requested no information on this subject except relating to the importer's overhead and profit.

That is signed by the Williams Brush Co.

I am not complaining at all at the request on the part of the committee for this information with reference to the profits of the importers, but I am reading this to ask the chairman of the committee if he will not also request the Tariff Commission at the same time to ask for the profits of the American manufacturers of this particular product. I think we ought to have information as to the profits of the business of both the importer and the manufacturer if we are going to compare foreign prices with domestic prices in the matter of making tariff duties.

Mr. McCUMBER. Of course, Mr. President, the object of securing the foreign valuation on which we base our tariffs in all instances is to obtain first the selling price; then, if that can not be obtained, to obtain the cost of manufacture—that is the second proposition—and then adding thereto a reasonable amount for profit, and so forth. The whole object of that letter was to get the data that was necessary, not from the standpoint of protection at all, in order to determine the probable selling price or cost price of the article under the second clause of the bill relating to the levying of duties; and it was not intended to get a mere comparison of American profits with foreign profits. However, I shall be glad to take up the subject as the Senator requests.

Mr. SIMMONS. Yes. For the same reasons that the Senator from North Dakota desires to know something about the foreign cost and the profits of the importer, who really is the wholesaler of foreign goods, I desire to know something about the cost of production of the American article and the profits charged by the American manufacturer and wholesaler.

I shall be glad if the Senator will take this letter, and if he will ask for the counterinformation suggested.

Mr. McCUMBER. The Senator will recall that in the Reynolds report we were seeking, under the bill as it was then drawn upon the American valuation, to get the spread between the landed cost, the selling price of the foreign article, and the selling price of the comparable American article.

Mr. SIMMONS. Yes; and profits are a very important element in that connection.

Mr. McCUMBER. Certainly.

Mr. SIMMONS. Therefore, if we are going to seek the profits charged by the importer, we ought also to have the profits of his competitor in the domestic market.

The Senator from New Mexico is in the Chamber now and I think is ready to proceed with paragraph 359.

Mr. JONES of New Mexico. Mr. President, I ask whether the amendment proposed by the committee has been stated?

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). The amendment proposed by the committee will be stated.

The READING CLERK. On page 76, paragraph 359, the committee proposes to strike out lines 14 to 21, down to and including the words "ad valorem," and to insert:

Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have heard no explanation for this amendment. It is apparent that the amendment proposes a very great reduction of the duties first reported to the Senate by the committee; but it seems to me that this proposal perhaps necessitates or would warrant an explanation, whereas the other proposal might not.

I can understand upon some theory how the first proposal could have been made. This is the first time in a tariff bill, I believe, that steel surgical instruments have been put into a special paragraph. They have usually fallen into the basket clause of the schedule. If I understand the situation correctly, prior to the war we were not producing steel surgical instruments in this country to any very great extent, the reason being that those instruments were produced by the use of a very large percentage of hand and skilled labor.

We were importing practically all of our steel surgical instruments. We did have a special tariff duty upon instruments produced from the precious metals, gold and silver and platinum. We likewise had a small duty upon instruments made from what are called the soft metals; but the last proposal of the committee is considerably higher than the present law—in fact, it is about 100 per cent higher than the present law—so far as steel and soft-metal instruments are concerned. There is at the present time a considerable duty upon instruments made of the precious metals—50 per cent, I believe.

During the war we began the production of steel surgical instruments in this country, and for war purposes were able to produce very large quantities; but it is not contended, I believe, that any small duty, or a duty reaching even to the point which the committee now proposes, will enable the manufacturers of the United States to continue the production of steel surgical instruments. I know that the witnesses who appeared before the Finance Committee insisted upon very much higher duties, and it was their contention that they would require very high duties in order to continue this industry. Now, the Finance Committee has modified its high duties by proposing this reduction, and it seems to me that it is not high enough to permit the industry of manufacturing these steel surgical instruments to continue. Therefore the only result which can be expected from the duties which the committee now proposes is to place a higher bounty upon the production of surgical instruments produced from what are called the softer metals.

There is no evidence that an additional duty upon such surgical instruments is necessary. I think we are entitled to receive from the committee some explanation as to why the reduction should be made in the first instance; and, in the second place, if the duty is to be reduced upon steel surgical instruments, why it was not reduced considerably below what it is. I think from all that can be learned from the evidence, this is not sufficient to protect the steel surgical instrument industry, and it is more than necessary, so far as the other surgical instruments are concerned.

Mr. McCUMBER. Mr. President, the Senator is entitled to that information, and I will give it in a form as nearly accurate as I possibly can.

Let us take the average of 27 items of the Reynolds report on surgical instruments. The average foreign value of these instruments was $9.70 each. The landing charges averaged 58 cents. If we levied a duty of 45 per cent upon the $9.70, that would equal $4.70, and these items added together amount to $14.65. The selling price of the comparable domestic article is $23.55. The difference between the landed cost of the product, duty paid at 40 per cent, which would amount to $14.65, and the comparable American article selling at $23.55, would be, after the duty has been paid, $8.90.

But in the surgical-instrument business, unlike any ordinary business, the articles not being standardized, there is a great deal of risk in their importation, in their manufacture, and in their sale, and the profit accorded to the importer, because of that fact, has been very much greater than in other lines of industry. A profit as high as 66⅔ per cent upon the imported price, or 40 per cent upon the selling price, is usual in the sale of the imported article.

If we allow 60 per cent upon the imported article, it will just equal the difference between the price of the foreign product,

as shown by the Reynolds report, and the selling price of the American product. However, we have agreed upon a rate of 45 per cent, which is, of course, 15 per cent less than the amount which would be necessary to measure the present difference, allowing a 60 per cent profit to be made upon the imported goods.

Mr. JONES of New Mexico. Of course, the committee had before it the Reynolds report when its first proposal was made. May I ask what caused the reduction in the proposal of the committee?

Mr. McCUMBER. The report, in the first instance, was made some time ago; and leaving the House differentials, "valued at not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem," it will, in the opinion of the committee, with the probabilities of higher costs in Germany and a reduction in the costs in the United States, be sufficient at the present time to properly guard the production in the United States.

Mr. JONES of New Mexico. Mr. President, the other evening, when we were discussing the other portions of the cutlery schedule, both the Senator from North Dakota [Mr. McCUMBER] and the Senator from Connecticut [Mr. McLEAN] presented table after table for the purpose of showing that German prices are decreasing, and thereby undertook to account for the very high duties which they imposed upon other branches of cutlery. Now, with respect to another item, which is produced principally in Germany, they produce statements from the Reynolds report and complacently tell us that, taking into consideration the Reynolds report and the supposition that prices in Germany are going to be higher, they propose this reduction in rates.

It does seem to me that an inconsistency has developed here which should cause one who has been trying to follow this discussion to doubt that the committee had any basis or reason for these rates which are being presented. With regard to one paragraph, one view is taken regarding the German situation; with regard to the very next paragraph a different view is taken and stated in all solemnity as a basis for action by the Senate.

Again I must express my amazement. I can not help feeling that there are other forces at work which are bringing about these reductions in rates, and I am inclined to agree that these discussions may have had some influence upon them. I, of course, feel that as to this paragraph regarding surgical instruments, where there are different kinds of surgical instruments involved, those made of the soft metal, as well as those of steel, there should be some discrimination so far as the instruments made of softer metals, which are made in quantity, are concerned.

As I understand it, that industry has been prospering under existing law, in which there is a duty of only 20 per cent provided, and as to the steel instruments, we have not been producing them in this country, and if what the witnesses have said upon the subject is true, this 45 per cent duty will not enable them to produce these instruments. So, as I remarked a moment ago, the only effect of increasing the duty under this paragraph from 20 per cent to 45 per cent will be simply to enable the manufacturers of the soft-metal instruments to charge higher prices. As to the steel instruments, if the testimony be true, the rate will not amount to protection for them.

Of course, I am glad, in a way, that the Finance Committee has proposed this reduction, but in another way I think it is indefensible. It is not enough to protect or keep going the steel surgical instrument industry of the country. It is too much duty upon the soft-metal surgical instrument industry.

Mr. POINDEXTER. Mr. President, will the Senator yield to me long enough to make a request for an agreement?

Mr. JONES of New Mexico. Certainly.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I ask unanimous consent, with the approval of the chairman of the Committee on Finance especially, that when the Senate convenes on Thursday morning next the tariff bill shall be temporarily laid aside and that the Senate shall proceed to the consideration of House bill 11228, the Naval appropriation bill.

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

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. JONES of New Mexico. Mr. President, it does seem to me that the rate adopted by the House is high enough, and under the circumstances I do not believe it is going to amount to protection to the steel surgical instrument industry, and it was not proposed with that idea. It was proposed on an entirely different basis. The House ad valorem duty fixed upon these instruments was 35 per cent. The Senate committee proposes 45 per cent, and as far as any good that can come from this duty is concerned it seems to me 35 per cent will be just as much protection as the 45 per cent, and of course this bill is being framed upon the protection idea, and I am not making war upon that general purpose of the bill. I shall therefore simply vote against the committee amendment.

Mr. McCUMBER. Mr. President, I want the RECORD to show the facts with relation to the changes in the value of these products. The Senator has stated that we adopted one system when we had the paragraph pertaining to knives and cutlery before us, and that we adopted a different method when we were considering the particular subject under consideration now. The Senator is in error in that.

The Senator said that we claimed that knives and cutlery had gone down, and yet when we made our estimates of what would be a proper protection in this bill we took the Reynolds report, when, as a matter of fact, the prices had also gone down. This is the fact in reference to both these paragraphs: The prices of cutlery, including knives, went down very considerably, up to about the 1st day of April.

So in surgical instruments there was a considerable decrease in the importing price about the 1st of April. If we had made our tariff bill to meet a condition as it appeared upon the 1st day of April, the bill as first amended by the committee would have been approximately right. The rate would have been somewhat less than the true facts would warrant. However, we have always made allowances. As to both knives and surgical instruments, the prices have again gone up until, as I am informed, surgical instruments are practically the same now as they were when the Reynolds report was written. Therefore, as the importing price more nearly approaches the American selling price, we can reduce the differential, and that is exactly what we have done in this instance.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I yield.

Mr. JONES of New Mexico. The Senator stated a few moments ago that the prices were going up.

Mr. McCUMBER. Yes; going up since April.

Mr. JONES of New Mexico. The Senator has just stated that the changes were made because of recent changes in German conditions. If that be true, and prices are going up, and the going up of prices warranted a reduction in these duties, does not the Senator think we had better defer the consideration of this paragraph and let prices go up a little further and become a little more stable and then write the paragraph?

Mr. McCUMBER. No; I do not, because I do not think the importing cost or the importing selling price will ever go up to meet the American cost and the American selling price. I am willing to make, and I have made, full allowance for possibilities and probabilities in the change of the prices of commodities. Of course, we can not change our tariff every time the price of a commodity changes.

Mr. JONES of New Mexico. Mr. President, I desire a separate vote upon the next paragraph, and if the amendment of the committee may be divided I am ready for a vote on the first part of the amendment.

Mr. McCUMBER. I am satisfied that the amendment shall be divided.

The VICE PRESIDENT. The Secretary will state the first part of the amendment.

The READING CLERK. On page 76, the committee proposes to insert:

PAR. 359. Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem.

Mr. JONES of New Mexico. I ask that that be submitted to a vote first. I move in the amendment of the committee to strike out the numerals "45" and insert "35."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will report the next portion of the amendment.

The READING CLERK. Insert following the amendment just agreed to:

Dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. As to that part of the committee's proposal I want to say just a few words. The United States is manufacturing dental instruments and supplying them to every part of the world. They are made in quantity according to design, and 35 per cent of the dental instruments made in the United States are exported. That was the history of the industry prior to the war. Thirty-five per cent of all the dental instruments manufactured in this country prior to the war were exported. The Tariff Commission tells us all these facts. That information is known. Importations are nominal. It is a matter of quantity production, machine production, and we compete with the world.

This part of the paragraph, it seems to me, justifies the heading of an editorial in the New York Times of yesterday which reads, "Protection gone mad." Without reading, I ask that the editorial may be published in the RECORD in 8-point type.

Mr. CURTIS. Is not that the matter which was printed in the RECORD this morning at the request of the junior Senator from Mississippi [Mr. HARRISON]?

Mr. JONES of New Mexico. If it was, of course, I will not ask to have it repeated in the RECORD; but if not, then I ask that it be printed in the RECORD at this point. I am just advised that the Senator from Mississippi asked that another article from the New York Times of yesterday be printed in the RECORD.

Mr. CURTIS. There is no objection if it has not already been ordered to be printed in the RECORD.

The VICE PRESIDENT. Without objection it is so ordered.

The editorial referred to is as follows:

[From the New York Times, Sunday, June 11, 1922.]

PROTECTION GONE MAD.

"The Senate Finance Committee has repeatedly expressed its astonishment, in the course of the debates on the tariff bill, that anybody should object to it. Had it not been framed in the established way? The committee had merely followed the practice of its predecessors. Nobody was excessively outraged at the way in which the rates were fixed under the McKinley bill, the Dingley bill, or the Payne-Aldrich bill. Why, then, all the criticism and outcry to-day just because the Republican members of the Finance Committee have had secret hearings with manufacturers and other interested persons, and on the basis of finding out what tariff duties were wanted have decided what should be given? Again and again Senator SMOOT and Senator MCCUMBER have plaintively reproached the Democrats and the dissident Republican Senators for finding fault with the method adopted for writing the new tariff. It was simply the ancient style, so why all this modern protest?

"These Senators are but dimly aware of the great change which has come over public sentiment in the matter of the protective tariff. What once was regarded as a matter of course is now held to be an intolerable abuse. This has certainly been one of the striking results of the prolonged discussion of the new tariff. Think what we may of the time-wasting tactics of the Democratic Senators, their continual hammering at objectionable clauses of the bill has had the effect of bringing out in the deep-seated opposition, not only in the Senate but in the press of the country, to a measure which people would have once passed by with a shrug as merely the usual thing in tariffs, but which they now consider as a manifestly vicious system of law making. The pained surprise of some Republican Senators is proof enough that they are moving about to-day in a world which they do not realize.

"Another significant feature of the Senate debate and of the amendments proposed to the tariff bill is the way in which protective doctrines of an older day are tortured out of all resemblance to their original form. Last week, for example, Senator SHORTRIDGE, of California, took the innocent view that adequate protection to American manufacturers meant entire exclusion of foreign goods that might possibly compete with their products. He frankly admitted that as regards many articles of commerce 'I am in favor of an embargo.' It worked well in the war, he remarked, and why shouldn't it be an excellent thing in time of peace? American manufacturers, he argued, are entitled to the whole American market, and the simple way to assure this is to make the tariff rates so high that foreigners could not break in at all. Senator SHORTRIDGE would never consent to surrender any part of the American market to any foreign country. He would so shape the tariff as to guarantee immunity from foreign competition to 'each and every and all American industries.'

"This extraordinary view of the real intent of a protective tariff was too much for Senator LENROOT, of Wisconsin. He rose to protest that it was 'entirely a new doctrine in the Republican Party.' Proceeding, Mr. LENROOT said:

"I have never before heard it claimed that the American manufacturers are entitled to a monopoly of the American market. The Republican theory has always been, and it is mine now, that the American manufacturer was entitled to protection, so as to give him a fair chance and a fair opportunity to compete in the American market, and that he shall not be discriminated against by undue competition from abroad. But in equalizing the conditions it has never been the theory of the Republican Party that they should enact prohibitive rates and embargoes upon the matters of common production in the country.

"This did not in the least satisfy Senator SHORTRIDGE. The particular clause under discussion being the duty on saws, he asked the Senator from Wisconsin if it was desirable to increase their importation. Mr. LENROOT promptly answered that it was. He said that 'when we are exporting $4,000,000 worth of saws a year and importing only $78,000 worth' he thought there could be no danger in allowing somewhat larger imports to come in. But the California Senator insisted upon knowing why such a thing ought to be desired. Senator LENROOT was explicit in his answer:

"I will tell the Senator why we ought to desire it. To-day the commodities of the farmers of this country are down to pre-war prices, but as to everything the farmers have to buy, including saws, if you please, to-day they are compelled to pay prices very much higher than the pre-war prices. We can not expect permanent prosperity in this country until there shall be a level secured between what the agriculturist receives for his products and what he pays for what he must buy, and we are not going to reach that level if by prohibitive rates we protect present high prices of the manufacturers.

"No debate can be called wholly futile which has served to bring out such a sharp issue between the old protectionists and the new. It would seem that protection to-day is in danger of being devoured by its own children. No wonder that Mr. LENROOT and other alarmed Republican Senators from the Middle West cry out in protest."

Mr. MCCUMBER. I will put in the RECORD just one item from the Reynolds report on dental instruments. The unit of quantity in this instance is per gross. The foreign value is $1.49 per gross, landing charge 80 cents, selling price of the imported article $3.30. The selling price of the comparable American article is $3.84 per gross. The rate required to equalize, allowing a reasonable profit to the importer—and in this instance we allow 33⅓ per cent profit—would require 88 per cent. The amount that we have allowed, however, is 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I do not care to detain the Senate. I will simply ask that there be printed in the RECORD, in 8-point type, as a part of my remarks, the comments of the Tariff Commission on dental instruments and appliances. It is less than two pages in length.

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

The matter referred to is as follows:

DENTAL INSTRUMENTS AND APPLIANCES.

GENERAL INFORMATION.

"Description: Dentistry and dental surgery have been developed in the United States to a high degree of perfection, and domestic work is recognized as the equal if not the superior of that in any other country. Dental instruments are composed of steel almost exclusively, and consist of a large number of standard tools. There is some call for instruments of special design, but the demand can not be compared to that found in the surgical instrument field.

"General supplies required by the profession consist of artificial teeth, plate frames, gold wire, and special fixtures.

"Every practicing dentist requires, in addition to his tools, an extensive assortment of appliances, such as operating chairs, spittum pans, sterilizers, power drills, anesthetic administering devices, and other articles designed specially for the dental trade and not used in the surgical profession to any extent.

"Domestic production: The dental appliance, instrument, and supply industry produces sufficient material to supply the home market and exports large quantities of the products to all the world's markets. Domestic manufacturers are at no disadvantage in obtaining their raw material and are not affected by the cost of labor to the extent experienced by the manufacturer of surgical instruments, because dental instruments are more nearly standard and can therefore be manufactured in quantity. The export business is a considerable proportion of the entire production, the National Dental Association estimating that over 35 per cent of the domestic production is for foreign consumption.

"Prior to the war English teeth manufacturers were able to market a small amount of their product in the Unied States. Domestic manufacturers produce this product in large quantities (one firm exporting over 20,000,000), but the profession claims that the domestic product is not as satisfactory as the English article for some purposes.

"Dental instrument and appliance exports are not classified separately in the customs statistics. Information obtained by the commission justifies the assumption that practically all of the material classified in the customs statistics as medical and surgical instruments are in reality material used exclusively by the dental profession. These exports amounted to over

$1,100,000 in 1913 and to almost $10,800,000 in 1919. This is exclusive of artificial teeth, amounting to about $300,000.

"Foreign production: Considerable quantities of dental instruments, supplies, and appliances are manufactured in England, France, Germany, and Japan. The dental profession has not been developed in those countries to the same degree as in the United States, however, so foreign manufacturers are without the large home market possessed by manufacturers in the United States.

"A large part of the international business carried on by foreign concerns is in the hands of one English company. The New York representative of this company asserts that during the last 35 years his company has exported dental goods, mainly teeth, valued at $1,500,000, to the United States, and during the same period has exported to England domestic goods to the value of $25,000,000. During 1920 domestic exports of artificial teeth amounted to $300,000 as compared to imports of $20,000.

"Tariff history: Dental instruments have never been specifically provided for in the tariff and have entered as miscellaneous manufactures of metal. (See Tariff History of Surgical Instruments.) Teeth are classified as porcelain or earthy mineral substance manufactures.

"Competitive conditions: Dental instruments and appliances of foreign origin do not compete to any extent with the domestic product except in the case of specialties such as teeth. Tooth manufacture is a ceramic process and domestic consumers claim that the foreign product is superior to the domestic for some purposes. The continued importations of this product tend to substantiate this claim.

"Tariff considerations: Dental-instrument manufacturers are in a good position to compete with the foreign product. Surgical-instrument manufacturers, on the other hand, must produce a large number of different styles of each class of instrument, so can not place production of any one product on a quantity basis. Domestic manufacturers export dental instruments, whereas surgical instruments are imported in large quantities. These facts justify mention of dental instruments as distinct from those used exclusively in surgical work."

Mr. JONES of New Mexico. In the proposed amendment of the Finance Committee I move to reduce the rate from 35 per cent to 20 per cent; in other words, to strike out the numerals "35" and insert "20."

The VICE PRESIDENT. The question is on the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. McCUMBER. Mr. President, I should like to go on, if we can, and dispose of paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. KING. May I say to the Senator from North Dakota that the Senator from South Dakota [Mr. STERLING] desires to be here when that paragraph is taken up.

The VICE PRESIDENT. The Chair directs the attention of the Senator from North Dakota to the fact that paragraph 359 is not yet fully disposed of.

Mr. McCUMBER. Very well, let us finish that.

The VICE PRESIDENT. The next amendment will be stated.

The READING CLERK. In paragraph 359, page 76, line 23, after the word "maker," insert the words "or purchaser."

The amendment was agreed to.

The READING CLERK. On the same page, line 24, before the word "country," insert the words "name of the."

The amendment was agreed to.

The READING CLERK. In the same line, line 24, page 76, strike out "die-sunk" and insert "die sunk."

The amendment was agreed to.

The VICE PRESIDENT. That completes paragraph 359.

Mr. McCUMBER. I desire to state to the Senator from Utah that I saw the Senator from South Dakota, and he stated at the time that he would like to have paragraph 360 go over until later, but afterwards he sent word that he did not request it to go over.

Mr. KING. To what paragraph is the Senator referring?

Mr. McCUMBER. Paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. JONES of New Mexico. Regarding that paragraph I have received a number of communications from educational institutions and from others insisting that these articles should be made free so far as those institutions are concerned. I suppose the majority of the Finance Committee have duly considered that question and decided against them. May I inquire of the Senator from North Dakota if that is true?

Mr. McCUMBER. Yes; the matter was under consideration.

Mr. JONES of New Mexico. I suppose it would answer no good purpose to discuss the matter. May I inquire why surveying instruments and parts thereof were put into this paragraph as new matter?

Mr. McCUMBER. Because they were taken out of another paragraph, paragraph 228.

Mr. JONES of New Mexico. I do not recall just now what rate of duty they bore under the other paragraph.

Mr. McCUMBER. The same, 55 per cent.

Mr. JONES of New Mexico. I was under the impression that the duty under the present law was either much lower or that they were on the free list. I was not certain about that.

Mr. McCUMBER. Under the present law the rate is much lower, 25 per cent, I am informed.

Mr. JONES of New Mexico. They were in the basket clause, were they not, at 25 per cent?

Mr. McCUMBER. I think so; but it was thought, these being scientific instruments, that they ought to be in this clause. I am informed that under the present law they bear a rate of 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, it does seem to me that we ought not to impose such high duties as these on instruments necessary in the education of the youth of the land and in research work. Surveying instruments must be used by those engaged in surveying work, of course. To tax in this amount the very tools which they use is highly improper, in my opinion. Surveying instruments are expensive anyway, and to put on this additional duty and make it 55 per cent ad valorem on philosophical and scientific and laboratory instruments and apparatus, utensils, appliances, including drawing and mathematical instruments, and not to allow any special privilege to the educational institutions of the country, it seems to me is protection gone mad, as the editorial in the New York Times stated.

Mr. DIAL. Mr. President——

Mr. JONES of New Mexico. I yield.

Mr. DIAL. I will say to the Senator that I have received more protests against this paragraph than possibly any other item in the bill.

Mr. JONES of New Mexico. I am sure that is the experience of practically every Senator. Protests have been coming in from the four corners of the United States, and I am surprised if there is any Senator here who has not received some protest regarding this paragraph.

Mr. McCUMBER. The only question is as to whether or not we should yield to these protests and turn the production over entirely to the foreign manufacturers. I myself do not think we should do so. The American colleges and laboratories are supported by the American people, and I really think they can pay for American-made instruments.

Mr. KING. Will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I gladly yield to the Senator from Utah.

Mr. KING. I discover that in 1918 the importations of these instruments were only $51,972 worth; in 1919 they were $71,453 worth; in 1920 they were $151,334 worth. Of the platinum vases, retorts, and a few other articles referred to, there were $78,697 worth imported in 1920; and the entire amount of imports covered by this paragraph was approximately $148,000.

In addition to that, if I may say so to my friend from New Mexico, we exported of "scientific instruments, other than those used for medical, surgical, and optical purposes," in 1914, $689,366 worth; in other words, our exports were very much more than four or five times as much as our imports. It is stated in the Tariff Summary that—

> In general those instruments which before the war had a sufficiently large market to permit large-scale production were produced here successfully.

This document further says:

> During the war, however, foreign competition was removed and domestice production expanded in volume and variety.

In 1914—that is, before the war, the fiscal year ending June 30, 1914—the imports were $704,496. The imports shrunk, as the Senator will see from the figures which I have stated, so that for the nine months of 1921 they were approximately $148,000, while the exports have gone up into the hundreds of thousands of dollars. We can compete with almost any country in the world, so many of these instruments being manufactured from the primary products in which the United States is so rich.

It seems to me that this is one of the indefensible rates of duty which are imposed in this bill. As has been repeatedly stated, it is proposed in this bill to tax everything from the cradle to the grave. I do not so much object to taxing the graveyards and the tombstones and the coffins, but I do object

to taxing the instruments of learning and of knowledge. Our Republican friends in their omnium gatherum zeal to tax everything, go into the schoolrooms, the schoolhouses, the colleges, and the laboratories and lay their strong and oppressive hands upon those commodities. I protest against it.

Mr. JONES of New Mexico. Mr. President, I can understand the indignation of the Senator from Utah. A few moments ago while discussing the subject of dental instruments I read from the report of the Tariff Commission to the effect that we were exporting 35 per cent of the total domestic production, and that the importations prior to the war amounted to nothing. I have been doing that time and again in the consideration of the paragraphs of this bill; the Senator from Utah has been doing that; but, apparently, it has no effect. Protection has gone mad.

I quite agree that these instruments ought not to have the taxes imposed upon them so exorbitantly increased; I thought the same about dental instruments; but, apparently, whatever data are given here have no effect. The Republicans are determined to increase these duties. Apparently there is a determination on their part that there shall not remain anything untaxed or bearing a tax less than considerably higher than existing law. On dental instruments the duty is increased nearly 100 per cent at a time when we are exporting 35 per cent of the domestic production.

The only reason given for this proposed action is, as we are gravely told, that away back last August, at some time, some of these instruments came in here at a price under that which was being charged by the American manufacturer. Senators on the other side, however, do not tell us the profit the American manufacturer was making; they do not tell us the profits he is making now on scientific instruments, including surveyor's instruments. I do not wonder at the indignation of the Senator from Utah when it is proposed to increase these duties so enormously upon the learning, the research, and the intelligence of the country; but it has no effect. I am myself inclined to quit referring to these facts; but I hope the Senator from Utah will continue in his persistency to present them whenever they are not presented by some other Senator.

Mr. McCUMBER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from North Dakota.

Mr. McCUMBER. I notice in the Reynolds report that there are three items coming under this head. None of them, however, covers surveying instruments; but on one line it would require 37 per cent ad valorem to equalize foreign and domestic production; and on the other line it would require 58 per cent to do so. I notice that the committee has given 55 per cent. If the Senator from New Mexico will allow me, I will move to reduce that 55 per cent to 35 per cent, which is 10 per cent above that granted on some of the instruments by the existing law.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the committee.

Mr. McCUMBER. I shall have to add, however, Mr. President, that my making the motion is conditioned on whether or not I can get a vote on the amendment now.

Mr. KING. Mr. President, just one word and then the Senator can have a vote, although I think we shall move to make the rate 25 instead of 35.

The Senator often refers to the Reynolds report, and I make no complaint of that; but the Reynolds report ought not to be accepted as the basis for any rate. The Senator from North Dakota knows, for he is an intelligent man and he is industrious—no man in the Senate is working harder than the distinguished Senator from North Dakota——

Mr. McCUMBER. I have not used the Reynolds report except in those instances in which I thought it really measured the difference.

Mr. KING. I have no doubt the Senator is entirely sincere in his viewpoint in this matter, but I was about to say that there has been a change, as the Senator knows, in conditions since last August. The Senator knows that in Germany wages have gone up.

Mr. McCUMBER. If the Senator will allow me, we went over that argument just a few moments ago when the Senator was out of the Chamber. I said then that I agreed with the Senator from New Mexico that, while prices had gone down very materially—I mean import prices—from the date of the Reynolds report up to April 1, nearly all of those prices, we now find, have an upward tendency, and have in many instances nearly reached the same levels that prevailed at the date of the Reynolds report. That is true quite generally.

Mr. KING. Does the Senator mean the domestic prices or the German prices?

Mr. McCUMBER. I mean the foreign prices have gone up again; so that while there was a very great spread between the foreign importing price and the domestic price on April 1, a very much greater spread than there was at the time of the Reynolds report, the foreign price has gone up again and has narrowed that spread to a considerable extent. I am making full allowance, I think, for that, and I have moved to reduce the rate in this instance from 55 to 35 per cent ad valorem.

Mr. KING. If my friend will pardon me, the error—and I say it in all kindness—which I think he makes and which other Republican Senators make lies in the fact that they are seeking to base a tariff bill for the future, for the period when it is presumed we will reach the normal conditions, upon conditions that exist now or have existed in the past; in other words, we ascertain what the war prices were or the abnormally high prices of yesterday and the day before or last August, and we presume a continuity of those high levels, and seek to perpetuate into peace time and into normal conditions those high prices. It is sought to give to the manufacturers in the future the prices which they are getting now and the profits in the future which they are getting now. This kind of a tariff bill is calculated to maintain present high prices and to prevent a return to normal and rational conditions.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment proposed by the committee.

The amendment to the amendment was agreed to.

Mr. McCUMBER. I understand that my motion to decrease the rate on certain instruments referred to from 55 to 35 per cent has been carried?

The VICE PRESIDENT. The amendment has been carried.

Mr. McCUMBER. But the amendment as amended has not been agreed to?

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

The amendment as amended was agreed to.

The VICE PRESIDENT. The Secretary will state the amendment in line 5.

The READING CLERK. On page 77, at the beginning of line 5, it is proposed to strike out "surveying," so as to read:

Par. 360. Philosophical, scientific, and laboratory instruments, apparatus, utensils, appliances (including drawing and mathematical instruments).

The amendment was agreed to.

The next amendment was, on the same page, line 11, after the word "maker," to insert "or purchaser"; and, in line 12, after the word "origin," to strike out "die-sunk" and insert "die sunk," so as to make the proviso read:

Provided, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed.

The amendment was agreed to.

ORDER FOR RECESS.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its business on this calendar day, it shall take a recess until to-morrow at 11 o'clock.

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

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 5 minutes spent in executive session the doors were reopened; and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, June 13, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek, of the District of Columbia, to be a director of the War Finance Corporation, vice Angus W. McLean, term expired.

MEMBERS OF THE UNITED STATES SHIPPING BOARD.

Meyer Lissner, of California, for a term of six years. (Reappointment.)

Admiral William S. Benson, of Georgia, for a term of six years. (Reappointment.)

JUDGE OF THE DISTRICT OF COLUMBIA MUNICIPAL COURT.

Robert H. Terrell, of the District of Columbia, to be a judge of the municipal court, District of Columbia. A reappointment, his term having expired.

PROMOTION IN THE REGULAR ARMY.

To be major.

Capt. Emile George De Coen, Field Artillery, from June 1, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Capt. Robert John Wagoner, Infantry, with rank from July 1, 1920.

Capt. Frank Watts Arnold, Cavalry, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

Thomas H. Stephens to be postmaster at Gadsden, Ala., in place of S. W. Riddle. Incumbent's commission expired January 24, 1922.

ALASKA.

Elizabeth D. De Armand to be postmaster at Sitka, Alaska, in place of Joe McNulty, resigned.

COLORADO.

Ethel Shy to be postmaster at Cheyenne Wells, Colo., in place of Vivian Sadler, resigned.

ILLINOIS.

John B. Porter to be postmaster at Olney, Ill., in place of B. A. Iaun, resigned.

Nelle L. Hyland to be postmaster at Windsor, Ill., in place of B. F. Moberly, resigned.

INDIANA.

Ernest W. Shaw to be postmaster at Gaston, Ind. Office became presidential October 1, 1919.

Fred S. Huffman to be postmaster at Lapel, Ind. Office became presidential January 1, 1921.

Ralph S. Ward to be postmaster at Knightstown, Ind., in place of C. E. Clark, resigned.

LOUISIANA.

Novilla T. King to be postmaster at Simsboro, La. Office became presidential January 1, 1921.

MICHIGAN.

Ernest E. Hawes to be postmaster at Applegate, Mich. Office became presidential April 1, 1921.

MISSISSIPPI.

Aurora L. Howze to be postmaster at Logtown, Miss., in place of W. X. Casanova, declined.

Thomas H. Nicholson to be postmaster at Scooba, Miss., in place of Guy Jack, resigned.

MISSOURI.

Clarence D. Springer to be postmaster at Richards, Mo. Office became presidential October 1, 1921.

Julius J. Boehmer to be postmaster at Lincoln, Mo., in place of W. A. Grant. Incumbent's commission expired January 24, 1922.

NEW MEXICO.

Lorna J. Cayot to be postmaster at Springer, N. Mex., in place of V. K. Reynolds. Incumbent's commission expired January 24, 1922.

NEW YORK.

Grace O. Meloy to be postmaster at East Durham, N. Y. Office became presidential April 1, 1921.

Rosella M. Palmeter to be postmaster at Purling, N. Y. Office became presidential January 1, 1922.

NORTH DAKOTA.

Lena L. Diehl to be postmaster at Dunn Center, N. Dak., in place of L. L. Diehl. Incumbent's commission expired May 20, 1922.

OHIO.

Walter R. Britton to be postmaster at Kimbolton, Ohio. Office became presidential April 1, 1921.

John W. Switzer to be postmaster at Ohio City, Ohio, in place of D. H. Heiby, resigned.

OKLAHOMA.

William G. Blanchard to be postmaster at Purcell, Okla., in place of William Barrowman, resigned.

OREGON.

Etta M. Davidson to be postmaster at Oswego, Oreg. Office became presidential July 1, 1920.

Wallace W. Smead to be postmaster at Heppner, Oreg., in place of W. A. Richardson. Incumbent's commission expired January 24, 1922.

PENNSYLVANIA.

Charles E. Keim to be postmaster at Hellam, Pa. Office became presidential July 1, 1921.

Edward F. Anderson to be postmaster at Austin, Pa., in place of C. W. Freeman. Incumbent's commission expired February 4, 1922.

George H. Cole to be postmaster at Evans City, Pa., in place of Andrew Wahl. Incumbent's commission expired February 5, 1922.

Arch R. Lykens to be postmaster at Martinsburg, Pa., in place of J. H. Kensinger. Incumbent's commission expired February 4, 1922.

James T. Patterson to be postmaster at Williamsburg, Pa., in place of J. R. Detwiler. Incumbent's commission expired February 4, 1922.

W. Stans Hill to be postmaster at Williamsport, Pa., in place of Hugh Gilmore. Incumbent's commission expired February 4, 1922.

SOUTH CAROLINA.

Ida A. Calhoun to be postmaster at Clemson College, S. C., in place of I. A. Calhoun. Incumbent's commission expired January 24, 1922.

TENNESSEE.

Matthew D. Duke to be postmaster at Martin, Tenn., in place of C. B. Bowden. Incumbent's commission expired July 25, 1921.

VIRGINIA.

Thomas C. Bunting to be postmaster at Exmore, Va., in place of R. T. Gladstone. Incumbent's commission expired May 22, 1922.

James L. Earles to be postmaster at Willis, Va., in place of J. H. Conduff, removed.

WEST VIRGINIA.

Millard F. Forgey to be postmaster at Kingston, W. Va. Office became presidential January 1, 1921.

WISCONSIN.

Lloyd A. Hendrickson to be postmaster at Blanchardville, Wis., in place of A. K. Blanchard. Incumbent's commission expired January 24, 1922.

WYOMING.

Mayme L. Jackson to be postmaster at Osage, Wyo., in place of E. V. Pointer, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek to be Director of the War Finance Corporation.

PROMOTIONS IN THE ARMY.

Samson Lane Faison to be brigadier general.

Henry Stevens Blesse to be captain, Medical Corps.

Alberto Garcia de Quevedo to be captain, Medical Corps.

Albert Kingsbury Mathews to be chaplain, with rank of captain.

Milton Humes Patton to be captain, Cavalry.

Frederick Brenton Porter to be first lieutenant, Field Artillery.

Clark Hazen Mitchell to be first lieutenant, Field Artillery.

Thomas Francis Hickey to be first lieutenant, Field Artillery.

Allen Ferdinand Grum to be first lieutenant, Ordnance Department.

Haskell Allison to be captain, Signal Corps.

John Kenneth Cannon to be first lieutenant, Air Service.

PROMOTIONS IN THE NAVY.

To be ensigns.

Chauncey Moore.
Edwin E. Woods.
Robert McC. Peacher.
Halstead S. Covington.
Henry E. Eccles.

MARINE CORPS.

James Austin Stuart to be second lieutenant.

POSTMASTERS.

LOUISIANA.

John F. Basty, Destrehan.
David S. Leach, Florien.
Marion H. Page, Fullerton.
Claud Jones, Longleaf.
Weston W. Muse, Lottie.
Edward J. Sowar, Norwood.
Cherie Cazes, Port Allen.
Edwin H. Biggs, St. Joseph.
Nelle Masten, Woodworth.

NEW YORK.

Albert C. Stanton, Atlanta.

NORTH CAROLINA.

Ira L. McGill, Lumberton.

OKLAHOMA.

George F. Cutshall, Cement.

SOUTH CAROLINA.

William B. Aull, Walhalla.

TEXAS.

James H. Loyd, Alba.
William A. White, Cleveland.
Mayo McBride, Woodville.

WASHINGTON.

Lillian M. Tyler, Brewster.
Matthew E. Morgan, Lind.

WITHDRAWAL.

Executive nomination withdrawn from the Senate June 12 (legislative day of April 20), 1922.

POSTMASTER.

James E. Pickett to be postmaster at Clemson College in the State of South Carolina.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 12, 1922.*

The House met at 12 o'clock noon, and was called to order by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Father in heaven, we thank Thee for material progress, for intellectual achievement, and for social gain. Grant that these good fortunes may be used for Thy glory and for the good of man. In all good work may we be patient and enduring. Enable us to carry Thy spirit into all our labors and thus serve Thee in whatever worthy thing we do. O may we live by our deeds and not by the years. Hush all anxiety and all care that fret away happiness and contentment and we will give Thee the praise. Amen.

The Journal of the proceedings of Saturday, June 10, 1922, was read and approved.

EXTENSION OF REMARKS.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of Indiana a few days ago.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by printing therein an address delivered by Senator WATSON of Indiana before the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, has this address been heretofore printed in the RECORD at the request of a colleague of the gentleman in the other body?

Mr. ELLIOTT. It has not.

Mr. GARNER. Mr. Speaker, reserving the right to object, did not Senator WATSON repeat that speech in the Senate after he got back here?

Mr. ELLIOTT. Not that I know of.

Mr. GARNER. I read something of his in the RECORD that had some semblance to a newspaper report of the speech that he made at Indianapolis, and I am wondering if he had already repeated the speech in the Senate.

Mr. WINGO. Oh, I think he delivered the speech in the Senate first.

Mr. STAFFORD. The gentleman does not mean to cast any reflection upon the Senator from Indiana by insinuating that he has only one speech that he can deliver?

Mr. GARNER. They were so similar they looked like twins.

Mr. WINGO. Perhaps he tried it on the Senate first.

CALL OF THE HOUSE.

Mr. SPROUL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Illinois makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Dickinson	Kline, N. Y.	Rosenbloom
Andrew, Mass.	Drane	Knight	Rossdale
Ansorge	Drewry	Kreider	Rouse
Appleby	Driver	Kunz	Rucker
Arentz	Dunn	Langley	Ryan
Barkley	Dupré	Larson, Minn.	Sabath
Beck	Dyer	Lee, N. Y.	Sanders, Ind.
Bell	Edmonds	London	Sears
Benham	Evans	Luce	Shaw, Ill.
Bixler	Fairchild	McClintic	Shreve
Black	Fess	McKenzie	Siegel
Bland, Ind.	Fields	McLaughlin, Nebr.	Sinclair
Bland, Va.	Fish	McLaughlin, Pa.	Slemp
Blanton	Fordney	Maloney	Smith, Mich.
Boies	Foster	Mann	Snell
Bond	Frear	Mansfield	Snyder
Bowers	Freeman	Mead	Steenerson
Brennan	French	Michaelson	Stevenson
Britten	Fuller	Miller	Stiness
Brooks, Pa.	Gilbert	Mills	Stoll
Buchanan	Glynn	Moore, Ill.	Strong, Pa.
Burke	Goldsborough	Morgan	Sullivan
Burtness	Goodykoontz	Morin	Swank
Burton	Gorman	Mott	Sweet
Campbell, Kans.	Gould	Mudd	Tague
Cantrill	Graham, Pa.	Murphy	Taylor, Ark.
Carter	Green, Iowa	Nelson, J. M.	Taylor, Tenn.
Chandler, Okla.	Griest	O'Brien	Temple
Clague	Hayden	O'Connor	Ten Eyck
Clark, Fla.	Hersey	Olpp	Tilson
Classon	Hicks	Osborne	Treadway
Cockran	Hogan	Padgett	Tyson
Codd	Hooker	Paige	Upshaw
Cole, Iowa	Husted	Park, Ga.	Vaile
Cole, Ohio	Ireland	Parks, Ark.	Vare
Connell	Jefferis, Nebr.	Patterson, N. J.	Volk
Cooper, Ohio	Johnson, Wash.	Perkins	Walters
Cooper, Wis.	Jones, Pa.	Perlman	Ward, N. Y.
Copley	Kahn	Petersen	Wason
Crago	Kelley, Mich.	Rainey, Ala.	Watson
Crowther	Kelly, Pa.	Ramseyer	Weaver
Cullen	Kendall	Rayburn	Williams, Ill.
Darrow	Kennedy	Reber	Winslow
Davis, Minn.	Kiess	Reed, N. Y.	Woods, Va.
Deal	Kindred	Riordan	Woodyard
Dempsey	Kinkaid	Robertson	Wurzbach
Denison	Kitchin	Robsion	Wyant

The SPEAKER pro tempore. On this call 240 Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

EXTENSION OF REMARKS.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by inserting therein a speech delivered by Senator JAMES E. WATSON, of Indiana, at the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. MOORE of Virginia. Mr. Speaker, reserving the right to object, I have noticed that several times speeches have been published in duplicate. They have been published in the RECORD by the action of the House and also by the action of the Senate. I am wondering whether the oration of the Senator from Indiana has not already been printed in the RECORD by order of the Senate.

Mr. ELLIOTT. It has not.

Mr. MOORE of Virginia. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, in accordance with the leave granted me by unanimous consent to-day, I extend my remarks in the RECORD by printing a speech delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of

Indiana on the 25th day of May, 1922, which speech reads as follows:

Sixty-one years ago the Republican Party assumed control of the legislative and executive branches of the Government and, looking back over those decades from the vantage ground we occupy to-day, with full confidence we can assert that we are justly proud of the record made. My fellow Republicans, yours is a grand lineage. You were in the spiritual loins of Lloyd Garrison, Wendell Phillips, and Charles Sumner. You are the direct descendants of those who swept down the Shenandoah Valley with Sheridan, stood embattled with Meade at Gettysburg, marched with Sherman through Georgia to the sea, and assembled about the apple tree at Appomattox, where Lee gave up his sword to the silent and unconquerable leader of the forces of liberty, Ulysses S. Grant. In your veins flows the blood of those mighty men of heroic mold who saved a nation and redeemed a race. And no Republican assemblage was ever held that did not sit under the inspiration of the spiritual presence of the greatest of all our mighty dead—Abraham Lincoln—whose name shall be enshrined in every patriotic heart so long as altars are erected to liberty and the flag waves over this land of the free.

In your veins flows the blood of the men who laid deep the enduring foundations of peace, of progress, and of prosperity. They crushed slavery and made it impossible for slave labor ever again to compete with free labor in our Republic. They saved the Union, the instrumentality through which is to be worked out the well-being and the development of the individual citizenship of the Nation and the leadership of the world. They made our currency as national as the flag, so that every dollar of American money, of whatever substance composed, is the equal of every other dollar, and every such dollar worth 100 cents in every money market of the world. They established a credit unparalleled among nations, so that before the war our bonds were drawing but 2 per cent interest and every one at premium every day and everywhere. They early maintained and always continued the system of protective tariff, which stimulated inventive genius, developed natural resources, diversified industries, profitably invested capital, remuneratively employed labor, and more generally distributed the results of toil than elsewhere among any people in all the recorded history of the world. And the operation of the policies of this party for 50 years brought this Republic to that commanding position among the nations of the world where, while it numbered but a twentieth of the population of the globe yet owned one-half of its railroads, one-half of its telegraph, and three-fourths of its telephone lines, and did one-third of its mining, one-third of its manufacturing, one-fifth of its agriculture, and owned one-sixth of all its wealth. This is the ripe fruitage of these beneficent policies, and by them we are willing to be known.

In harmony with this purpose, our brothers climbed over the ridge of the world to plant the stout tree of liberty in the Philippines, while our possession of Guam and of Hawaii and of Porto Rico and the benign influence we have exercised in Cuba have given renewed evidence to the world of our belief in the universality of the liberty which we enjoy and the unselfish devotion of this Republic to the cause of human freedom throughout the earth. And all this was achieved under the guiding hand of that great man, the story of whose noble life is an inspiration to every patriot and whose name is the gentlest memory of our day, William McKinley.

And when the prosperity our policies had created so took possession of the minds and hearts of its chief beneficiaries that they threatened to trample under foot the rights of their fellow men; and when capital, like the released genie, loomed so large that thoughtful men became alarmed at its proportions, another leader appeared who reannounced the principles of the Declaration of Independence with compelling power and brought men to a fresh consideration of and a renewed devotion to the fundamentals of our Government. And men called him Theodore Roosevelt.

Catching the spirit of these preceding decades, our sons smashed through the Hindenburg line in France and, in the Argonne Forest and in the Belleau Wood, gave to the world renewed evidence of the inspiration that fills the breast of every American patriot and the supreme confidence it instills in his heart when the institutions of the Republic are imperiled.

And we who are the heirs of all their labors and the beneficiaries of all their struggles sit upon the summit of civilization to-day, in the high place to which they have led us, and firmly resolve that the principles for which they suffered and the ideals for which they sacrificed shall continue to be the guiding stars of the Republic throughout the generations that are yet to come. And in this spirit we rejoice to-day in the leadership of another patriot, worthy of all those mighty statesmen whose genius has lighted the pathway of our history, kindly, patient, gentle natured, noble souled, with a heart that beats in sympathy with the struggling and the suffering of all the earth and yet with a wisdom that recognizes the limitations imposed upon us not alone by our Constitution but as well by the very spirit of our nationality, whose head is among the stars because of the heighth and breadth of his vision, and yet whose feet are on the solid rock because of his devotion to principle—Warren G. Harding.

THE PRESENT RECORD.

My fellow citizens, this administration does not need an apologist. All it requires is some one to tell the story of its achievement. The mere recital of its accomplishments is the surest vindication of its conduct. Its success in the work of restoration and rehabilitation can be measured only by the magnitude of the obstacles it was necessary to surmount before a return to normalcy could be achieved. Surely the future historian will declare that no administration ever before came into power confronting problems of such complexity and difficulty as those which were inherited by President Harding and the Republican Congress.

Those who declare that little has been accomplished forget the bewildering character of the situation that existed in this country and throughout the world on the 4th day of March, 1921, and they speak with scant knowledge of the circumstances and with slight comprehension of the vastness of the task inherited by the Republican Party after eight years of Democratic maladministration.

THE PROBLEM STATED.

We had passed through an area of public expenditures on a scale that staggers the imagination. In its train was left a national debt involving an annual interest charge greater in itself than the entire cost of running the Government before the World War. The public service had been habituated during this period to an extravagance far more easily established than uprooted. Not only had there been an enormous increase in the cost of civil administration, as evidenced by swollen public pay rolls, but the entire service had become thoroughly saturated with the spirit of reckless spending and wanton wastefulness. We became accustomed to speak of billions of dollars as we were once wont in the discussion of public expenditures to talk of millions. This tendency to public extravagance, which wasted untold sums under a national administration elected on a program to enforce simplicity and economy, could not be completely corrected by a mere change in the chief officials of the Nation. Indeed, it will be many years before the spirit of reckless extravagance, with which the public was so thoroughly impregnated during the Wilson era, has been fully overcome, for it spread like a contagion through State and city and county governments to the smallest political division and rested not until it seized and held all our people in its grasp. And yet enormous strides have been taken in that direction by the Government during the past year. It will be decades before the people of this country cease to feel the effects of excessive taxation, made necessary in part by war's emergency, but to no small extent by the reckless, riotous, wicked waste which characterized the incompetent and irresponsible conduct of the national business during and after the war, and which is largely chargeable to the inefficient subordinates of the Wilson administration.

Witness that $11,000,000,000 were appropriated for the purpose of furnishing artillery and airplanes and ships, with the unbelievable result that fewer than 200 pieces of American-made artillery ever reached the battle field, fewer than 200 American-made airplanes ever sailed through the air above the soil of France, and that but one ship built under the authority of the United States Shipping Board ever carried an American soldier to a European port. Much of this was legitimately expended, but more of it was illegitimately wasted, and but few of us to-day comprehend the saturnalia of extravagance and the riot of profligacy that characterized both appropriations and expenditures during that period.

WORLD-WIDE CONFUSION.

The problems that confronted us were both foreign and domestic, all being the direct result of the greatest cataclysm known to human history, and we best can appraise the progress made by this administration in one year and two months by a glance at the conditions of the nations of Europe who were involved in the same titanic convulsion. The war impoverished the world, it is true, by the loss of well-nigh 30,000,000 of her bravest and her best, those most fully qualified for productive purposes, dead upon the field of battle or maimed for life. It left a foreign debt amounting to almost $400,000,000,000, and the most fearful phase of it all is that these nations are not living within their incomes, are not balancing their budgets, and do not seem yet to have entered upon any well-defined program of either financial retrenchment or fiscal reform. The gravity of this situation is best presented by the statement that but two nations of all Europe are to-day living within their means, while every other one is steadily increasing its debt and rushing on in an extravagance of expenditure that, if continued, can lead but to bankruptcy, insolvency, and complete collapse.

The figures are ominous, for they tell the story of an almost utter breakdown of European currencies, largely due to the fatal policy involved in fiat money, an attempt to create values by operating printing presses without limit and scattering irredeemable currency in ever vaster quantities among the people:

Countries.	Total wealth.	Gross debt 1919.	Per cent.
United States	$250,000,000,000	$25,000,000,000	10
Great Britain	90,000,000,000	40,000,000,000	44.4
France	65,000,000,000	30,000,000,000	46.1
Italy	30,000,000,000	12,000,000,000	40
Germany	85,000,000,000	40,000,000,000	47

This staggering indebtedness forecasts disaster to every European nation involved, unless they change completely their fiscal policies. And thus it will be seen that we have been dealing in this administration not only with our own problems but with questions of the greatest gravity inescapably reflected upon us by these chaotic conditions in Europe. For, as everybody recognizes, the whole world is irrevocably bound together commercially and financially, and inevitably the prosperity of our citizens and the fiscal soundness of our institutions depend at least in part upon the stability of European peoples and countries.

Act as we may, talk as we please, the indescribable derangement of European finances and the total demoralization of their money systems and the constant decline in the value of their currencies, the purchasing power of which seems to be reduced with each succeeding month, complicate the situation beyond description, because in their totality they make our rate of foreign exchange practically prohibitive, and therefore very greatly interferes with the full resumption of trade between Europe and America. And strive as we may, enact legislation as we please, we can not fully restore American prosperity without at least a very considerable resumption of normal conditions on the continent of Europe. And yet, despite these hindrances, by means of wholesome economy and sane legislative enactments, we have accomplished much toward the resumption of our original prosperity, and the progress already made justifies the hope of a still nearer approach to normalcy in the near future.

In all but two countries of Europe there were larger deficits in 1921 than in 1920, and England is the only nation that engaged in the last war that can be regarded as at all financially sound. Take, for instance, Poland as a most striking example of insolvency. Her revenue in 1920 was estimated at 3,000,000,000 paper marks and her expenditures at 15,000,000,000. In 1921, 10,000,000,000 paper marks represented the amount of her revenue from taxation, while 110,000,000,000 represented her expenditures. It requires no expert in finance to see whither she is tending.

Take France, whose condition presents a problem of overwhelming gravity, and study the figures of her ever-increasing indebtedness:

	Francs.
1914, July 31	34,188,000,000
1918, December 31	151,122,000,000
1919, December 31	240,242,000,000
1920, September 30	285,836,000,000
1921, February 28	302,743,000,000
1921, September 30	320,000,000,000
1921, December 31	328,000,000,000

Also, it should be stated that for the 12 months ending September 30, 1921, the deficit was well-nigh 35,000,000,000 francs, without any reference to the interest on the debt she owes to other nations.

Look at Germany's sad plight and see how that mighty nation is floundering along in the bogs of financial distress. In order to balance her budget at the present time Germany would be compelled to double her revenue and cut her expenses in two, which seems to be an utterly impossible task. The enormous fiscal deficit of the German Government seems to be the main explanation of the vast increase in the circulation of marks, which rose from 70,000,000,000 the last day of May, 1921, to over 120,000,000,000 the first of this month. What dismay is written in these figures! What monetary riot, what financial despair!

I mention the deplorable condition of Europe's finances in order better to explain and more strikingly to show the very wonderful improvement made in our own country, for notwithstanding the near approach to collapse of the monetary system of nearly every country in Europe we have balanced our budget, we are living within our income, we have issued no bonds and sold no Treasury certificates, we have paid off $1,000,000,000 of the public debt, we have reduced taxation $825,000,000 the first year and $525,000,000 more the second year, we have curtailed governmental expenses $1,600,000,000, and are to-day financially solvent and commercially sound, and on the upgrade toward a normal resumption of American prosperity. Such is the genius of Republican statesmanship.

And in the light of these European conditions the accomplishments of this administration are all the more remarkable and afford the people fresh assurance of what yet may be accomplished in the three years just ahead.

DEMOCRATIC WRECKAGE.

Scattered all about us on every hand at the beginning of this administration was the destruction that was wrought not only by our misfit administration but as well by international conditions. In our own land 5,000,000 men had been taken from the fields of production and set at the destruction of all values, which is the business of war. That conflict had been over, it is true, two years and four months when we assumed control, but at the instance of our own President the completion of peace had been delayed for many weary months while a world constitution was being constructed, and, when the treaty itself finally was ratified by nations other than ours, it proved to be a compact productive of chaos rather than one of order in Europe.

If a rational treaty had been completed, as easily might have been within three months of the signing of the armistice, and if the nations of the Old World had been permitted properly to turn to the task of industrial reconstruction, we to-day might be dealing with a far more stabilized Europe than we are, one well on the highway to a complete rehabilitation rather than with nations still ravaged by war and rumors of war, and threatened with economic collapse and with unutterable financial despair.

And thus we have been compelled to deal not alone with our problems at home, largely the result of Democratic inefficiency, but as well with those abroad caused by the fatuous policy of our own President across the sea. Look whichever way we may in the midst of this wreckage, cast our eyes in whatever direction we please among the shattered nations, and we see in the background the faces of Woodrow Wilson and a portion of his Cabinet as the partial authors of it all.

THE NEGATIVE SIDE.

In order to carry out the platform pledges made at Chicago, this administration was compelled first of all to abandon many of the practices and reverse many of the tendencies steadfastly pursued and adhered to by the former Chief Executive. In this respect it has performed a service of inestimable value even if one not yet fully realized by the people. Since Harding became President there has been no thought of surrendering the rights, interests, and ideals of this Nation to any scheme of alien supersovereignty anywhere in the world. There has been no intention, either hidden or expressed, of dragging this Republic into the League of Nations. Upon the contrary, every utterance of the President has shown him to be diametrically opposed to any such scheme. Under him we shall maintain our independence and keep a firm hold on our sovereignty and, while fondly hoping that the League of Nations may bring peace to shattered Europe and prosperity to her struggling millions, and while gladly aiding to bring about that desired end to the fullest extent consistent with our traditional policy, yet we shall steadfastly decline to be drawn into their political involvements or entangled in their financial catastrophies.

We best can serve the world by being able to serve it, and we most surely can remain able to serve it by keeping ourselves strong at home. If we are to help the world, it is for us to say when we shall help it and by what method we shall help it and how much we shall help it, and it is not for any supergovernment to dictate our course to us. By a policy of national independence we brought ourselves to that position of financial primacy and commercial supremacy that enabled us to reach out our hands and grasp the blood-stained arms reached forth to us across the sea in a plea for help and lift bleeding Europe out of the depths of despondency to the heights of victory, and we shall best be able to extend needed aid to the other nations of the world in the days that are to come by keeping ourselves free of all entangling alliances and independent of all foreign involvements. Such is the Harding policy, and such plan will meet with the approbation of the people of this land.

There have been no further steps toward the socialization of industry since Mr. Harding became President. He constantly has said that there must be less Government in business and more business in Government, and he has cautiously proceeded to enforce that pronouncement. Under the guise of war necessity, the last administration took practical possession of all the business of the Nation and made it entirely subservient to those in power. They took over the railroads and the telegraphs and the telephones, and they commandeered corporations, and they seized factories, and they operated plants, and they projected themselves into all the business affairs of the land. And with what result? Never was there such mismanagement, never such extravagance, never such a welter of inefficiency, never such dire confusion.

The Republican Congress at once proceeded to untangle this mess, to give back these properties to the people who owned them, and to establish again the firm principle of the recognition of individual and property rights under the guaranties of the Constitution.

While not abating by one jot or tittle the force of the Sherman antitrust law, while having brought many proceedings to punish corporations for the violation of that statute during the war period, ruthless profiteers and plunderers who enriched themselves at the expense of a suffering and sacrificing people, nevertheless the general tendency of the administration is toward full freedom in business and a recognition of the larger right of the individual to control and operate his own business affairs. The "new freedom" preached by Woodrow Wilson was a grotesque travesty on the very name, while the enfranchisement of business under Harding is an accomplished fact. There therefore has been no suggestion from high places that private pay rolls should be diminished in order that public pay rolls might be increased, all designed to place a larger number of voters under the direct supervision of those who hoped to profit politically by the change.

Since Mr. Harding became President there have been no White House pronouncements expressive of the false theory that Government is the natural and proper enemy of business, and there have been no examples of governmental infringement upon the just domain of legitimate private enterprise, and that there will be none in the days to come should prove encouraging to every friend of economic freedom.

THE PRESIDENT AND CONGRESS.

Since Warren G. Harding became President there has been a complete restoration of proper relations between the executive and legislative branches of government. There has been no coercion by one and no servility by the other. They both have worked together in a spirit of harmony and cooperation without the exercise of a dangerous authority on the one hand or slavish sycophancy on the other. Each recognizes and accords to the other its full rights and neither expects at any time to infringe upon the prerogative or invade the legitimate sphere of activity of the other. I know that some of our citizens are disappointed at this course. I realize that many people think that the President should take a club and at least threaten Congress, if not actually cudgel it, into submission, but assuredly the almost fatal example of Woodrow Wilson's fatuous policy in this regard should satisfy such believers that that course is inimical to the best interests of our Government, and that, even if adopted, it would meet with the emphatic disapproval of the American people. Never was this more clearly manifested than when, right in the midst of a successfully conducted war, on the very eve of one of the most momentous triumphs of history, a Congress, Republican in both branches, was elected contrary to the expressed wish of the President and, indeed, in opposition to his practical demand.

The American people then and there set their seal of disapproval upon autocratic power in the United States, and assuredly, in the light of the great success that has followed the adoption of the opposite policy, they are not yet ready to reverse that decision thus solemnly rendered.

The length of the steps we have taken since March 4, 1921, may not have been as great as many of us would like, but they have been in the right direction, they have been away from the quicksands of socialistic idealism and toward the old, solid rock of traditional, common-sense Americanism, with its deep-grounded belief in the right and duty of every individual to work out his own salvation in his own way. We are gradually moving away from the tendency which not long ago gripped this Nation to make the American people inmates rather than citizens of the Republic.

We are opposed to autocracy in any form, whether it be of the President or of capital or of labor or of class. It is hostile to the spirit of our institutions, shocks the deepest sensibilities of every American citizen, and runs counter to the highest principles of the Republic. No single individual and no one favored class shall ever be permitted to assume autocratic control in this country and with imperious power dominate all other phases of our civilization. Such a course would spell disaster to republican institutions, founded upon the everlasting doctrine of human equality, and plunge us all into the midnight of despair.

THE POSITIVE SIDE.

When the Republican Party came into power it found a huge and increasing army of unemployed, with industry and agriculture deep in the lengthening shadow of depression. Partly this was due to the demoralization of war; partly to mistaken national policies of tariff and taxation. Fellow Republicans, we did not create this condition, we inherited it. It is the inevitable result of Democratic administration. We had passed through an orgy of speculation and inflation, always a concomitant of war, the day of defiation and of settlement came on apace and it became necessary for us to set our house in order to meet the changed condition. All this meant a general readjustment. It meant to face hard facts and solve difficult problems, not amid the blaze of war and the blare of trumpets but in committee rooms, where month after month programs were made and policies were formulated along business lines, afterwards embodied in legislation, and still afterwards religiously kept and followed.

When we came into power there was a bedlam of confusion in all governmental affairs. Our national finances were administered under tax laws imposed by the necessity of war. Our emergency fleet, which had cost $3,500,000,000, was in a state of demoralization that can be neither imagined nor described. Railroad transportation was on the very verge of collapse. Measures for war relief had not been thought out. A vast horde of foreigners was prepared to sweep down upon us in order to escape from tax-ridden and war-torn Europe. Agriculture was in a deplorable condition. Employment was everywhere sought. Government costs were out of all proportion to Government receipts and over all was the blighting pall of uncertainty. But the Republican Party faced this situation unafraid. Like a giant, conscious of its mighty strength, it grappled with the task. And what has been done in the past 14 months to relieve this frightful condition and with what results have we wrought and achieved?

First, we ended the technical state of war with Germany and Austria, an act essential to the prosperity of this country and the rehabilitation of Europe. Owing to circumstances for which the Republican Party was not responsible, it was necessary to make a separate peace with the Central Powers or have no peace at all. The new administration early contemplated a peace conference, but this was impossible while our own Nation was still theoretically at war with two European countries. The Democratic Party steadfastly opposed such a declaration of peace, thus more nearly fulfilling the party policy established by Woodrow Wilson of keeping us out of peace rather than the other one formulated by his ardent followers of keeping us out of war.

The Republican Congress next passed an act restricting immigration in any one year to 3 per cent of the American population of such nationality. This was a step in Americanism long demanded and long delayed. Without reflection upon any of the foreign elements in our citizenship, which in generations past have contributed immeasurably to the national upbuilding, the time has come when we should cease absorbing a larger alien population than it is possible for us to digest without serious internal disturbances, and certainly when 5,000,000 of our own people were out of work we were justified in preventing additions to that great number by large blocs of Europeans who could have done nothing else than add to the general discontent.

THE BUDGET SYSTEM.

The Republican Congress passed an act establishing the Budget system, a necessary step in the policy of putting more business in government, to which the party in power is committed. The adoption of this policy was postponed a year through the veto of a similar measure by President Wilson. Already it has exercised a remarkable influence in the limitation of public expenditures. In my judgment this law will stand out as one of the most important pieces of constructive legislation enacted in the last quarter of a century, and its operation, under the forceful leadership of Gen. Charles G. Dawes, already has produced unbelievable results.

APPROPRIATIONS.

The appropriations for the year ending June 30, 1922, were $4,065,000,000, and the estimates were $5,600,000,000, showing an approximate reduction of $1,600,000,000. These estimates were submitted by a Democratic administration, while the appropriations were made by a Republican Congress.

The estimates for the fiscal year ending June 30, 1923, submitted by the present administration are $3,853,000,000. It is too early to say what the appropriations will aggregate, but the chairman of the House committee estimates them at $3,500,000,000, each of these figures including the cost of operating the Post Office Department, which is $550,000,000 a year.

I call your especial attention to the important fact that there are now three fixed items of charges approaching $2,000,000,000 which did not exist before the war, namely, $975,000,000 interest on the public debt, $381,000,000 sinking fund, and approximately $500,000,000 for the maintenance of the Veterans' Bureau in connection with the care of wounded soldiers. There are other items like the shipping industry and increased outlay for law enforcement to be added to these three.

Therefore it will be seen that these stated charges can not be eliminated, and so we begin to make provision for the operation of the Government after we have first provided for these $2,000,000,000 of fixed charges which grew out of the war.

After we deduct the $2,000,000,000 from the $3,500,000,000, which it is estimated will be the aggregate of appropriations for 1923, it will be seen that we have but $1,500,000,000 for the conduct of every activity of the Government, including the Army and Navy, which is only $250,000,000 more than the cost of the Government before the war, and $150,000,000 of this is represented in the increased volume of business done by the Post Office Department; so that when we take the $250,000,000 and deduct the increased cost of running the post office—$150,000,000—we will reach rock-bottom, and our Government will be conducted at as low a cost as is possible under existing conditions.

The annual revenue from the liquor business before the enactment of the Volstead Act was approximately $290,000,000. The revenue now from the same source is $83,000,000 and will gradually be reduced.

If these figures are verified by the appropriations, and I have no doubt they will be, they will conclusively show that we are the only country in the world that is really living within its revenue.

This is certainly as remarkable a showing as ever has been made in the financial management of this or any other country, and I attribute much of it to the success of the operation of the Budget system, together with the unalterable determination of Congress to reduce expenses to the minimum.

AGRICULTURAL RELIEF.

There is an inadequate conception in industrial centers of the hardship visited upon the farmers of the country through the reaction of war. And yet we must realize upon reflection that impoverishment of the American farmer means not only destruction of the purchasing power of half of our population but a reduction in quantity of farm production, and therefore an ultimate increase in cost of food to the city consumer.

In the process of deflation that began after the war and still continues, agriculture was the first to feel its full effect. Almost at once prices became so low that they did not meet the cost of production, while at the same time the price of practically everything the farmer was buying, including transportation, remained on the war level. This was an intolerable condition, for it threatened to bring about the complete collapse of agriculture, which, as we fully realize, is the basis of all industry and the foundation of all prosperity. To meet this manifest demand, exigent in all particulars, Congress enacted at once an emergency tariff law, which was signed on May 27, 1921, and renewed on November 16, 1921, and will now stand until a permanent tariff law shall have been passed. There have been some newspaper comments as to the futility of this act, but permit me to say that not one single witness that appeared before the Finance Committee in all of our hearings, whose attention was particularly directed to this act, but what testified that it unquestionably had saved the wool and sheep industry of the country from utter destruction, that it had been of immense value to the dairy interests as well, and that it had operated to the great benefit of the farmer as to all the other items it enumerates.

The export trade bill was next passed, a measure authorizing the Government to loan up to $1,000,000,000 to aid in financing the export of farm products. Of this sum $45,000,000 already have been loaned for export and $283,587,000 to cooperative associations.

The packers' bill was enacted for the regulation of commerce in live stock and dairy products, and poultry and eggs, and places in the hands of the Secretary of Agriculture the authority and machinery necessary to prevent abuses long complained of by farm producers, but avoids the radical measures, destructive of all industry, which have been proposed by demagogues and theorists. This act settles a controversy of long standing.

The grain exchange law, instituting the control over boards of trade and other grain market agencies similar to that over the meat packers, a bill which prohibits any gambling in grain futures, but permits useful dealing in the grain market, intended to prevent purely speculative operations believed to be injurious to both producer and consumer. Although this law has just been declared unconstitutional, it nevertheless clearly shows the disposition of Congress to be helpful in that direction.

The law increasing the capital of the Federal farm loan banks by $25,000,000, designed to assist the farmer in securing additional loans at reasonable rates. I may say in passing that the sum of $629,897,654 has been loaned to farmers through this agency up to March 31, 1922.

Congress also passed a law conferring upon farmers the right to form organizations for the marketing of their products, which is a special exemption of agricultural interests from the operation of the Sherman antitrust law, and which undoubtedly will prove highly beneficial to the farmers of the country and greatly aid them under present strained conditions.

We amended the farm loan act by authorizing an increase in the interest on bonds issued by the Farm Loan Board from 5 to 5½ per cent, and limiting the rate of interest on loans to farmers to 6 per cent.

We provided for the establishment of an Agricultural Inquiry Commission to investigate and report on agricultural needs, the most complete body devoted exclusively to this subject yet assembled.

And to this may be added the agricultural conference called by President Harding and held in Washington for the purpose of considering the many pressing problems immediately confronting the farmers of the land. This is an array of acts for the benefit of the agricultural interests of the country never before equaled by any one Congress in our entire history.

All these have resulted most beneficially to the farmers of the country as is evidenced by the fact that the prices of nearly all farm products have advanced, as doubtless they will continue to do, until they reach a level where the farmer can realize the profit his investment and his labors entitle him to receive.

OTHER MEASURES.

The emergency tariff act carried a provision continuing the dye embargo and in the tariff bill under consideration this will be renewed for one year, with permission granted to the President to renew it a year longer upon a proper showing. This will insure the establishment of the synthetic chemical industry in America, than which no more important step could be taken.

Congress has not been remiss in the discharge of its obligation to the disabled veterans of the World War, nor will the members of that body ever forget the solemn duty they owe to these defenders of our faith. The operations for the relief of war veterans was originally divided up among the Treasury, the War Risk Insurance Bureau, the Vocational Training Board, and other departments, and one of the first acts of reconstruction passed by a Republican Congress was the unification of all these activities under the supervision of the Veterans' Bureau.

It is difficult to imagine what an enormous task confronted this new organization, and yet a faint glimpse of it can be given by the statement that already there has been paid to disabled veterans and their dependent relatives $1,979,286,634—or a greater sum than that expended for the relief of the soldiers of the Civil War before 1880, or 15 years after the close of that struggle.

There is going out of the Treasury each day for that purpose approximately $1,250,000. To meet the demands of the disabled, the Government now has nearly 30,000 hospital beds to which 11,000 are immediately to be added at an approximate cost of $3,000 a bed. There are 29,000 men already in hospitals each of whom is receiving, in addition to his keeping and his care, from $80 to $157 each month. I am informed that the disbursements for compensation run over $10,000,000 each month and for insurance over $9,000,000, while during the same period there are 15,000 compensation claims and 1,200 insurance claims received for action. There are 116,000 men taking vocational training, each of whom receives pay at the maximum of $170 per month. There are now in existence 107 Government-operated hospitals which provide 182 employees for each 200 patients. There are 5,000 schools used throughout the country for training ex-service men, and in excess of 10,000 institutions for placement training.

When the War Risk Department was reorganized there were 200,000 claims awaiting adjustment. Of these all the uncontested ones were settled long ago. There are about 700 claims received each day, which are immediately decided, and I am very happy to say to you that this whole mass of undigested business has been cleared away and that this important department of the Government is to-day up to date in all of its examinations and decisions.

This department is in actual contact with all public and private charities everywhere, in touch with every office of the Red Cross, and in communication with every Legion post and, while all mistakes can not be avoided and relief can not immediately be afforded in all cases nevertheless the organization is now so perfect and is operated on such sound business principles that unquestionably there need be no great delay in adjusting the claims or attending to the wants or meeting the needs of every deserving soldier of that war.

SOLDIERS' BONUS.

The House of Representatives already has passed an act providing a bonus for World War veterans, and I have no doubt that in some form or other it will find its way through the Senate and become a law before the close of this session of Congress. I can not now say just what the provisions of this act will be, because they are yet the subject of consideration by the President and the members of the Finance Committee, but I am quite sure that they will involve no additional taxation and that finally they will be paid by the use of the bonds of our debtor nations.

The difficulty with regard to the enactment of bonus legislation is quite apparent to all. Congress is most determined to reduce expenses to the lowest limit, and yet, on the other hand, every Member of that body is anxious to please the soldier and, within the limits of possibility, equalize his pay during his period of service with that of his brother who remained at home and received inflated wages. If our Treasury were full and overflowing, no questions would be asked, because there would be no problem presented, but with the necessity for reduced taxation if business is to be resumed, and with the determination to run the Government on business principles whatever else happens, the question presented by the bonus has been one of the most difficult to answer. And, that I may make a candid statement of the whole situation, permit me to say that a large number of the Members of both the Senate and House committed themselves to the payment of a bonus in the last campaign and feel under compulsion to redeem the pledges then made. And so I feel quite sure that, notwithstanding the perplexing difficulties surrounding the entire question, such a measure will be passed, and that, when understood, it will meet with the approval of the great majority of the people of the land, including the beneficiaries of the legislation.

FURTHER LEGISLATION.

In addition to these great measures, Congress passed a Federal highway act appropriating $75,000,000 for Federal cooperation with States in the building of highways.

An act establishing a woman's bureau to enable women to respond to the new duties imposed upon them by their recent enfranchisement.

The maternity bill, pledged by the Republican Party in the last campaign and advocated almost unanimously by the recently enfranchised women of the land. The bill provides for cooperation with the States in the protection of maternity and infancy and is voluntary rather than compulsory in its provisions for enforcement.

Among relief measures enacted were two for the benefit of the starving people of Russian, one to donate $20,000,000 for food and to purchase seed grain for the famished in the Volga region, and the other to release medicines now held by the War Department to be applied to aid the sick of this ailing and unfortunate country.

The House passed the rails-security refunding proposal looking to the rehabilitation of the finances of transportation, but the general improvement in the tone of the market enabled the railroads, through the aid of the War Finance Corporation, to dispose of their own securities and it was found unnecessary to consider this bill in the Senate.

The naval appropriation bill was passed with a saving of $86,000,000, as compared with the sum carried by the same bill in the last Congress and the Army appropriation bill, which reduced the standing Army to 150,000 men and carries $15,000,000 less than the former bill which President Wilson refused to sign.

The law providing for the consolidation of independent telephone companies, making possible the elimination of loss through unnecessary duplication of such lines.

The law providing a method of control by the President for landing submarine cables, correcting a situation which became embarrassing under the former administration.

An act broadening the organic law of the Indian Bureau, which will cure the evil of legislative riders and appropriations, an abuse of long standing in connection with the Indian Service.

A law providing for an agreement among the Western States for the apportionment of the water of the Colorado River, settling an interstate dispute of long standing known as the Kansas-Colorado case.

A law authorizing the completion of the Alaskan Railroad at a cost of $4,000,000. The final estimates of the cost of this road by the former administration having been found inadequate, it was necessary to provide the amount necessary to finish the line or leave it in an unserviceable condition.

An act for the relief of those who responded to the call of the Government for the production of war materials, relieving many producers of small means who patriotically undertook to meet the war needs of the Nation.

The law to amend the Federal reserve act with regard to the capital stock of corporations.

An act to reclassify postal employees, involving many thousands of our fellow citizens, and readjusting their salaries on a more equitable basis.

The Volstead Act, providing for the enforcement of the eighteenth amendment, for which over $9,000,000 has just been appropriated for the ensuing year. Regardless of what one may think of national prohibition, there can be no serious difference of opinion among patriotic people as to the importance of enforcing laws, and especially those arising out of and based on constitutional amendments. Contempt of one law breeds contempt of all laws, and contempt of law is not a thing that serious-minded people can afford to condone or encourage. The law while it is a law must be enforced. Failure to do so is nullification, and nullification carried to its logical conclusion means the utter collapse of orderly government.

These salutary acts, together with about 500 others of minor importance, tell the story of a legislative session unparalleled in our history for the number and consequence of its enactments.

TAX LEGISLATION.

The national Republican platform pledged a reduction in expenditures and a decrease in taxation, and in both instances we have kept the faith. We gained control of Congress on the 4th of March, 1919, but until the 4th of March, 1921, we were handicapped by the fact that the disbursing branch of the Government was in the hands of the Democratic Party, which had the habit of spending developed to a most remarkable degree, and therefore all we could do was to cut down the appropriations demanded by the various departments.

The first session of the Republican Congress which assembled reduced appropriations for the current fiscal year to $4,500,000,000, which was $75,000,000 less than the appropriations for the fiscal year preceding, $1,500,000,000 less than the Wilson administration asked for its last year, and $3,000,000,000 less than were appropriated for the second fiscal year preceding.

The total appropriations for the year ending June 30, 1916, were $1,114,490,704.09. For the year ending June 30, 1917—we had been in the war two months—they were $1,625,419,995.53; for the year ending June 30, 1918, they were $18,892,027,501.58; and for the next fiscal year they were $27,065,148,690.75. No sooner had the Republican Congress come into power than it repealed war appropriations aggregating more than $8,000,000,000. For the fiscal year ending June 30, 1920, the first one under a Republican Congress, appropriations aggregated $6,495,015,370; and, as I said above, and it is worthy of repetition, for the year ending June 30, 1921, the actual cost of running the Government was $5,538,040,689, and for the next fiscal year it will be $3,922,372,030.

The departments during the last fiscal year estimated an expenditure of $5,337,996,723.23, but Congress so greatly reduced this sum that we have actually balanced our Budget and are living within our income. A part of this reduction is due to the fact that during the year ending June 30, 1921, 93,634 people were dismissed from the public service, in the last year 10,000 more, and since the armistice a total of 330,278 employees have been dropped from the civil pay roll; and I may say in this connection, as an expression of personal belief, they have not been getting rid of the Democrats in some of the departments fast enough to suit me.

This is a Government by and through the agency of political parties; and, while its present form is maintained, it can not be governed in any other way, for by this method alone can the people express themselves as to the policies they desire to control the administration for the ensuing four years. Anything, therefore, that strikes at either the existence or the efficiency of political parties is injurious to an agency of government, and should not be permitted except after most careful consideration.

I believe in the civil service as applied to a great many of the phases and activities of Government operation, but I do not believe in that system when it shelters men who are opposed to the policy of the administration and who secretly connive to overthrow it and strike at it and interfere with it whenever an opportunity is presented. There are a large number of such in office in Washington now, and my judgment is that they should be released and sent home. This is particularly true of those who occupy key positions or who can make decisions or determine policies or settle questions of procedure.

As to all persons except those who are doing the mere routine work, more or less clerical in character, the administration should see to it that they are in harmony with its spirit and its purpose and the President and heads of departments are entitled to have the occupants of these offices loyal to the policies they are attempting to carry out.

A large number are not in this frame of mind but diametrically opposed to the administration, to the President, to the party in power, and to the things we are trying to do, and, in my judgment, all such should be summarily removed.

I have been and am opposed to putting postmasters under civil service. They are very useful in maintaining party organization, and the past shows that these activities have not in any wise interfered with their efficiency. A Congressman is compelled, by the very force of public sentiment, as well as by his own conception of right and propriety, to name none but the best, because he knows that the service rendered is the surest justification for any appointment. His own self-interest prompts him to pursue that course, and the record proves that but few mistakes have been made.

THE NEW TAX LAW.

Whatever may be said as to the new tax law, and no such enactment ever has been or ever will be popular, it is infinitely better than the present one. It will produce $835,000,000 less this year than the present law and next year will assess the people $525,000,000 still less, or a total in excess of $1,300,000,000 of a decrease under the existing law. Further revision within the next year is probable. No one not familiar with the difficulties and intricacies of tax revision, with the conflicting theories and interests involved, has the slightest conception of the labor and trouble of reconstructing our tax laws and can not understand how many months of most unremitting toil by experts and legislators is represented in such a measure.

Every law involving hundreds of items and affecting millions of individuals is necessarily a compromise, and no thoughtful man expects a law framed in its every item to suit him. I speak with full personal knowledge when I say that the new tax law is the best that could be worked out of the conflicting elements involved, and from that starting point we can move on to better things.

This law has been criticized because we reduced the surtaxes only 15 per cent, from 65 to 50, but that was the very best that could be done, and it was the result of a compromise after weeks of patient work in connection with the subject. I made the compromise myself, and, therefore, I speak with full knowledge of the subject.

I have been for many years a believer in and an advocate of the sales tax as the most just and equitable system of taxation that any Government can devise, but, up until the last taxation measure was passed, no real opportunity was ever presented to have it even considered. I voted to report it out of the Finance Committee as a substitute for the higher surtaxes and the excess-profits taxes and other forms of aggregated taxation, but we could not muster a sufficient number of votes to secure favorable action. In common with 24 of my colleagues, I voted to pass it as an amendment to the tax bill, but to no avail. I am firmly convinced, however, that some such proposition will be enacted into law at a comparatively early date. As a matter of principle, I shall support it whenever an opportunity is presented to pass it.

We did repeal excess-profits taxes, which in part were smothering the productive activity of the country, and, if many of us had had our way, we would have reduced the surtaxes to not more than 25 per cent, which would have prevented the flow of free capital into tax-exempt securities, would have led to investment in industrials that would have revived business, and would have given assurance to men of means that the Government did not intend to tax their incomes entirely out of existence by a confiscatory system of taxation.

I hitherto have said that the expenses of the Government can not be much further reduced because of fixed annual charges growing out of the war. People may complain, but the Republican Party is not responsible for these conditions. We did not make them—we inherited them—and we are dealing with these complex problems left us by an incompetent and inefficient Democratic administration.

These bills must be paid largely by taxes taken from the pockets of the people. There is no other way in which it can be done. While the war was on it required money to pay the expense, and the money we then borrowed, together with the interest, must be paid, and it is not possible while all of this is being done to reduce expenses beyond what they will be next year.

The Senate, with only two hours' debate, voted $640,000,000 for aircraft. A Democratic committee of the Senate found that this money was worse than wasted, and yet it must all be paid and the people must pay it by taxation. We sold for $120,000 what cost us $80,000,000, but we must raise the $80,000,000 and it can be done alone by taxation. The $25,000,000,000 the war cost is a debt of honor and we will pay it and whatever other charges honorably arise out of it, but it must be done by taxation, and under all the circumstances the Republican Party has worked wonders in the way of the curtailment of expenses and reduction of taxes. This is the real test of constructive statesmanship. And, fellow citizens, we in this convention to-day can take a pardonable pride in the fact that the ability to reduce taxes and yet meet current expenditures from current incomes without resorting to loans, and at the same time, by reason of effective economy, pay $1,000,000,000 on the public debt; that this ability is characteristic alone of America and is characteristic of the Republican Party alone in America.

THE TARIFF.

The House of Representatives early passed and the Senate is now engaged in debating a tariff bill to supplant the Underwood-Simmons law, which on the average assesses 6½ per cent on all imports, or the lowest rate provided by any bill in the entire history of the Nation. I shall enter upon no extended argument on the tariff question for none is required in this presence. The national platform of 1920 demanded the restoration of a protective policy and that pledge shortly will be fulfilled.

The whole question of the tariff is a question of wages. From top to bottom and from bottom back to top it is a problem of the man who labors and of the man who toils. If the workman engaged in any gainful occupation in this country is willing to take the same rate of wages that his competitor gets in any competing country we can adjust ourselves to the new conditions and proceed with business. Capital in reality does not need to be protected. Capital is never weak and requires protection only to enable it to pay American wages. But the man who has nothing to sell but the brawn and the muscle of his good right arm and who goes out every morning to sell that product is entitled to the best market in the world in which to dispose of it and to receive the best wages paid in the world in return for it.

Involved in this problem is also the question of the capacity of American citizenship to meet the demands made upon it in a Government devoted to the doctrine of human equality. If men are to be

equal before the law they must be qualified for equality, and as a partial equipment to be thus qualified each must receive such a return on his investment of labor as will enable him to stand upon a level with his fellows and play his part in upholding this Government of free and equal men.

There can not be equality in any country where any considerable portion of its citizenship is ground down by extreme conditions of living and a weight of inescapable poverty. Wages must be paid which will permit the laboring man to enjoy the comforts and conveniences and even the luxuries of life, to rear his children in accordance with their needful requirements, to meet the demands made upon him by a well-regulated social life, and demean himself as a self-respecting American citizen. These things he can not do if he is compelled to come in direct contact with the products of the cheap labor of Europe, cheaper now than ever before because these people are compelled by stern necessity to seek new markets and open up new avenues of trade.

CHEAPNESS.

The outcry against the tariff is based on the theory of cheapness. Those who oppose protection do so on the ground that it enhances the price of the article protected, and they insist on buying the article wherever in the world it can be bought the cheapest. But a thing may be too cheap. A thing is too cheap in the United States when the man who makes that thing can not get a decent, honest, American living by making it. Benjamin Harrison, than whom no greater protectionist ever lived, and who had the faculty of compressing a whole argument into a statement, graphically remarked that "A cheap coat means a cheap man under the coat," by which he meant that the man who made the cheap coat would be a cheap man because he got low wages, and this is true of every other article made in America.

If these gentlemen are anxious to have cheap things, why don't they go to China? That is the cheapest country in the world and there they can have cheapness to their soul's content, but they would also have cheap men and cheap civilization.

We have righteously excluded immigrants from the United States except in very limited numbers, and yet free traders want all the products of their toil to come into this country without restraint or limitation. Economically, the result is almost the same.

Under years of protective tariffs we have built up an American system of living through an American scale of wages and an American plane of costs, and back of it all an American conception of the regal dignity of every man which must be preserved by his ability to maintain himself through just rewards for service rendered. This is the American plan and by means of it we have easily outdistanced all the other peoples of the world.

UNDERWOOD LAW.

Everyone knows that the operation of a revenue tariff has always resulted in commercial depression, in business paralysis, and in industrial despair. Six times this has been demonstrated in American history, and 1914 was no exception to the rule. Everyone knows that we were then going into a period of depression, headed straight for industrial disaster and financial wreckage, when the war intervened and erected a prohibitive tariff behind which we wrought and achieved as never before. That same Underwood law is still in existence, and unquestionably conditions that existed in 1914 and even worse will come upon us again unless that law be repealed. War wages have been but slightly reduced in many lines of activity, while wages are lower in Germany and in many other European countries than ever before. American industry can not directly meet this competition and survive. Under the Underwood law these wages can not be paid, these living conditions can not be maintained, and nothing but an adequate protective tariff will enable us fully to restore prosperity in the United States and bring contentment and happiness to the citizenship of America.

They tell us that our rates are high, but as to whether or not a rate is high depends upon the competition, on the production cost of the competitive article. We framed the present tariff bill wholly and solely on the basis of the difference in the cost of production at home and abroad as nearly as we could ascertain the facts. In formulating this bill we have been much like a man trying to build a dam in a flood, he can not always be sure of his foundation and he may be compelled to shift from time to time in order to meet new conditions. But this dam had to be built and we were compelled to do the best we could under the hard conditions with which we contended.

It is quite true that we did not always have exact information, but we have approximated a correct tariff, and I can say in all candor that in every case where there was uncertainty we gave the benefit of any and every doubt to the American producer and not to his foreign competitor.

A protective rate can not be said to be either high or low if it protects. I can cite a great number of instances in which it would take from 500 to 1,000 per cent to measure the difference in the cost of production at home and abroad, and therefore 1,000 per cent, being simply protective under the rule, would not be high, whereas in other instances 25 per cent would be high, because it would more than measure that difference. There is no such thing as a high protective tariff or a low protective tariff, for a protective tariff furnishes its own definition without any adjectives or prefixes to define it.

This bill will give to agricultural products the first real protection they have ever secured in the history of the country, and undoubtedly it will be of immense benefit to the farming interests of the Nation in their present dire straits, and likewise to all American industries that compete with like foreign industries with low wages and reduced costs of production. To them all we undertake in this measure to give adequate protection.

WAGES IN GERMANY.

I make the comparison with Germany because of the immense capacity of her people and the vast forces that can be brought into play by proper organization, which they so well understand and to which they so willingly submit. I am no more anxious to protect the United States against German-made goods than those of any other country, but I am equally anxious to secure the American market for the American producer from invasion from any country and from all countries.

The assertion continually is being made that wages have increased in Germany since 1914, and that therefore we do not require as high a tariff as otherwise we would. This I emphatically deny, and I am giving herewith a statement of wages in Germany which can be multiplied indefinitely, showing that they have decreased since 1914, measured by American money, and that they are lower to-day than they ever have been at any time in the history of Germany, which proves that their competition is all the more dangerous.

Wages in Germany—Rates per week for adult male workers.

Source: The wages for 1913 were compiled from the Statisches Jahrbuch fur des Deutsche Reich (Statistical Yearbook for the German Empire, 1915), page 91. The wages for December, 1921, are compiled from the Korrespondenzblatt des Allegemeinen Deutschen Gewerkschaftsbundes (the publication of the General German Trade Union Federation, March 4, 1922), pages 4 to 18, inclusive.

Mark converted to dollars in 1913, at $0.2382.

Mark converted to dollars in December, 1921, at $0.005223, the average buying rate for the month of December, 1921, for New York cable transfers as reported by the Federal Reserve Board.

City.	Bakers.		Brewery workers. Skilled.		Brewery workers. Unskilled.		Tailors.		Painters.		Stone-cutters.		Stone-masons.		Book-binders.		Printers.		Joiners.		Transport workers.	
	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.
Berlin	$6.19	$2.66	$7.15	$2.51	$6.19	$2.48	$13.10	$3.13	$17.15	$2.64	$19.06	$2.38	$20.25	$3.13	$7.50	$2.78	$8.19	$2.89	$14.77	$2.88	$6.91	$2.74
Konigsberg	.....	1.88	.....	2.27	.....	2.18	10.72	2.51	12.62	2.51	16.20	.....	15.72	.....	.....	2.59	7.37	2.65	8.34	.....	5.00	1.47
Kiel	5.95	2.80	7.98	2.72	6.31	2.68	10.72	2.63	15.48	2.69	.....	.....	17.39	2.57	.....	2.42	7.86	2.72	15.24	2.68	8.05	2.51
Osnabruck	.....	2.51	6.91	1.78	5.95	1.75	.....	2.51	12.39	2.33	13.10	2.46	15.48	.....	.....	2.32	7.04	2.52	12.15	2.66	.....	2.25
Dusseldorf	7.38	3.39	7.50	3.16	6.07	3.11	11.67	3.51	14.29	2.93	17.63	2.51	.....	3.38	5.36	2.97	7.70	3.08	14.29	3.17	6.43	2.92
Munchen	6.19	2.17	8.10	2.34	5.72	2.29	10.00	2.63	13.34	2.32	15.96	.....	.....	2.91	5.95	2.59	7.86	2.68	12.62	2.14	6.91	1.98
Leipzig	5.72	2.35	8.34	2.35	6.19	2.32	9.53	2.63	.....	2.54	19.06	2.34	.....	3.80	7.20	2.59	7.86	2.68	13.82	2.64	6.43	2.09
Stuttgart	.....	.....	7.91	2.30	6.53	2.26	10.00	2.63	13.82	2.51	15.48	.....	.....	2.86	6.88	2.59	7.70	2.68	11.91	2.16	5.72	1.71
Manheim	5.72	2.09	8.10	2.53	4.76	2.51	11.91	2.88	13.58	2.77	15.24	.....	.....	3.21	6.91	2.59	7.70	2.79	12.86	2.31	.....	2.96
Rostock	5.48	2.01	6.43	1.61	5.12	1.58	11.43	2.41	13.10	2.32	13.34	.....	16.67	2.26	5.84	2.42	7.37	2.58	10.24	2.16	.....	2.07
Bremen	5.95	2.67	8.10	.....	6.07	.....	10.72	2.76	15.01	2.66	22.63	3.18	15.96	3.21	6.79	2.59	7.70	2.74	14.29	2.75	5.95	1.72
Hamburg	6.67	3.13	8.57	3.13	5.24	3.11	13.10	3.13	17.39	2.76	23.82	2.47	19.06	3.37	7.74	2.59	8.19	2.85	15.48	2.93	7.72	3.13
Average	6.14	2.52	7.73	2.43	5.83	2.39	11.17	2.78	14.38	2.58	17.41	2.56	17.22	3.00	6.69	2.59	7.71	2.74	13.00	2.59	6.57	2.30

RATE OF EXCHANGE.

In addition to this disparity in wages, there is still an even greater one in the value of the currency of this and competing countries, evidenced by the rate of exchange, which is one of the most serious problems that confronts not only Europe, not only America, but the whole world as well.

The normal value of the Russian ruble is 51.46 cents, measured in our money, but to-day 100 rubles are worth seven one-hundredths of a cent in our currency, or a depreciation of 99 per cent.

The German mark is normally worth 23.8 cents; to-day one-third of a cent, or 98 per cent depreciation. At face value the Austrian crown is 20.3; at present it is worth one one-hundredth of a cent, or a depreciation of 99 per cent. Polish marks are ordinarily valued at 23.8 cents, now two one-hundredths of a cent, a depreciation of 99 per cent. The French franc is normally worth 19.3 cents American money, to-day 9¼ cents, or a depreciation of 50 per cent. The Italian lire is worth 19.3 cents in ordinary times; to-day its value is 5⅝ cents American money, thus representing a depreciation of 75 per cent.

Now, under these conditions, how can anyone say that a protective tariff is not necessary for the salvation of our industries?

With the enormous depreciation in currency, with this great disparity in the rate of exchange, with their labor paid at home in this depreciated currency, how is it possible for anyone to contend that the American laboring man can meet the competition on an even plane? If we are to suffer a continuation of the present law, one of two things inevitably will result, and from one or the other there is no escape, namely, the American laboring man must be willing to take the same wage as his foreign competitor engaged in making the same article, or, second, he must stop work, lose his job, and wait for a change in policy. This has been demonstrated over and over in our history, and now, to a far greater extent than ever before, again will be demonstrated without a protective tariff.

ADEQUATE RATES.

This tariff is not being made to please free traders. We did not formulate it to suit importers. Their business is legitimate and is entitled to consideration, but we always must remember that American

business is first to be considered and the importer afterwards. If a man wears a coat made in England, then he does not wear one made in the United States, and to that extent the labor of the United States is displaced by the labor of Europe. This is true as to all imported articles the like of which we make in our own land. Free trade opens factories in competing countries but closes factories in the United States, and that is precisely the policy which we must avoid now more than at any other time in our history.

Our opponents are greatly distressed over what they call high ad valorems, but I must confess that I am not so impressed. If an article cost a dollar and we put a tariff of 25 cents on it, that is an equivalent ad valorem of 25 per cent. If, after putting a tariff on that article, we produce it at home in such quantities that the competition pulls the price down from a dollar to 50 cents, then the 25 per cent duty is equivalent to 50 per cent ad valorem, and on that ad valorem the Democrats base many of their charges against our tariff. They study percentage, we study prices. I would rather have a low price with a high ad valorem than a high price with a low ad valorem, and in any event I want an ad valorem sufficiently high to protect American labor wheresoever employed and American capital wheresoever invested.

Approximately 52 per cent of all imports will come in free under the pending bill, 30 per cent will carry specific rates, and the remaining 18 per cent ad valorem duties. As to these ad valorem rates, I really believe in American valuation and am firm in the conviction that that policy will some day be applied; but it could not be done at this time because of unpreparedness for its administration.

The following table shows the true value to-day of the currency of some of the foreign countries which are the greatest producers of agricultural products:

Normal and present value of currency in the following foreign countries:

Country.	Normal value.	Present value.	Percentage of depreciation.
	Cents.		*Per cent.*
Russia (rubles)	51.46	$\frac{1}{10}$ of cent for 100 rubles.	99
Germany (marks)	23.8	$\frac{1}{4}$ cent	98
Austria (crown)	20.3	$\frac{1}{10}$ cent	99
Poland (mark)	23.8	$\frac{1}{10}$ cent	99
Belgium (franc)	19.3	8$\frac{1}{2}$ cents	50
France (franc)	19.3	9$\frac{1}{2}$ cents	50
Rumania (leu)	19.3	$\frac{3}{4}$ cent	98
Italy (lira)	19.3	5$\frac{1}{2}$ cents	75
Czechoslovakia (crown)	20.3	2 cents	90

THE FLEXIBLE TARIFF.

Prices are so fluctuating, values so changing, costs so shifting, and the rates of exchange so varying that it is not possible exactly to measure the difference in production costs in competing countries. We have striven for months and months of the most exacting labor thus to formulate a bill, but despite all our efforts mistakes have been made and errors have been committed. We have been compelled to change many rates from the time we began, owing to shifting values, and therefore, in order to make the tariff as flexible as possible, we have incorporated a provision empowering the President upon a showing made by any industry that foreign competition is about to endanger its existence to raise the rate as much as 50 per cent over the one provided in the bill. Because of chaotic conditions in commerce and industry around the world the tariff formulated now, but for this saving provision, would not adequately measure the difference in production costs for any great period of time, and even with this incorporated, in my judgment, it will be necessary again to revise the tariff at no distant date as conditions in Europe change in order that we may adequately protect American industry without at the same time affording a shelter for American monopoly.

WAR INDUSTRIES.

No more striking or convincing argument for a tariff ever can be made than that afforded by the war, which absolutely prohibited many articles of import and furnished a complete embargo against them. Take, for instance, the dye industry. Many efforts had been made to establish it theretofore, but always in vain. The textile manufacturers fought it because they did not want to add to the cost of their raw material, saying that if they did they could not so well compete in the markets of the world with those who got their dyestuffs at a lower price. But when the war came on it became a matter of sheer necessity and the result is simply astounding. Two hundred million dollars have been expended in the dye industry, and 90 per cent of all the dyes we consume in the United States are made in the United States and large quantities exported, while the great organic synthetic chemical industry is now on a sound footing in America, with all the vast consequences that statement implies.

I can name over 100 articles, most of them chemicals, now being produced in the United States in large quantities, not one dollar's worth of which was made here before the war. Necessity compelled their production, and the war furnished ample protection against imports from abroad. A sufficiently high protective tariff would have done precisely the same thing at any time, but the opponents of the tariff system would have rent the air with their wails and filled the newspapers with their calamity pronouncements and public sentiment would have been lashed into a foam against the establishment of these projects.

And yet our history conclusively shows that many of our greatest industries were thus established and never could have been even started in America but for the operation of an adequate protective tariff.

The steel-rail industry, earthenware and crockery, chinaware, tin plate, a portion of our wool manufactures, and many others too numerous to mention within the limits of a speech, all were established because of the tariff, and not one dollar's worth of any of those goods could have been made in this country to-day but for such a system.

And the remarkable thing is that, with these instances being brought before us in such indisputable fashion, there are numbers of persons in Congress and larger numbers out who to-day are doing everything within their power to take the tariff off of these articles and literally make it impossible to produce them in the United States against present foreign competition, and a few Democrats in the Senate are conducting a most unseemly filibuster against the present bill in order to prevent any tariff from being placed on those articles, the production of which began in the United States behind an embargo afforded by the war.

Before that conflict they were not made here; the war gave ample protection, and the Democrats are now seeking to take away that protection, and if they succeed, it inevitably will mean the destruction of those industries in America and the purchase of those articles abroad once more.

Why any American should take a position of that kind is past my comprehension and entirely outside the boundary lines of my conception.

THE OLD CRY.

Every time a tariff bill has been passed in the history of the country its opponents have always said that it would shrivel up our foreign commerce, that we could not sell abroad unless we bought abroad, and that we could not buy abroad because of the tariff wall that was being erected.

From 1812 down to the present time there has been an endless repetition of this cry about the "tariff wall" and a remorseless reiteration of the charge that the tariff then being enacted would destroy our foreign commerce. Never were such charges made with such relentless force and such unmitigated vehemence as when the Dingley law was enacted, the highest law in all our history. It was incessantly dinned into our ears by day and by night that those high rates would absolutely shut off all imports, that people would not buy of us because they could not sell to us, and that our foreign commerce would be dried up and our foreign business destroyed. Protectionists paid no attention to these charges and went right on with the passage of the law. And with what result? Let just a few of the figures speak for themselves.

In 1897, the first year of the operation of this law, our exports amounted to $1,099,000,000, and they steadily mounted upward until in 1909, the last year of its life, they stood at $1,752,000,000, or an increase of well-nigh $700,000,000 in exports, contrary to the prophecies and predictions of every opponent of that measure.

And in the meantime, what of our imports? For these gentlemen were asserting then, as now and always, that this high tariff prevented other people from selling to us and that for that reason they would not buy of us.

In 1897 our total imports amounted to $742,595,000, while in 1908 they had climbed up to $1,116,000,000, or an increase of almost $400,000,000 in what we bought abroad; and, be it remembered, the Dingley law was higher in its average rates than either the Payne-Aldrich or the one we are now considering in the Senate.

This same charge was made about the Payne-Aldrich bill, and with the same degree of truthfulness. The figures show that in 1908 our total exports, as above stated, were $1,752,000,000 in value and that in 1913, the last year of the operation of this law, they had risen to $2,484,000,000, or an increase of almost $700,000,000 in our exports under this much-defamed act. In the meantime our imports had risen from $1,116,000,000 to $1,792,000,000, an increase of $776,000,000 in what we bought abroad. So that these charges that are now being repeated with such feigned emphasis fade into thin air when the light of truth is thrown upon them. They are now being made by the same people in the same language and for the same purpose and will be met with the same results.

We do not put a tariff on anything going out of the country. People can buy from us when they want to buy, and they can buy without restriction or limitation. Foreign nations do not buy of us because they love us but because they are compelled to, because there is no place else to go to get what they want, and if all our factories are fully operating they can get what they want here a little better then they can get it anywhere else on earth.

This has been proved over and over again, so that, despite cheaper labor and lower production costs, we constantly have sold the products of our factories right in the teeth of that competition all around the world.

In spite of these inventors of woe and these purveyors of calamity and these prophets of evil, during all of these years we have made the most marvelous progress of any nation in all the history of nations, and every day of that progress was made partially because of the protective-tariff system, and the only times this march of progress has been interrupted were when the American people temporarily forgot themselves and placed the Democratic Party in power to try its free-trade policy. Thus does history speak and thus should we learn the wisdom of the lesson she teaches.

And in passing it may be somewhat instructive to remember that England, France, and Italy have passed laws putting a very strict embargo on German dyes and positively preventing their admission into those countries, while England has also placed prohibitive tariffs on the imports that affect her five key industries. So that this one free-trade nation, while still urging that policy upon us, proceeds to protect herself in the very same manner in which we have always protected our country from her and from all other countries. And so, while still doing her level best to force her medicine down our throats, she very gracefully but nevertheless forcefully declines to take it herself.

EUROPEAN CONDITIONS.

We can not hope for much help from Europe. Unfortunately, those nations will continue to grope in darkness and flounder in the quicksands until her people forget wars and national jealousies and racial rivalries and ancient grudges, and turn their attention to industry, thrift, prosperity, and the well-being of their nationals. Unhappily, they are far from this fortunate condition to-day. There is at hand no evidence that, until within the last few weeks, any attempt had been made to reduce the number of civil officers by any of the debtor States of Europe, and the number of such reductions up to date have been few and inconsequential. Apparently they do not intend to disband their armies. The following table shows the armaments maintained by seven of the continental States at the present time:

	Men.
Belgium	115,000
Yugoslavia	140,000
Czechoslovakia	150,000
Rumania	190,000
Italy	250,000
Poland	290,000
France	750,000

So that to-day 2,000,000 soldiers are encamped round about the capital of the League of Nations devoted to peace and brotherly love. This recital dispels all hope of their ever being able to reduce expenses, to live within their incomes, to cease warring among themselves, or to live in peace with their neighbors, unless they change their mental attitude toward one another and think in terms of peace

rather than in terms of war, of construction instead of destruction, and substitute confidence and trust for hatred and revenge.

It ill becomes us to dictate the policies of other nations because we do not like for them to determine what course we shall pursue, but, inasmuch as these peoples owe us large sums of money, it may not be inappropriate for us to suggest that they should reduce armaments and disband armies and utilize the sums thus expended for the payment of their debts. We have reduced ours and are living within our income—why should they not do the same?

There is no royal road out of these conditions; no primrose path of dalliance points the way from these conditions; nothing but the old-fashioned virtues of working and saving will rescue these people from present disaster and from future collapse.

OUR FOREIGN DEBTS.

Congress has passed and the President has approved a law creating a commission to fund our foreign indebtedness. This at the present time amounts to more than $11,000,000,000, and is distributed among the debtor nations as follows:

Statement showing obligations of foreign Governments and so-called Governments held by the United States (including those held by United States Grain Corporation), interest accrued and unpaid thereon up to and including the last interest period, and interest heretofore paid.

Country.	Principal amount of obligations.	Interest accrued and unpaid up to and including the last interest period.	Total indebtedness.	Interest heretofore paid.
Armenia	$11,959,917.49	$1,177,548.63	$13,137,466.12	.....
Austria	24,055,708.92	2,165,013.81	26,220,722.73	.....
Belgium	377,564,298.77	51,391,987.94	428,956,286.71	$14,394,347.48
Cuba	8,147,000.00	.....	8,147,000.00	1,656,058.14
Czechoslovakia	91,169,834.29	11,936,591.38	103,106,425.67	304,178.09
Esthonia	13,999,145.60	1,695,002.82	15,694,148.42	.....
Finland	8,281,926.17	723,156.02	9,005,082.19	.....
France	3,340,857,593.20	430,049,062.65	3,770,906,655.85	160,285,131.07
Great Britain	[1]4,135,818,358.44	611,044,201.85	4,685,862,560.29	250,132,185.50
Greece	15,000,000.00	375,000.00	15,375,000.00	1,159,153.34
Hungary	1,685,835.61	151,725.21	1,837,560.82	.....
Italy	1,648,034,050.90	243,480,583.37	1,891,514,634.27	57,598,852.62
Latvia	5,132,287.14	450,009.25	5,582,296.39	126,266.19
Liberia	26,000.00	2,868.85	28,868.85	861.10
Lithuania	4,981,628.03	498,162.80	5,479,790.83	.....
Nicaragua	170,585.35	.....	170,585.35	.....
Poland	135,662,867.80	12,931,555.31	148,594,423.11	1,290,620.78
Rumania	36,128,494.94	4,960,891.96	41,089,386.90	263,313.74
Russia	192,601,297.37	35,200,671.99	227,801,969.36	5,159,062.09
Serbia	51,153,160.21	6,719,035.42	57,872,195.63	636,059.14
Total	10,102,429,990.23	1,414,953,069.26	11,456,383,059.49	493,006,089.28

[1] Includes $61,000,000 of British obligations which were given for Pittman silver advances and for which an agreement for payment has been made.

Cuba pays interest as it becomes due.

No interest due on Nicaraguan notes until maturity as is also the case with certain Belgian obligations aggregating $2,284,151.40.

May 15, 1922.

Foreign propagandists and some of our own internationalists have stealthily spread the idea throughout the country that those debts should be canceled, and, as usual, when they want to get anything out of us they appeal to the idealistic and the sentimental in our natures to bolster up their cause. Fellow citizens, speaking for myself, I am unalterably opposed to forgiving one dollar of those debts. I believe in collecting them in full at the very earliest possible date, and, as we say in a note, "without relief from valuation or appraisement laws." There is only one condition on which I would consent to their cancellation, and that is that if the situation were to be such that we would be compelled to buy enough goods from European nations to enable them to pay off their indebtedness to us then and in that event I might be induced to vote to forgive the debt, for I would much rather pursue that course than to close our factories and throw our laboring people out of employment and discourage our business men and thus prevent the return of prosperity. Under no other condition shall I ever consent to a cancellation of one penny of that debt.

Be it said to the credit of England that she is ready to fund her indebtedness to us and to pay her interest, and the representatives of France will shortly start to this country to propose terms of payment. Of course we must wait on the other nations until they are ready to discharge their obligations without impairing their own credit, but within those limitations we should insist on the payment of every cent.

It now appears that no nation but England will try to pay even the interest for a long period of time, and it is quite evident that unless they change their entire fiscal policy they will not be able to do so, for the annual interest charge is a very considerable sum, and therefore, for purely selfish reasons, if for no other, we should employ all the arts of persuasion to induce them to abandon their present wasteful and destructive methods and turn to the varied arts of peace.

THE RAILROADS.

Ladies and gentlemen, without unduly prolonging these remarks I can not go into such a discussion of the railroad question as its merit warrants. Briefly it may be stated under three heads—wages, operating expenses, dividends. As to the first, permit me to say that Congress passed the Adamson law the 1st day of January, 1917, and that at that time the total pay roll of all the railroads was $1,468,576,394.

The Government took over the lines on January 3, 1918, and released them on March 1, 1920, a period of 26 months. The Railroad Labor Board increased wages slightly shortly thereafter, so that for the remaining eight months of that year the pay roll amounted to $3,698,216,351, or an increase in wages alone—salaries constituting but a negligible percentage of the sum—of $2,229,639,957, or 85 per cent.

Since that time they were reduced to $2,800,896,614 for 1921, so that the increase over 1916 totals $1,331,320,220.

As to the second item, the operating expenses for 1916 amounted to $2,357,398,412, and for 1920 to $5,768,720,013, or approximately 120 per cent higher. They have since been reduced to $4,591,479,241, so that they are still $2,240,081,829 higher than in 1916. Of this increase, as stated above, $1,331,320,220 results from increased pay rolls, and the remaining $908,761,609 is attributable to increased prices of rails and engines and cars and all equipment and as well the added cost of coal.

Fellow citizens, before there can be a complete return of prosperity in the United States railroad rates must be reduced, and before railroad rates can be reduced there must be a further reduction in railroad wages. Transportation charges absorb altogether too much of the value of the product transported, and the railroad laborer himself feels the effect of it in added costs of living.

Railroad wages will not and should not return to pre-war levels, but rearrangements and reclassifications will enable the roads to pay their skilled operators as much and their unskilled less and yet lose nothing in efficiency and at the same time save in cost of operation.

In the year that railroad labor received over $3,500,000,000 in wages all the stockholders together received $20,000,000 in dividends, and while that sum has risen to over 5 per cent over the whole country and to almost 7 per cent in the Eastern States, nevertheless it is quite evident that private capital will not seek investment in railroad securities without some assurance of a fair return on the investment, a condition they have the right to expect.

Eminent students of railroad problems recently have asserted, what we all know, that the growth of the country calls for the immediate investment of hundreds of millions of dollars to meet the imperative and constantly increasing transportation needs of the public. It has been placed by these students at practically $1,000,000,000 a year for many years to come, and the estimates of the railroads themselves is in excess of $850,000,000 of new capital each year.

In other words, there must be invested for new and added railroad facilities every day an average of two and one-third to two and three-fourths millions of dollars—that is, new investment.

And many authorities on the subject not connected with railroad operation recently have informed the Interstate Commerce Commission that if this flow of capital can not be directed toward railroad investment and a business revival carries the volume of traffic back to the 1920 level we are sure to be brought face to face with the strangulation of our prosperity by the soaring prices that go with car shortage.

A number of railroads in the United States in 1920–21 did not pay their operating expenses, and only a few carried dividend-paying stocks. Under these conditions where is this necessary capital to come from? There are just two sources, for, obviously enough, we can not and we should not pay freight rates and fares high enough to raise it and add it to the wealth of the railroads. There are just two sources—it must come from the investor or out of the Public Treasury. It seems to be very well understood among the people that the Treasury has about all the burdens it can carry and that they do not intend by taxation to keep up the railroads; and, therefore, in order to enable these great transportation lines profitably to carry the commerce of the country at a reasonable profit to its producers, to pay fair American wages to the operators, and give decent returns to the investor, there must be a further reduction in railroad rates, preceded by or accompanied with a further reduction in railroad wages. There is no other way out of the difficulty, for in order to obtain this money from investors the railroads must have stability, for stability is the basis of all credit.

REDUCTIONS MADE.

Beginning with the first of the year, two very material reductions in transportation costs were made. Congress repealed the transportation tax, which amounted approximately to $200,000,000 in 1920 and $185,000,000 in 1921, and to that extent relieved the situation. Following this, on January 1, this year, the railroads voluntarily lopped off 10 per cent on practically all the products of the soil, which was immediately reflected in the price of those products. And it is worthy of notice that in reducing rates particular attention has been given by the Interstate Commerce Commission to the products of the farm, garden, orchard, and ranch. All rates on these commodities in the raw state, and on some partially manufactured, were reduced in part. Among those affected are fruits and vegetables of all kinds, live stock, grain and grain products of all kinds, hay and straw, butter, eggs, and cheese, live poultry, and wool. There have been other important reductions in freight rates in large sums since the general increase of 1920 was forced upon us by the maladministration of the railroads under Government control.

Based on the light tonnage of 1921, the reductions in the aggregate amount to $186,700,000 per annum. Based on the more normal tonnage of the year 1920, the reduction would stand at $224,000,000 a year. Add it to the amount saved by repeal of the transportation tax and we have a reduction of $425,000,000 in transportation costs, which is of great significance to the country, for, even if the traffic moves in no greater volume than in 1921, the saving will be more than $360,000,000, or $1,000,000 a day.

I can say to you with something of assurance that another reduction in rates is imminent, in fact, is likely to occur at almost any time; but we must always bear in mind that no new railroads have been built in the country for many years, that it is not possible with present returns to pay for improvements out of earnings, that there are some portions of the country that are entitled to transportation facilities that do not have them, while there is a tremendous pressure for additional trackage in all populated States and for enlarged and improved terminal facilities. All of these things must be borne in mind in connection with the railroad problem, and therefore I exhort you to be patient until they can be worked out in accordance with the best interests of all concerned.

I preach to-day a gospel of hope and not one of despair. Business is reviving, conditions are improving, we are on the upgrade, and all we need to do is to take a tight hold on ourselves, look well to individual industry, thrift, and economy, and not blame all the ills of the body politic on the administration or the Government, and undoubtedly we shall very soon find ourselves in the old enviable place we have so long occupied among the people of the earth.

OUR SHIPPING INTERESTS.

The previous Democratic administration expended in the construction of ships and facilities for their erection $3,500,000,000. As a result of this vast expenditure approximately 1,500 steel ships were completed and 285 wooden ships. Scarcely a single one of the ships constructed by the Democratic Shipping Board was actually put in use, or was ready for use, during the war. Only a few which already had been building in private yards for private companies, and which were commandeered by the Government, were available for service in that conflict. Waste and extravagance of every conceivable kind was the order

of the day. Utopian ideas, utterly impracticable, academic theories, and impossible plans resulted in the waste of hundreds of millions of dollars. Tens of millions were spent in the construction of model and luxurious homes for workmen in the vicinity of shipbuilding plants that, of necessity, were intended to be but temporary. Likewise churches, hotels, moving-picture theaters, athletic parks—all out of the taxpayers' money, and as a result of the dreaming of some theorist.

THE SITUATION DESCRIBED.

The fleet itself was poorly balanced. The wooden ships, on which over $300,000,000 was expended, are utterly worthless. The Government will be fortunate, indeed, if it realizes $1,000,000 from their sale. Of the steel fleet, the chairman of the Shipping Board has stated that one-half is good and serviceable. Of the other half a large percentage probably will have to share the fate of the wooden ships. No consistent, intelligent plans for the after-war use of the ships were followed in the construction or design of the fleet. As a result, there were only a handful of combined passenger and cargo ships constructed, a type of vessel which is now in great demand throughout the world, and far too many cargo boats with which the world market has been glutted. In making contracts for the construction of these ships the Democratic board wholly neglected to insert clauses in the construction contract providing for their cancellation at the end of the war. Upon the coming of the armistice the old Shipping Board canceled contracts for the construction of 950 ships, leading in each case to a multiplicity of damage suits and claims by reason of their action. But if the extravagance, incompetency, and inefficiency in the construction of the Government-owned fleet may in part be excused by the war exigency, the post-war operations of the fleet can in no sense be thus explained. When the new Republican chairman of the Shipping Board, Mr. Lasker, took office he found, to quote his language, that "he had taken hold of the greatest commercial wreck in the history of the world." Two years' operation of the fleet by the Democratic administration had left a situation of utter chaos and confusion. The very first and most elementary principles of business had been utterly and completely ignored. No books were in existence from which accurate records could be compiled showing the business operation of the fleet. No statements of its assets or liabilities were on hand, or could be obtained without a complete reorganization of the whole Shipping Board. No inventory was on file to show the properties belonging to the Shipping Board and the Emergency Fleet Corporation. Yet a vast army of superfluous employees was drawing pay from the Government for no adequate service.

DEMOCRATIC MANAGEMENT.

When the present Shipping Board went into office there were 8,300 employees with an annual pay roll of $16,000,000. Immediately the ships were completed "Democratize the American Merchant Marine" became the political slogan of the Democratic Shipping Board. Ships were turned over for operation at the Government's expense to all persons with sufficient political backing. Theatrical costumers and members of the learned professions were intrusted with the operation of the Government-owned ships at the taxpayers' expense. The only persons disqualified were those who had actual shipping and operating experience. The boats were turned over to the operators under the terms of the now famous MO–4 agreement. By its terms the operator received 5 per cent of the gross freight receipts of the ship, while the Government paid the entire expense and all the losses of operation. Under those conditions abuses of every kind naturally crept into the operation of the ships. Operators had an eye only for the 5 per cent commission which they could collect from the Government. Little they cared how much the Government lost in operation. One sea captain, having steamed 1,600 miles from the port of Manila, was called back by radio to take on a cargo of 500 tons of coal, and on which the operator got a commission of a few hundred dollars. To steam the additional 3,200 miles necessary for the boat to get back to Manila and return lost the Fleet Corporation many thousands of dollars. Little the operator cared inasmuch as he got his commission. Living on board the ships was high. One instance is on record where the captain of one of our cargo ships, to relieve the boredom of his crew and to make them forget the cold weather of the northern seas, served fresh strawberries to his crew on Christmas Day. The per diem expense of feeding the crews in some instances ran as high as $6 per day per man. Rates for stevedoring paid by operators mounted sky high, the stevedoring being in many cases done by subsidiary companies owned and controlled by the operators themselves. The cost of supplies, paint, and repairs mounted into fabulous figures, and usually this work was done by subsidiary companies owned or controlled by operators. In another case an irresponsible operator booked one of the Shipping Board boats with freight from a South American port bound for the States, collected the advance freight and disappeared, leaving the Shipping Board to bring back the ship and cargo to port at great expense.

MORE EVIDENCE OF FAILURE.

In another case the Shipping Board allocated to an operator, the United States Mail Line, the cream of its passenger boats, those taken from the German Government, the *George Washington*, the *America*, the *President Grant*, the *Agamemnon*, worth in the neighborhood of $20,000,000. The United States Mail Line claimed to have $10,000,000 of capital and agreed to recondition the boats chartered to it at an expense to itself of $10,000,000. In fact the United States Mail Co. was organized with an alleged capital of $1,000,000, yet not one dollar was ever paid into the company. Uncashed checks and worthless stock in fake companies were turned in to the treasury of the company to represent the paid-in capital. The managers of the line in order to keep one step ahead of the sheriff sold advance passenger tickets to helpless, ignorant immigrants in Europe and collected from them their railroad fares to carry them to interior parts of the United States to the extent of $1,200,000, so that when the company failed, as it inevitably was bound to do, the Shipping Board, in order to protect the credit of the United States Government in Europe and to prevent untold hardship on the innocent and defrauded immigrants, was obliged to refund and to make good such passenger money. The boats of the United States Mail Line were libeled in Europe and in the United States for the tremendous debts incurred by that company. Before the present Shipping Board could regain possession of the boats, free and clear of all indebtedness and obligations to immigrants, it was obliged to spend in excess of $5,000,000.

In another instance the Shipping Board sold $7,000,000 of cargo vessels to a purchaser without receiving one cent of money for the purchase price, but merely an obligation to pay therefor over a period of years. The purchaser moved the vessels to a shipyard for the purpose of having them converted into oil tankers. After more than a million dollars of obligations had been incurred to the shipyard in this work, the purchaser was unable to pay the cost of the conversion and the shipyard is now claiming damages against the ships of a million dollars before they can be returned to the Shipping Board, although the Shipping Board has scores of tankers lying idle. Again, through the influence of persons high in the administration of President Wilson, Charles W. Morse and his associates secured a contract for the erection and construction of ships at a cost exceeding $45,000,000, with a result that Charles W. Morse and his associates are now under indictment for having defrauded the United States Government out of vast sums of money.

WORTHLESS ORGANIZATION.

In the auditing department there was chaos unimaginable. Although there were some 3,500 auditors in the accounting department, out of 9,000 trip voyages, 6,000 remained unaudited, so that it was utterly impossible to ascertain what money was due from the ship operators. There was no system of bookkeeping, no method of accounting. It was impossible to tell how much money was owing to any one of the creditors of the Shipping Board, and how much was owing from them. There was no place where the debts of the Shipping Board were listed, nor was there even a record made of them. In one case one of the large corporations of the country asked to settle its accounts with the Shipping Board. In order to meet their demand it was necessary to examine 210 ledgers and books of accounts and to seek information in many different cities. After this exhaustive examination it appeared that the Shipping Board owed $3,500,000 to the corporation in question. Before making final settlement, however, the present Shipping Board asked permission to put its auditors on the books of the creditor company. After an examination lasting for weeks they discovered that that corporation owed the Shipping Board $4,250,000, about which there could be no dispute. This sum did not appear anywhere on the books of the Shipping Board. None of the items in question were in dispute, and the corporation finally acknowledged and paid to the present Shipping Board the sum of $725,000 in cash, and the indebtedness of the Shipping Board of $3,500,000 to it has been wiped out. Even to-day, after a year of the most intensive investigation and study, debts of the Shipping Board are coming to light daily, which appear nowhere on any of its books or records, and assets are being discovered of which no one ever knew.

CONFUSION WORSE CONFOUNDED.

There was no effort and no organization to liquidate or sell the assets of the corporation. No thought on the part of anybody in authority to ascertain what was the financial condition of the Shipping Board. There was no legal department worthy of the name. Ships worth millions of dollars were sold for practically no cash down and with agreements on the part of the purchasers to give mortgages to the Shipping Board. Yet in many cases the mortgages were never executed at all.

In one instance the Government ordered boats and plant to be built by a dishonest contractor to an extent of over $65,000,000, and yet not a scratch of a pen could be found to show what were the contractual relations between the Shipping Board and the shipbuilder. In addition there were some 3,500 lawsuits and claims against the Shipping Board scattered through the courts of the United States from the Atlantic to the Pacific and from the Gulf to Canada, aggregating over $300,000,000.

The losses to the Government from operations when the Republican Shipping Board took office were running at the rate of $16,000,000 a month. When the President appointed Chairman Lasker, the latter, realizing the horrible condition of affairs and further realizing that shipping was a business competing not only with private owners in America but also with the best shipping brains of Great Britain, Germany, Japan, and other maritime nations, decided that it was necessary, first, to secure the best shipping men available and to build a competent and efficient organization which could bring order out of the tangled affairs of the board. He secured the services of some of the ablest shipping experts in the country, who immediately proceeded to attempt to put method, system, and business experience in the operations of the Shipping Board. First, he had an inventory made of all the property of the Shipping Board, a simple task to speak about, a most difficult undertaking in fact. The property of the Shipping Board was located in 750 places in the United States and at 100 points in 35 different foreign countries. At Hog Island alone there are 927 acres of land, 103 acres of building floor space, 82 miles of railroad tracks, 23 miles of road and sidewalks, 11 miles of fences, 570 miles of electric wires, and 56 miles of water and sewer pipes. There was surplus material stored in 26 different buildings.

The work of taking an inventory of Hog Island alone involved a physical count of material and supplies of 125,000 different characters comprising millions of units. The first inventory report of Hog Island consisted of 11,000 typewritten sheets and the total inventory of the property of the Shipping Board numbered in all 25,000 typewritten sheets containing about 400,000 extensions. The inventory showed operating material and supplies, construction material and equipment, shipyards and their adjuncts, and other property which had cost $389,780,250.31, and which had a forced-sale value of $31,065,253.92.

LASKER'S BUSINESS METHODS.

Next the chairman set about getting a correct balance sheet, or as nearly so as could be obtained, in view of the fact that nowhere were all the debts and liabilities of the Shipping Board actually shown. The books of the old Shipping Board disclosed that it had assets exclusive of its fleet worth $66,931,000. The first balance sheet actually prepared on business principles showed that that sum was at least $360,873,075.83 more than the actual value of the assets, and even the later figure has since been revised downward by a very large amount. This overvaluation of assets was due to a variety of reasons. In one instance the Shipping Board had erected additional shipways and additional plate and angle shops and appurtenant equipment and facilities at an expenditure of approximately $17,000,000. These facilities were valued in the accounts of the Shipping Board at cost—$17,000,000—and were carried by the old board as property having a value of $17,000,000. In seeking to determine the valuation of this plant, it was discovered that agreements had been entered into between the old Shipping Board and the contractor under which the Shipping Board had transferred all of this property to the contractor in return for which the contractor was to pay to the Shipping Board 50 per cent of the net earnings of the property during a period of 10 years. In other words, the Shipping Board had parted with its rights in this property for a share of future earnings. Inasmuch as the plant in question, after losing a great deal of money, had shut

down and was practically dismantled, the equity of the Shipping Board under the new inventory and appraisal was set down at a nominal value in the new balance sheet and $17,000,000 had to be written off the property account.

In another case the Shipping Board had constructed at the yard of a contractor certain shipbuilding equipment and facilities at an approximate cost of $16,000,000. The Shipping Board had sold the plant to the contractor under a form of lease-sale agreement. By the terms of that agreement the contractor was obligated to pay a certain annual amount of lease rental upon this property, and, at the termination of the specified number of years, when the lease rentals would have accumulated to $5,000,000, the Shipping Board would apply such rental as payment of the purchase price of the plant and transfer title to the contractor. This plant was carried in the accounts of the old Shipping Board at its original cost—$16,000,000—notwithstanding that the lease rental payment already made by the contractor aggregated $3,250,000. The Shipping Board's equity in that property was, therefore, $1,750,000 and not $16,000,000.

The new balance sheet prepared by Chairman Lasker showed that the Shipping Board had actual current liabilities outstanding at $71,460,134.50. This, however, did not include any amounts for claims or lawsuits aggregating $300,000,000. Notwithstanding the fact that hundreds and hundreds of employees were let out by the auditing department, the chairman installed a system of accounts whereby, as in any well-run, large corporation, monthly statements of revenue and outgo were furnished promptly to the Shipping Board with consistent regularity.

The Jones Act provides that the Shipping Board shall build up and maintain essential trade routes necessary to the American overseas commerce. A careful study was made of such routes. It was recognized by the new board that in order to develop an American merchant marine it was necessary that American ships be efficiently run, efficiently manned; that they leave the ports on the dates advertised; that they furnish a regular service; that due and proper care be used in loading and unloading. The trade routes to the Far East, China, and Japan were developed and built up. A service to South America was promoted, established, and developed. For the first time it was unnecessary for an American citizen wishing to go to South America to sail from New York to London and from London to South America.

Some of the finest combination passenger and cargo boats of the American fleet were put into a direct service from the United States to South America, beating all records as to time. To-day the Shipping Board boasts that the service given by its boats equals that of any private shipping company in the world. But in the upbuilding of these routes and of this service it is in the nature of things necessary, with the present depression in shipping, that large losses be incurred.

The new Shipping Board immediately instituted a policy of tying up all Shipping Board ships which were not operating on essential trade routes or helping to develop the foreign commerce of the United States. By efficient and competent supervision it has cut out most of the abuses of the old system. Each ship operator is allowed a per diem charge of 80 cents per man for sustenance. No operator is allowed a sum larger than that. Fixed rates have been established for stevedoring charges. Prices paid for supplies have been carefully supervised and standardized. Repair and restoration costs have been cut down to such an extent that a monthly saving of as high as several hundred thousand dollars has been effected.

As an example of the economies instituted, the Shipping Board has some 1,000 vessels laid up. Under the previous administration the average annual lay-up cost per vessel, including all wages and all incidental expenses, was $12,233. This has been cut by the new Shipping Board to the average annual expense of $5,013.12 per ship. Based on 1,029 vessels laid up, this shows an annual reduction of $7,429,421.16.

The Claims Commission was organized to adjust the claims against the Shipping Board and a competent force of attorneys employed to defend them. They have been hampered in their work by the fact that in innumerable cases there are no accurate records available, no correct audits made, no property inventories taken in the hundreds of plants where ships were being constructed and material manufactured. It is still necessary to keep a large number of auditors, engineers, and accountants to continue this herculean task. In spite of this fact, the number of employees of the Shipping Board in one year has been reduced from 8,300 to 5,000, and it is predicted by the chairman that by January 1, 1923, a large part of the work of auditing and checking the claims will have been completed and the great bulk of the surplus material owned by the Shipping Board will have been sold, by which time a further drastic cut can be made in the administrative and overhead expense and the number of employees greatly reduced.

MORE ECONOMY.

In spite of the fact that the past year has seen the greatest depression in shipping that the world has ever known, the monthly losses of the Shipping Board have been cut from an average of $16,000,000 to $4,000,000, and yet not one single trade route has been abandoned. The new Shipping Board organized a sales liquidation and collection department which has proceeded in dead earnest to liquidate the assets of the Shipping Board. It has made progress to such a remarkable extent that it has collected in the past year the sum of approximately $70,000,000, and all in all it can be predicted with every assurance of fulfillment that on the 1st day of July the Shipping Board will be entirely out of debt with every one of its obligations discharged save alone those arising out of claims and lawsuits which it will take time to adjust. The countless number of business men who in good faith had furnished supplies, merchandise, and credits to the Shipping Board will on that date have been paid to the last dollar. It is the confident prediction of Chairman Lasker that by the 1st of January, 1923, except for its fleet of vessels and the construction claims and lawsuits against it, the affairs of the Shipping Board will have been completely liquidated—an unbelievable task accomplished only through the tremendous ability, energy, and untiring work of Chairman Lasker and his able assistants, backed by the determination of the President and Congress to push it through to successful conclusion.

President Harding recently has recommended to Congress a ship subsidy measure which I hope will pass. We can not dispose of these vessels to private operators until we fix a government policy, and that government policy must put them on an even plane with foreign competitors in mercantile operation. There is not a shipping man or corporation in America that would take one of these vessels to-day as a gift if he were compelled to operate it and pay all the expenses of the operation for three months. He simply could not do it and meet European competition.

A ship subsidy is the only plan that will enable him to do it. I have advocated this policy for 25 years; I have been vilified and traduced for it, but I have been right every minute of that time. There is no other plan and there is no other policy by which the problem can be solved, and the sooner we come to it the better off we will be in every respect.

DEMOCRATIC CHARGES.

And yet in the face of all these triumphant achievements, of which I have given an all too hasty review, members of the Democratic Party are everywhere vociferating that this is a do-nothing Congress and has accomplished nothing worth while. Having some knowledge of the record of past Congresses for 30 years, and measuring the value of my words, I assert with all due solemnity, and without fear of successful contradiction from any quarter, that no Congress in the history of the Nation in a time of peace ever enacted more helpful and constructive legislation than the one now sitting in Washington.

There was so much to do when we took charge that it appears as if no great things have been done, but in the light of the evidence that can be adduced and in view of the results of the laws thus far enacted, who will rise to repeat, except for rank partisan purposes, that this is a do-nothing Congress?

Who will say that we have been remiss in the discharge of our obligations to the people? Who dare assert that we have failed to fulfill our promises to the people and to redeem the pledges made in the last campaign?

Even if this charge were true, it is better to do nothing than always to do wrong. It is better to sit still than to move only to destroy. It is better to have one's fingers paralyzed than to use strong ones to write checks with no funds to pay, sign warrants with no cash to meet them, and issue bonds with no method provided for their redemption. Better, altogether better, Republican watchful indifference than a debt-incurring, deficit-creating, bond-issuing, surplus-scattering, factory-closing, industry-paralyzing, prosperity-destroying, social-upheaving, cataclysm-producing Democratic administration.

They boldly assert that we have not given relief to the country. Relief from what, pray? Manifestly from the results of two Democratic administrations, for there is nothing else to be relieved from. My friends, we did not produce all of this wreckage. We are not responsible for all this waste. We did not incur these debts. We have not piled up this mountain of obligations, and these gentlemen who are responsible for all this riotous orgy of extravagance and all this upsetting of industry and unsettling of financial conditions now stand by to jeer at us because in 14 months we have not overcome all the evil they produced in eight years.

It is as if a mob marched through a town and dynamited and ravaged and plundered and destroyed, and then, when law and order had been restored and an honest effort was being made by the property holders to gather up the fragments and to begin the reconstruction of their destroyed and ruined property, the members of the mob should stand by and jeer at them and scoff at them and interfere with them because they were not able in a few days to build up all that the mob had thus riotously ruined.

Anybody can throw a monkey wrench into a machine that works with frictionless precision and so damage it that it will take a skillful mechanic a long time to repair it, and even tyros in government in an incredibly short space of time can create more difficulties and stir up more strifes and cause more troubles than wise men can overcome in many years.

Fellow citizens, we have not yet accomplished all that we set out to do. We have not cured all the ills and corrected all the mistakes and overcome all the evils of eight years of Democratic misrule; but certainly we have taken long strides in the right direction, and assuredly if the Republican Party can not readjust matters what hope is there in turning to the organization that caused all this disaster in the beginning?

It is either the Republican Party with its cautious and constructive way of proceeding or the Democratic Party over again with all that that means of incompetency and inefficiency and misrule.

Think of a party led by the Josephus Danielses and the Newton D. Bakers and the Albert Burlesons and the William Gibbs McAdoos pointing the way to sane legislation and wise construction! No; it is the party you so nobly represent and the one that always has risen to solve every problem thrust upon it that must be trusted in this most emergent condition in the history of the world. Those who produced the wreck should not be given charge of the rebuilding program; to those who wrought all the destruction should not be committed the program of rehabilitation. The Republican Party may not build rapidly, but it will build wisely and solidly and for all future time, and to its hands alone may safely be committed the reconstruction and realignment of the shattered forces of the Republic.

EXECUTIVE ACTIVITY.

And while Congress has been unremittingly engaged in the enactment of this wise and constructive legislation the executive departments of the Government have not been idle. It is not necessary to dwell at length upon their achievements, because they are so notable that they have elicited the applause not only of the Nation but of the entire world. It is characteristic of President Harding that one of his earliest acts bearing upon domestic questions was to summon to Washington representatives of business enterprises, of labor, and of the general public to consider the problem of unemployment. The President and his Cabinet were and are exceedingly anxious to see work and wages provided for every American toiler, and the solution of this vexed question is one close to the heart of this administration. And it is a cause of congratulation that, as a result of the deliberations of this conference, over 1,000,000 men were put to work in gainful occupations. And the Labor Department reports that employment throughout the country has now reached 80 per cent of normal, which is vital evidence of the revival of industry, and which, of course, brings pleasure to every patriotic heart.

Through the instrumentality of Hon. James J. Davis, Secretary of Labor, whom we all greatly admire and respect as a former Hoosier, the department under him has used its good offices from March 4, 1921, to May 15, 1922, in 471 industrial disputes, strikes, threatened strikes, and lockouts. Of this number 325 cases were satisfactorily adjusted, 53 cases were settled by commissioners in cooperation with State boards and mayors' committees or other local agencies, 34 cases are pending in the process of adjustment, and failure has been recorded in only 59 disputes. The number of workers directly and indirectly involved in these cases aggregate in excess of 1,400,000, a most gratifying showing for our honored friend and his department.

FOREIGN POLICY.

When President Harding was inaugurated, he found our relations with many foreign Governments in an unsettled and an unsatisfactory state. Our attitude toward Mexico was undefined. This since has definitely been stated by Secretary Hughes, who, in fixed terms, gave

the President of Mexico to understand that he must first enter into a treaty guaranteeing American rights and protecting American life and property before this Government would consent to formal recognition of his Government, and steps are now under way to settle this difficulty.

Our relations with Russia were undetermined, but Secretary Hughes has issued a statement setting forth the terms on which alone the soviet régime will be recognized by our Government.

There was friction and irritation and misunderstanding with the Orient. We lacked the respect and confidence of European nations. Our attitude toward the countries of Central and South America was misunderstood and misinterpreted and needed clarification. This confused condition resulted in President Harding calling the Armament Conference, the largest step toward international peace with justice the world has known in all its history.

AMERICAN DIPLOMACY.

The most astonishing feature of this great conference was the startling directness of Secretary Hughes in dealing with the problem of disarmament. On the very first day this challenge came, abandoning all the old methods of argumentation and proposing a plan for either acceptance or rejection. Its very boldness attracted and its fairness compelled assent. There was no appointment of committees to formulate the plan, there was no intrigue or manifestation of cunning, there were no secret processes or star-chamber methods, but a straight-out, unequivocal proposal that had to be voted either up or down. The magnanimity of the proposition was compelling, because by its very terms we agreed to scrap nearly as many vessels as we asked both Great Britain and Japan combined to deal with in that manner.

The whole world rose to applaud the proposals and their final acceptance in reality was a result of the combined judgment of all nations. It is a matter of pride to every American that all the proposals our conferees submitted were substantially accepted, but, once on the way toward the destruction of wars' agencies, the conference went even further than the original proposals and included also treaties to limit the operation of the submarine in future wars within certain prescribed bounds and also the total abolition of the use of poisonous gases.

Simultaneously the four-power treaty was submitted for discussion. It will be recalled that our relations with Japan had been somewhat strained by reason of the acute character the question assumed in California and in the Philippines and in Hawaii. Our historic friendship for China caused us to look with unfriendly eye upon the acquisition of Shantung by Japan and upon what seemed to be the evident intention of that country to penetrate peacefully and finally to possess Manchuria and inner Mongolia and Siberia.

Our friendly attitude toward Russia caused us to look with deep concern upon any attempt by Japan or any other nation to take advantage of her present helpless situation to make unfair bargains with her or to force upon her stricken people unjust or unwarranted stipulations. All this rendered our problem in the Orient one of extreme sensitiveness and one that required the most skillful diplomatic handling.

It is a matter of commendable pride to every American, as well as of felicitation to every lover of his race, that all these problems have been amicably adjusted, that these differences have been settled, and that to-day there is a perfect understanding as to the mode of procedure in case future difficulties shall arise.

Every feature of the conference was productive of good feeling, and the result ushers in a new era of international relations. The straightforward declaration of Secretary Hughes in favor of limitation of armament, the negotiation of the four-power treaty, the progress made in establishing justice as between China and the other powers, the mutual understandings arrived at with reference to all future voluntary conferences for the consideration of international questions, constitute a program of tremendous significance and of incalculable influence upon the future of civilization. This conference demonstrated clearly that no supergovernment of force is necessary for the peaceful solution of international questions if only the will for peace exists among the nations, and without that will all treaties are scraps of paper and all forms of supergovernment are worse than futile.

To the solution of this problem of international relations, rendered acute by the course of the preceding administration, President Harding has brought the irresistible power of enlightened common sense and a consecration to the welfare of humanity which is breathed in his every utterance. A new era in world history has been opened with the summoning of the Washington conference, and if the record of the Harding administration were to be closed to-morrow it would take high place among the great and inspiring periods of American history, because it points the way to the disbanding of armies, to the dismantling of navies, and to the substitution of peace and justice for force and power among the peoples of the world.

When peace shall become the object for which nations strive, when art and science and literature and philosophy become agencies of conquest instead of armies and navies, when commerce and navigation supplant battleships and battalions as the means of achieving world-wide influence, when nations forget suspicion and put behind them overreaching and undermining methods of dealing with their neighbors, when all governments shall be lifted to that plane where the same generous regards for the rights of others is manifested as among citizens in a civilized land, then indeed shall we reap the rich harvest of universal tranquillity for which the whole world prays.

How beautiful that day will be. How bloodless and painless its triumphs. How noble and just its rule. How salutary and uplifting its reign. This consummation has been the dream of the poet, the hope of the philanthropist, and the aim of the statesman for countless centuries past, and if this be its dawning, as please Heaven it is, let us pray that its noonday glory may be the fulfillment of the song chanted by the angelic choir above Judea's hills, "Peace on earth, good will to men."

THE GENOA CONFERENCE.

Keeping in view the determination of the President for national independence and yet international comity, the maintenance of American sovereignty yet ever the attitude of kindliness and hopefulness for other nations, always with the underlying thought that mutual understandings, coupled with unfeigned sincerity, will ultimately solve all problems, in this light we can well understand why President Harding and Secretary Hughes declined to send an American representative to the Genoa conference, and we all the more heartily commend their conduct for so doing.

Manifestly this was not an economic but a political conference. Whenever any financial or commercial question was taken up for discussion, almost immediately it developed a political phase and soon there was thrust into it political questions of the hardest and most unyielding character. Surely America had no business to be represented in any such conference, and it is a matter of congratulation, that the President and his Secretary of State have likewise determined not to have any official relationship with the proposed Hague convention, which is but an adjourned session of the Genoa conference, with the same subjects to be discussed, and the same topics to be considered, and the same objectives to be attained.

The world by this time ought to understand that we do not intend to become involved in their political wrangles and that, while we are willing to lend aid or give counsel and maintain always a sympathetic attitude, yet we always will refuse to be dragged into their financial difficulties and we always will decline to meddle with their national affairs or to become involved in their age-old racial rivalries, with their conflicting claims and jarring interests, with their hatreds and their jealousies, magnified a thousandfold by the cruel tortures of war. We do not intend to get into this confused jumble of European animosities. This attitude of our administration will meet with the hearty approval of everybody except internationalists of a most extreme type.

THE HARDING PROGRAM.

The Washington conference is the climax of a series of administrative achievements which will ever make the Harding era memorable. Surrounding himself with a Cabinet of such strength that its personnel stands out in vivid contrast with the shifting corps of advisers under a recent presidency, President Harding has from the beginning proved that he did not regard his position as a seat of autocratic authority, but that he believed in the virtue of common counsel, as Washington did, as Lincoln did. Warren G. Harding is not a lonely or a secluded President. The gates and the windows of the White House have been thrown open and through them passes day by day in increasing measure the good will of the American people to the modest yet capable, patient yet forceful, generous yet firm President. No one honestly doubts the earnest desire of Warren G. Harding to lead the American people out of the dangers and difficulties in which he found them upon his accession, to the broad, straight highway of national prosperity and progress, and there is a justified increasing confidence in his ability patiently but surely to get the Nation "back to normalcy."

IN INDIANA.

In our own State our administration of affairs has been successful and satisfactory. We have redeemed pledges, we have fulfilled promises, we have kept faith with the people and can point with pardonable pride to a record of achievement that justifies a renewal of power.

Our State officers have conducted themselves in an honest, straightforward, and commendable manner and are entitled to the gratitude of a well-served people. And I am especially pleased to stand in this place and pay my tribute of respect and admiration to our splendid governor, Warren T. McCray. He came into office pledged to a faithful performance of duty and to a program of fidelity to the highest interests of the people. That he has fulfilled the expectations of his friends and disappointed the hopes of his enemies is known to all, and that he is a clean-handed, high-minded, and patriotic official is denied by none. He is not a candidate for reelection and, under our constitution, can not be, but the people have the opportunity to express their confidence in him and their gratitude for his successful administration by the election of a legislature that will work in harmony with his purpose, and I bespeak for him and those who surround him a cordial and enthusiastic indorsement at the polls in November.

THE SENATORSHIP.

My fellow Republicans, I gather from reports that you have had quite interesting contests recently in Indiana, one pertaining to nominations and one to organization. Personally, I never deprecate these contests if they are fairly and honorably conducted. I rather encourage them, for they stir up the fighting blood of the militant hosts of the party and put them in battle trim for the final contest. Witness that nobody paid much attention to the Democratic primary in Indiana. It was the side show, while the main circus was pulled off under the Republican tent, and this fall it will be quite easy for us completely to absorb the other exposition.

Ladies and gentlemen, it was known to all of you that I wished for the renomination of my honored colleague, Senator HARRY S. NEW. He had been a faithful servant of the people, and an industrious and conscientious Senator, and our own relations had been cordial from the beginning of our service. I naturally believed that he had fairly earned and was entitled to a renomination and a reelection and gave expression to my views on all proper occasions.

But the Republicans of the State, by the established method of procedure, decreed otherwise, and I yield a ready and willing obedience to their commands, and therefore from this time until election day I shall exert every energy at my command to secure the election of Albert J. Beveridge, and I urge all of my friends in Indiana to pursue the same course.

Senator Beveridge is no novice in public affairs. His name is known to all men, his eloquence is recognized by all people, and his ability commands the respect of the entire Nation. He is distinguished not only as an orator and statesman but as an author as well, and his work on John Marshall is a real contribution to the literature of the Nation. He is in all respects worthy and capable, and I shall support him with all the vigor I possess throughout the approaching campaign.

Therefore, in the interest and for the sake of the party, let us forget the things that are behind us and press forward to the things that are yet to come, lose sight of the family contest, with whatever of animosity it may have engendered for the day, and array our forces in solid phalanx for the final contest with the common enemy, the one with which we have so frequently battled, and the one over which we have so often triumphed. We shall thus measure up to the expectations of our friends throughout the land and meet the imperative demands made upon us by the exigencies of the hour.

THE INDIANA DELEGATION.

I can not let the opportunity pass without expressing my most earnest commendation of the solid Republican delegation from the State of Indiana in the House of Representatives. Having been a Member of that body for many years, I naturally take a more than ordinary interest in its proceedings and keep in rather close contact with many of its Members. I have observed with pride the standing of our delegation in that great body, and I have never been unmindful of the course and conduct of each of them.

I therefore speak with more than ordinary knowledge of the situation when I say that for industry, for integrity, for intelligence, for faithful attendance upon their respective committees and the meetings of the House, for services rendered to their various constituencies, for a keen grasp of public affairs, and a faithful discharge of the many

duties devolving upon them, for all of these characteristics, so essential to successful representation, this delegation is not excelled by any other one in the entire House of Representatives.

Mr. Harding will be President until the 4th of March, 1925, the political complexion of the Senate can not be changed at the next election, and it would be the height of folly to elect a Democratic House and expect that body to accomplish anything in connection with a Republican Senate and a Republican President. There must be harmony or there will be confusion, and confusion means utter failure. If the Republican Party had done anything that deserved the censure of the people, if it had not faithfully and diligently discharged its obligations and performed its services, the people might well vote a Democratic Congress as a mere matter of rebuke to the administration and to the party, but, having made such a record as I have partially and feebly set forth, and having under way a program of reconstruction and a plan of rehabilitation, some portions of which remain unfulfilled, it would certainly be the extreme of political unwisdom to elect a body out of harmony with the purposes of the President and the Senate. And therefore I specially urge upon all of you to see to it that every Republican Member from Indiana who is a candidate to succeed himself, and all are but one, shall be returned by a vote of confidence to continue the work already so well begun.

CONCLUSION.

My fellow Republicans, in neither State nor Nation are there signs of an approaching millenium. Anyone who expected a happy solution of all problems, the final disposition of all questions, was a dreamer and had no just cause for his dream. Nevertheless, much has been done, and what already has been accomplished is in the right direction and along the right line. The vast work of reconstructing the shattered finances, the disordered commerce, and the disturbed relations of an entire Nation can not be accomplished within the narrow compass of a year, but must diligently be worked out, as worked out it will be with another Republican Congress and the same Republican President.

And so, my countrymen and my fellow partisans, having in view the glorious history and the noble traditions of our party with all of its mighty past, let us as the true descendants of those who have so richly wrought in the decades gone strive to perpetuate the policies for which they fought, the policies in which Morton and Harrison believed, the policies made sacred by reason of the Republic they have produced, the policies that alone can insure the future safety, stability, and independence of our land.

In the language of the deathless Lincoln, "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in."

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech delivered by the gentleman from Illinois [Mr. GORMAN] on Memorial Day at Antietam Cemetery.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD by inserting a speech delivered by the gentleman from Illinois [Mr. GORMAN] at Antietam Cemetery on Memorial Day. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. ZIHLMAN. Mr. Speaker, on May 30 of this year the distinguished gentleman from Illinois, Hon. JOHN J. GORMAN, kindly consented to deliver the principal address at the memorial exercises held in the national cemetery on the Antietem battle field.

On that occasion Antietem Post, No. 14, Grand Army of the Republic, observed the day with solemn and sacred ceremonies in the presence of thousands of the citizens of Washington County, Md., and the address of the gentleman from Illinois is so rich in historical allusions, so filled with the spirit which animated the men who engaged in the great conflict waged upon the Antietam battle field many years ago, that I have taken advantage of the privilege accorded me and am inserting his remarks in the RECORD.

The address is as follows:

"Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal. Now, we are engaged in a great Civil War, testing whether that Nation or any nation so conceived and so dedicated can long endure."

Those beautiful sentences, so filled with fact and optimistic hope, taken from the opening lines of Lincoln's Gettysburg speech, very tenderly recited for our edification earlier in this program, are the text of my address.

"Fourscore and seven years ago, our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal."

Our fathers, indeed, brought forth a new Nation. It was a heretic among the nations of the earth. It startled the world, as the luminous orbit of a newly revealed comet would, did this revolutionary civil concept when its fundaments of liberty and equality were proclaimed to an incredulous, jeering world.

Up to the period of the founding of this new Nation there were no such bulwarks as liberty and equality among the Governments of the world. The monarchical theory had been thoroughly fastened upon civilization, that the king or ruler was the fountain head of authority and the source of all power; that he was a superman or semideity who swayed his subjects by divine right. The people were his slaves, possessed of no inalienable rights whatever, and enjoying only such limited privileges as he allowed to filter down to them out of the generosity of his soul.

The people were his playthings of war and his drudges of peace. They fought his battles, tilled his soil and harvested his crops, gathered his wood from the abundant forest, carried his water on aching shoulders in earthen jars, and diligently ministered to his divers other wants and caprices. For their remuneration they were allowed from the product of their own labor sufficient only to give them a bare existence. Their spiritual food, too, was carved from the dogma of what their master's disposition fed upon. Spiritually as well as physically they were slaves.

Liberty among the people was merely a thick-rinded hope, like the apples of Hesperides, serving to incite a voracious appetite, but never to requite it, while equality was an idea uninvented. The peoples of the earth everywhere had always lived under such repression, emerging temporarily from abject slavery to more or less tolerable feudalism, only to lose their hold upon the ladder and slip downward again.

Here, too, in the New World, the colonists felt the iron heel of despotism, but their remoteness from the regal seat softened somewhat the rigors of their oppression.

Distance emboldened them to hitch the chariot of their hopes to the Star of Freedom, until at last they did a daring act. They declared war upon their oppressors, struck off the binding fetters of allegiance, and proclaimed themselves free men, children in liberty and brothers in equality. In the Declaration of Independence, in Congress, July 4, 1776, they set forth this new creed of the new Nation: "We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights Governments are instituted among men, deriving their just powers from the consent of the governed." When those immortal words were committed to the parchment, just before the signers had subscribed their signatures thereto, Patrick Henry released his powerful emotions in the famous speech which he sent ringing through the unborn ages, even to serve as a freshet keeping moist the taproot of the tree of liberty.

"These words," said Patrick Henry, "will go forth to the world when our bones are dust. To the slave in bondage they will speak hope; to the mechanic in his workshop freedom. * * *

"That parchment will speak to kings in language sad and terrible as the trumpet of the archangel. You have trampled on the rights of mankind long enough. At last the voice of human woe has pierced the ear of God and called His judgment down. * * *

"Such is the message of the Declaration to the kings of the world. And shall we falter now? And shall we start back appalled when our free people press the very threshold of freedom?

"Sign, if the next moment the gibbet's rope is around your neck. Sign, if the next moment this hall rings with the echo of the falling ax. Sign, by all your hopes in life or death, as husbands, fathers—as men with our names to the parchment, or be accursed forever. Sign, not only for yourselves but for all ages; for that parchment will be the textbook of freedom—the Bible of the rights of man forever.

"Sign, for the declaration will go forth to American hearts like the voice of God. And its work will not be done until throughout this wide continent not a single inch of ground owns the sway of privilege of power.

"It is not given to our poor human intellect to climb the skies, to pierce the councils of the Almighty One. But methinks I stand among the awful clouds which veils the brightness of Jehovah's throne. Methinks I see the recording angel—pale as an angel is pale, weeping as an angel can weep—come trembling up to the throne and speaking his dreadful message.

"Father! The Old World is baptized in blood. Father! It is drenched with the blood of millions who have been executed, in slow and grinding oppression. Father, look! With one glance of Thine eternal eye, look over Europe, Asia, Africa, and behold everywhere a terrible sight—man trodden down beneath the oppressor's feet, nations lost in blood, murder, and superstition walking hand in hand over the graves of their victims, and not a single voice to whisper hope to man.

"He stands there—the angel—his hand trembling with the human guilt. But hark! the voice of Jehovah speaks out from the awful cloud: Let there be light again. Let there be a new world. Tell my people, the poor downtrodden millions, to go out from the old world. Tell them to go out from wrong, oppression, and blood. Tell them to go out from the old world to build up my altar in the new.

"As God lives, my friends, I believe that to be His voice. Yes, were my soul trembling on the wing of eternity, were this hand freezing to death, were my voice choking with the last struggle, I would still, with the last gasp of that voice, implore you to remember the truth. God has given America to be free. Yes; as I sank down into the gloomy shadows of the grave, with my last gasp I would beg you to sign that parchment. In the name of the One who made you, the Savior who redeemed you, in the name of the millions whose very breath is now hushed, as, in intense expectation, they look up to you for the awful words, 'You are free.'"

Not only did those stirring words of Patrick Henry carry the conviction to his auditors that the Declaration of Independence ought to bear their signatures, but they were moved to make every sacrifice humanly possible to set up this "new nation conceived in liberty and dedicated to the proposition that all men are created equal."

For the first time in the chronicles of the human family, it was recorded in a nation's declaration of principles that all authority resides in the people and wends its way upward to the Chief Executive. By this declaration the divine right of kings as the depository of all authority was struck a deadly blow. The declaration established the bedrock of popular government, where authority issues out of the masses instead of percolating toward them from above. Lest posterity might allow this "new Nation, conceived in liberty and dedicated to the proposition that all men are created equal," to relapse into slavery; divested of all the fruits of glorious victory, into the greatest document ever written—"the most wonderful work ever struck off at a given time by the brain and purpose of man," said the noted English statesman, William E. Gladstone—into it, the Constitution of the United States, the fathers wrote ineffaceably the doctrine of liberty and equality.

Under the flood light of this new order of statecraft, the colonists, banded together in the United States of America, marched upward through the ever-broadening avenues of progress, and their new Nation, scoffed at as a phantasmagoric bubble soon to burst, became greater and stronger at every stride. Prosperity smiled upon a free people, under whose directing energies and quickening genius, agriculture and industry teemed with wealth, the while "health and plenty cheered the laboring swain."

Yet our progress, as marvelous and unmatched as it was, moved with a limp which became more and more acute as the years rolled on and whose ever-increasing acuteness threatened a halt in our journey. We were suffering from partial organic nonfunctioning. While our principle of government proclaimed and guaranteed liberty and equality to all our people, yet some of them were enmeshed in slavery. Our principle faltered when set in motion. Hundreds of thousands of black men were slaves. Some of our people wanted to set them free in ac-

cordance with our theory of liberty and equality, while others sought to keep them in servitude as a species of chattel property in conformity with the Dred Scott judicial pronouncement. Dissensions on the subject arose everywhere until States were rocked by the agitation of proponents and opponents. The controversy assumed such terrific heat that States asserted their right to secede from the indissoluble Union and set up their independent government. Then the Civil War ensued, to give answer to the query, gathered up and surcharged by the howling winds, "Can this Nation or any nation so conceived and so dedicated long endure?"

The saintly Lincoln averred that this Nation could not endure half free and half slave. "A house divided against itself must fall," said he, drawing from the sacred book the answer to the mooted question.

The answer resounded from every fireside in the taking down of the musket from the wall, from every hillside in the tramp, tramp of soldiers' feet, and flamed forth in every stream crimson with the patriots' blood. Here on Burnside's bridge and the ridge of Antietum the answer flashed in steel and fire, echoed forth in the cadences of the bleeding and dying, and hurrahed in the salvos of victory as the fraternal enemy was repulsed in broken columns.

During the gory years of 1861 to 1865 the varying successes of the fraternal armies answered the eternal question, now in the affirmative, anon it seemed in the negative, until Appomattox forever put the seal of approbation upon human liberty and equality. The Union armies demonstrated with unquestionable finality that this Nation, "Conceived in liberty and dedicated to the proposition that all men are created equal," will endure so long as ropes of sand impound the waters of the oceans to perpetuate a habitat for men. Against all the vicissitudes of fickle time, even until the consummation of the world, will the children of liberty and equality flourish in this land of the free and home of the brave, while their hearts are true, their eyes are steady, and their adherence to basic principles is unshaken.

Antietam was a bloody footprint along the pathway of human progress. It marked an important stage in an important war—a war which was inevitable, because at some time in this Nation the principle of liberty and equality must have been put to the test. Human progress is achieved only by human sacrifice. Principles triumph only when men triumph. Ideals inspire the souls of men. They are stepping stones to the celestial. They are the reflexes of men's souls struggling for freedom, to take their ethereal flight.

Antietam, thou wert liberty's lodestar! Men of Antietam, thou wert the saviors of this "new nation conceived in liberty and dedicated to the proposition that all men are created equal."

In your commemoration we make this annual pilgrimage and here high resolve that you have not died in vain. For you we say a prayer and pay the silent tribute of a tear.

"How sleep the brave, who sink to rest,
By all their country's wishes blest.
When spring, with dewy fingers cold,
Returns to deck their hallow'd mould,
She there shall dress a sweeter sod
Than fancy's feet have ever trod.
By fairy hands their knell is rung,
By forms unseen their dirge is sung!
There honor comes, a pilgrim gray,
To bless the turf that wraps their clay;
And freedom shall a while repair
To dwell a weeping hermit there!"

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had concurred in the amendment of the House of Representatives to the joint resolution (S. J. Res. 7) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States.

The message also announced that the Senate had concurred in the amendments of the House of Representatives to bills of the following titles:

S. 2666. An act for the relief of Ed Thomas and Pauline Thomas; and

S. 2664. An act for the relief of Jesse Goodin.

DISTRICT OF COLUMBIA DAY.

The SPEAKER pro tempore. Under the rules business is in order to-day reported from the Committee on the District of Columbia.

Mr. FOCHT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of certain legislation concerning the District.

The SPEAKER pro tempore. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of business relating to the District of Columbia reported by that committee.

Mr. GARRETT of Tennessee. Mr. Speaker, pending that, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. GARRETT of Tennessee. Will the gentleman indicate to us what business he intends to call up?

Mr. FOCHT. After a few remarks by the chairman of the committee in reference to a measure that was to have been called up it is my purpose to call up what is known as the workmans' compensation bill, as it applies to the District of Columbia, with an agreement, tentative, of course, until it is sanctioned by the House, to have two hours of debate on each side, and pending the motion, Mr. Speaker, I ask that on this compensation bill, H. R. 10034, there be four hours of general debate, two hours on a side, one-half to be controlled by the gentleman from Massachusetts [Mr. UNDERHILL], opposing the bill, and one-half by myself, as chairman of the committee.

The SPEAKER pro tempore. Pending the motion the gentleman from Pennsylvania asks unanimous consent that in Committee of the Whole House on the state of the Union considering the bill H. R. 10034 there shall be four hours of general debate, one-half to be controlled by himself, in favor of the measure, and one-half by the gentleman from Massachusetts [Mr. UNDERHILL], against the measure. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, is the debate to be confined to the bill?

Mr. FOCHT. Yes. I am willing there should be an understanding to that effect.

Mr. GARRETT of Tennessee. The only reason that I asked that question is because if there is to be debate on other subjects, I think somebody on this side should control some of the time.

Mr. FOCHT. No; it is to be strictly confined to the bill, and, judging from the hearings before the committee, it will take all of that time to conclude the debate.

Mr. GARRETT of Tennessee. Then the debate will be confined to the bill.

Mr. FOCHT. General debate, yes; and I would like to ask, however, under those circumstances, that I may have unanimous consent to proceed for a few minutes.

Mr. MAPES. Mr. Speaker, reserving the right to object, the motion of the gentleman from Pennsylvania, chairman of the Committee on the District of Columbia, as I understood it, was that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of District business. I think the Speaker modified it somewhat and said "business reported from the District of Columbia Committee." I would like to ask the gentleman from Pennsylvania this: There has been some talk in the newspapers about the chairman of the District of Columbia Committee calling up to-day Senate Joint Resolution 23, which has been reported by the Rules Committee, but has not been referred to the Committee on the District of Columbia. Of course, the gentleman from Pennsylvania, as chairman of the District of Columbia Committee, knows that he has not the authority to call up legislation that has been reported by some other committee, even though it pertains to the District of Columbia. I would like to ask the gentleman if that is his understanding of the rule?

Mr. FOCHT. If the gentleman will permit, I would like to explain the situation so that the House may have an idea of the whole matter. After we saw the newspaper reports we made investigation and find that the gentleman is entirely right, absolutely.

Mr. MAPES. And there will be no attempt to call up the Senate resolution this afternoon?

Mr. FOCHT. No, sir; it would be absolutely impossible.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, do I understand the gentleman has modified his request so as to provide the time should be devoted to debate on the bill?

Mr. FOCHT. Yes, sir; that is the request and understanding.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent that when the House resolves itself into the Committee of the Whole House on the state of the Union and the bill H. R. 10034 is taken up for consideration that there shall be four hours of debate, to be confined to the measure, one-half to be controlled by himself in favor of the bill and one-half by the gentleman from Massachusetts [Mr. UNDERHILL] opposed to the measure. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The question is on the motion of the gentleman from Pennsylvania that the House resolve itself into the Committee of the Whole House on the state of the Union.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of District of Columbia Committee business, 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 consideration of business relating to the District of Columbia.

Mr. FOCHT. Mr. Chairman, I call up the bill H. R. 10034.

The CHAIRMAN. The gentleman from Pennsylvania calls up H. R. 10034 and is recognized for two hours.

Mr. GARRETT of Tennessee. I assume that the bill will be reported.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 10034) creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of employees killed in employments, providing for the administration of such fund by the United States Employees' Compensation Commission, and making an appropriation therefor.

Mr. FOCHT. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. UNDERHILL. Mr. Chairman, I object.

The Clerk read as follows:

Be it enacted, etc., That the prosperity of the District of Columbia depends in a large measure upon the well-being of its wageworkers, and, therefore, for workers injured in employment and their families and dependents sure and certain relief is hereby provided, regardless of questions of fault and to the exclusion of every other remedy, proceeding, or compensation, except as otherwise provided in this act; and to that end all civil actions and civil causes of action for such personal injuries and all jurisdiction of the courts of the District over such causes are hereby abolished, except as in this act provided.

SEC. 2. That wherever used in this act—

"Employment" means all private employments.

"Employee" means every person engaged in any employment under any appointment or contract of hire, or apprenticeship, expressed or implied, oral or written, including aliens, and also including minors, whether lawfully or unlawfully employed, but excluding any person whose employment is casual and not in the course of the trade, business, profession, or occupation of his employer.

"Employer" means every person, partnership, association, and private corporation, including any public-service corporation, and the legal representative of any deceased employer, or the receiver or trustee of a person, partnership, association, or corporation carrying on any employment.

Mr. FOCHT. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. FOCHT. I renew my request for unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FOCHT. Mr. Chairman, inasmuch as time has been provided with ample opportunity for debate on this bill I trust that though it has been agreed there shall be no speeches made on any other subject, there was a matter brought up this morning in connection with Senate Concurrent Resolution 23 as to which I feel there should be some explanation, as there is involved an original expression of opinion of the chairman of the Rules Committee and the response I made to him in regard to my duty concerning the said legislation. I had no knowledge whatever of this resolution's existence, nor that it had been passed by the Senate and referred here to the Committee on Rules of the House.

Mr. UNDERHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. UNDERHILL. As the gentleman is proceeding along this line I desire to ask if that is deducted from the time allowed for discussion on the pending measure?

Mr. FOCHT. I am just explaining this other situation.

Mr. UNDERHILL. It comes out of the gentleman's time?

Mr. FOCHT. Yes; that is all right.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. FOCHT. Yes, sir.

Mr. LAYTON. Is the gentleman discussing this bill?

Mr. FOCHT. I am discussing another question. I asked unanimous consent, and I hope there will be no objection. It is in reference to a question raised before the bill was taken up.

Mr. LAYTON. Then it is not this bill the gentleman is discussing?

Mr. FOCHT. Not the bill proper.

Mr. LAYTON. Therefore the understanding is broken with respect to debate——

Mr. FOCHT. No; not if I have unanimous consent. I want to clear up the old fuss before we start on a new one.

The CHAIRMAN. The gentleman will proceed in order.

Mr. FOCHT. Mr. Chairman, the Jones resolution No. 23 was not referred to the Committee on the District of Columbia, and upon my return from Pennsylvania I noticed an article in the newspapers and was interviewed by the reporters a number of times as to this misapprehension as to the assumption of certain rights and prerogatives on the part of the chairman of the District of Columbia Committee in attempting to bring up this resolution. It was never asserted by the chairman, nor by any member of the committee, I know, that we intended to bring up the resolution, and in answer to a query by a newspaper reporter as to what was going to be done, I simply said that if the parliamentary situation as described by the chairman of the Committee on Rules were correct, we would take up the matter and possibly undertake to bring the resolution before the House.

We find that is not possible. While we did not have it in contemplation or seriously consider it, and knew nothing about it, in pursuance of the discharge of our duties, and as that relates to a given situation relating to the financial condition here in the District of Columbia, we investigated it, and, with the leadership of our excellent friend the former and able chairman of the Committee on the District of Columbia [Mr. MAPES], we found the parliamentary law which prohibits such a thing as the District Committee bringing out any legislation except that which had been considered by that body. But since we will have ample time to discuss the compensation bill, in order to set your minds running along that line now on Resolution 23, I have asked for unanimous consent and received it, and I think we may get some little idea of what that Resolution 23 means.

When I became chairman of this committee and came in contact with the various northeast and northwest and southeast and southwest associations in Washington, that call you out to their meetings to address them about things concerning which you know nothing, I was advised there were $5,000,000 excess taxes paid by the people of the District of Columbia and now in the hands of the Government which should be properly applied to the development of the school and road and water systems of the District of Columbia. I came up here most enthusiastic and came in contact with the leaders of the House and other Members who seemed familiar with that particular subject, and I met with great disappointment, if not chagrin, when one of them told me, "You have now taken hold of the $5,000,000 myth." So this resolution proposes to investigate the myth. Inasmuch as it came up at the present time, and it never may be brought up again, with your patience for five minutes I am sure you will leave with an analysis of it, as far as I can give it, of the question of how it comes about that the people downtown, wherever you go, want to know what you are going to do about using that $5,000,000 they have paid in taxes above the amount the Government has given on their plan of taxation here of 60–40 or 50–50. They say that we have overtaxed the people by over $5,000,000 and that the money is there and ought to be used by the people of the District of Columbia. Here is where it starts:

STATEMENT REGARDING THE SURPLUS OF REVENUES OF THE DISTRICT OF COLUMBIA NOW LYING IN THE TREASURY.

Beginning with the fiscal year 1916–17 the appropriations for the District of Columbia have for the past several years been less than the revenues of the District, raised by taxation, have been sufficient to cover. The District Commissioners have, in strict observance of the law, been compelled to present estimates within the estimated local revenues, matched by Federal money in accordance with the established ratio of District-Federal contributions. Congress has, during these past few years, not appropriated as much in bulk for the District as the District's funds have warranted.

Thus for these past few fiscal years there has been accumulating in the Treasury a surplus of District tax money not appropriated. In the year 1916–17 the surplus of this money was $1,380,218.90, according to the figures of the District auditor. In 1917–18 the surplus was $673,733.77. In 1918–19 it was $1,226,732.79. In 1919–20 it was $783,236.72. In 1920–21 it was $584,744.51. In the whole of these five years the accumulation of District tax money, collected but not appropriated, has been $4,648,666.69.

This surplus of District tax revenues may not be kept in a separate fund in the Treasury as has been claimed by some. It may be a bookkeeping myth, as has been alleged. But the fact is undeniable that $4,648,666.69 has been collected from the people of the District in taxes and from other sources during the last five fiscal years that has not been spent in appropriations on District needs.

The pending resolution proposes the appointment of a joint commission of six, three Senators and three Representatives, to inquire into the origin, nature, and equity of this surplus of District tax revenues. The District contends that it should be spent for extraordinary public improvements, such as school buildings, or water supply, or street extensions and improvements. It is contended by some Members of the House that it is subject to offsets and claims of the Federal Government for old debts owed by the District to the United States. The purpose of this inquiry is to ascertain the equities in the surplus of District tax revenues.

It is important to pass this resolution promptly. The District appropriations bill is now pending in the Senate. The conferees have agreed upon the appropriation terms and upon a new formula of fiscal relations between the District and the United States. The major purpose of that formula is to enable the District by the beginning of the fiscal year 1927–8 to meet its obligations under the annual appropriation acts with its own cash instead of requiring advances from the United States Treasury during the greater part of each fiscal year. The tax collections are made now in May of the fiscal year for which they are due and payable. It is proposed to put the District on a cash basis by various methods. The conferees plan to enable the commissioners to accumulate a fund of District revenues by July 1, 1927, by increasing taxes in certain respects. As an alternative it has been proposed to advance the tax collection date so that District tax funds may be available earlier in the fiscal year. It is also proposed to apply to the cash-payment fund any surplus of District tax revenues that may be found to stand to the undisputed credit of the District in the Treasury.

It is the purpose of this resolution to conduct an inquiry by joint committee into the nature and present status of this surplus of unexpended District tax revenues; to ascertain whether there are any equitable claims on the part of the United States which may be properly charged against and collected from it; whether the surplus, to whatever amount it may be reduced in the net by the deduction of just claims of the United States, should, in the judgment of the joint select committee be applied to the cash-basis fund proposed, or expended, on the established District-Federal ratio, on current or extraordinary District requirements.

This commission is merely to find out certain facts and to recommend its conclusions to Congress. Until those facts are ascertained, until the nature and equitable status of the surplus are determined, it is impossible to know whether there is any accumulation of District tax revenue that can be used in the establishment of a cash basis. Meanwhile the appropriation bill will be enacted into law, but inasmuch as the cash-basis plan proposed does not go into effect for five years, the

determination of the surplus will be in season for such action at the next session of Congress as may be deemed proper.

The reason for urgency at this time is simple. The appropriation bill is held up in the Senate by the peculiar situation there. Some Members of the Senate believe that the so-called "amendment No. 1," which provides for the proposed new fiscal plan, should be amended to take cognizance of the surplus as a possible factor in the cash-basis accumulation. If we pass this concurrent resolution now and thus provide for the joint commission, it will be possible for the Senate to consider this factor.

And I would like to add to that the report of the local auditor, as follows:

District tax surpluses and deficits.

Statement of net surpluses or deficits in District tax revenue under organic act of 1878 of deficit or surplus accumulations and of interest charges on advances to meet revenue deficits for the fiscal years 1900 to 1920, inclusive. Figures from auditor's office, District Building.

Fiscal years.	Net surplus.	Deficit.	Deficit accumulations or reductions.	Interest charges on advances to meet deficits.
1900	$387,577.18			
1901		$220,182.57	$220,182.57	
1902		1,529,055.77	1,759,238.34	
1903	140,905.59		1,653,517.51	$35,184.76
1904	336,926.17		1,349,661.69	23,070.35
1905		863,375.22	2,240,030.14	26,993.23
1906		846,428.75	2,931,259.49	44,800.60
1907		286,796.79	3,277,866.28	59,810.00
1908		307,139.46	3,650,563.06	65,357.32
1909		268,940.71	3,992,515.03	73,011.26
1910	798,086.35		3,274,278.98	79,850.30
1911	674,682.75		2,665,081.81	65,485.58
1912	1,015,339.03	[1] 76,016.75	1,779,061.16	53,301.63
1913	1,393,869.52	[1] 200,748.85	621,521.71	35,581.22
1914	1,407,432.00	[1] 697,605.52	[2] 75,875.24	12,430.43
1915	655,911.50	[1] 868,655.42	[2] 731,786.74	
				[3] 585,076.68
			Surplus accumulations.	
1916	1,380,218.90			
1917	673,733.77		$2,053,052.67	
1918	1,226,732.79		3,280,685.46	
1919	783,236.72		4,063,922.18	
1920	584,744.51		4,648,666.69	

[1] Direct charges.

[2] Cash in United States Treasury. While the District had these items of cash in the Treasury to the credit of the general fund of the District of Columbia at the close of the fiscal years 1914 and 1915, the deficit in revenues to meet unexpended balances of appropriations and part of debt to the United States on June 30, 1914, amounted to $1,012,014.57; and the revenue deficit in this respect on June 30, 1915, amounted to $765,106.74. On June 30, 1916, the excess revenues over all appropriations for that year amounted to $2,145,325.64. Out of this amount provision was made to take care of the deficit in revenues on June 30, 1915, amounting to $765,106.74, so that beginning with the fiscal year 1916 the District began to accumulate a surplus of revenues over appropriations and all other charges amounting to $1,380,218.90 for that year. By accretions in 1917, 1918, 1919, and 1920, the surplus of such revenues on June 30, 1920, totaled $4,648,666.69.

[3] Total interest charges on loans to meet deficits.

Mr. MAPES. Mr. Chairman, I would like to ask the gentleman a question.

Mr. FOCHT. Yes, sir; with great pleasure.

Mr. MAPES. After first making this statement. As the gentleman knows, at different times the books of the District and the Government have been audited to ascertain their financial condition. Before the gentleman became chairman of the District Committee and before I was chairman of the committee, the committee under the chairmanship of the gentleman from Kentucky [Mr. JOHNSON], as the gentleman from Pennsylvania will remember, had an auditor going over the books and finding different items that should be credited to the Government and not to the District. Before that there was a joint committee of the House and Senate appointed to investigate the fiscal relations of the District generally. Does the gentleman think that this commission is going to get any information that Congress has not already got?

Mr. FOCHT. I do not know anything about that. I was simply reading the conclusion. I believe that all those facts the gentleman speaks of have been determined. I believe they were referred to in my statement. The only thing is that Congress does not act; that Congress calls it a myth. I do not believe it is. I believe taxpayers of the District paid in excess of their share these large amounts.

Mr. MAPES. Is the gentleman more hopeful that the Congress will act on this joint commission's report than on the other joint commission's report?

Mr. FOCHT. I believe there is more fairness and justice toward matters of that kind here now than at any other time, and I believe they will do what is right.

Mr. MAPES. The gentleman does not mean to leave the inference that Congress has not done justice in other cases?

Mr. FOCHT. I will say that there will be more justice, due to public opinion, and more knowledge. We have had a Republican House with a Democratic President and a Democratic House with a Republican President, but now this is all with us. When the thing is presented to this House for justice and for sanction, with the auditor also a Federal officeholder, I believe they will be liable to get fair consideration.

Mr. REED of West Virginia. Will the gentleman yield?

Mr. FOCHT. Yes, sir.

Mr. REED of West Virginia. Talking about this being a myth, as I understand that, even though there will be a settlement demanded and there may be something in the settlement due the Government, is not this a state of facts boiled down?

Take a hypothetical case: It was determined that the cost of the District government in a given year would be $20,000,000. On the 50–50 theory the District was asked to lay levy of $10,000,000 and the National Government would appropriate $10,000,000. But the Government appropriated only $8,000,000. The District paid in their $10,000,000 and the Government but $8,000,000, leaving a surplus paid by the people of the District of $2,000,000 somewhere that was paid in actual cash and is not a myth.

Mr. FOCHT. Absolutely so. I believe that after investigating this question for two years.

Mr. MAPES. Will the gentleman yield?

Mr. FOCHT. Yes.

Mr. MAPES. So far as the last few years are concerned, the report of the auditor gives the facts, does it not?

Mr. FOCHT. What you are getting at I quite agree to. If there is to be any expense connected with this, so far as I am concerned or the committee of which I am chairman is concerned, we prefer no appropriation. We will gladly do the work day and night without cost. In regard to experts, I do not think you need them. I believe we can get along without any cost to the Government. At least, the committee will do its part without any cost. [Applause.]

Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman and gentlemen of the committee, I hold in my hand a map which indicates just how far workmen's compensation laws have been adopted in the United States. The black spots indicate the District of Columbia and five States of the Union where workmen's compensation has not succeeded and where the old war between employer and employee—capital and labor—is still being fought in cases of injured workmen for a year and even 10 years in the courts, and on all sorts of questions.

All of the employees of the Government are already protected and covered. Congress has passed the Federal employers' liability act, which protects the over 600,000 employees of this Government. All of the States in the Union except five, and Porto Rico and Hawaii, and all of the Canadian Provinces except one, Prince Edward Island, have passed similar acts; and it is the purpose of this bill to permit the people of the District of Columbia to take this step forward in social legislation by having compensation for injured employees of this District, who number something like 108,000.

Mr. OGDEN. Would the gentleman name the five States he has mentioned?

Mr. FITZGERALD. The five States that have no workmen's compensation laws are Arkansas, Mississippi, North Carolina, South Carolina, and Florida. None of these States, one might say, is a manufacturing State, or a great industrial State, where the necessity has been forced upon the people by the continuous friction between the employer and the employee in the courts, where so much of the time of the courts has been taken up and so much expense to the State incurred by the decision of these contested cases. So it is the purpose here to let this war cease, and to provide for every person who is injured in his employment a compensation commensurate with that injury, and for those who may be killed in the course of their employment a certain security for their surviving dependents, whether widows or children.

Mr. LAYTON. Does the gentleman mean this is a general law?

Mr. FITZGERALD. For the District of Columbia only, for the private employees in the District of Columbia, all others in the Union being covered except in the five States to which I have alluded.

Mr. LAYTON. What have all these States except the five States got now in the shape of workmen's compensation? Is this in addition to the compensation or insurance proposition for the District?

Mr. FITZGERALD. It is; that is, it provides compensation which is certain to the injured workman and to the dependents of the injured workmen in proportion as they are dependent upon the person who may be killed.

Mr. LAYTON. I thought the gentleman had stated a moment ago that we had already passed an act applying compensation to the District of Columbia.

Mr. FITZGERALD. Employees of the Government.

Mr. LAYTON. Yes. How much further does this go? This covers employees of private concerns?

Mr. FITZGERALD. Everybody.

Mr. LAYTON. As between the employee and the employer?

Mr. FITZGERALD. Yes, sir.

Mr. LAYTON. And you propose to make this as a governmental agency?

Mr. FITZGERALD. Yes, sir.

Mr. LAYTON. Has the gentleman in mind the purpose to institute a national insurance act for all employed in the United States to follow after this measure?

Mr. FITZGERALD. No, sir.

Mr. LAYTON. You have not?

Mr. FITZGERALD. No, sir.

This subject has been debated in the legislative halls in every State in this country and in all the Canadian Provinces. It has been the subject of repeated investigation. There seemed to be in the progress of this bill through the committee, where extensive hearings were held, little or no opposition to some sort of a compensation or insurance bill for the District of Columbia. All of the opposition has come from the organized effort of the insurance companies, who have been very ably represented by a very distinguished and very learned gentleman who has presented their case as forcefully as it could be.

The objection of the insurance companies is that this bill provides for a mutual fund; that is following the decision of the courts of Washington that this was a governmental function and a tax; that where it was made obligatory upon the employer to protect the workman in his employ it was also a moral obligation on the Government to see that that obligation might be met by the employer as economically as possible, without loading him with a needless expense of 30 or more per cent to pay a profit to insurance companies. In competition with insurance companies there is a marked difference in cost. The insurance companies do not claim that they can write this compensation or insurance for workmen at less than 37½ or 38 cents for overhead, a great part of which, of course, is agent's commission, and the fact that this act is compulsory seems to militate against any feeling that the insurance companies should be presented with from 30 to 35 cents out of every dollar which the Government requires the employer to pay.

Mr. LAYTON. Mr. Chairman, will the gentleman yield again?

Mr. FITZGERALD. Yes.

Mr. LAYTON. Logically that argument you have just stated means that the Government should go into this?

Mr. FITZGERALD. No.

Mr. LAYTON. Logically it does.

Mr. FITZGERALD. Illogically, because I have referred to the decisions of the courts.

Now, this matter I expect to take up somewhat more at length, because the leader of the opposition in the committee on this bill expects to or has intimated that he desires to offer a substitute for this bill, to which there are many objections in addition to that of making the rates higher and necessarily limiting the possibility of the compensation to the workingmen to a much smaller amount.

We have 16 States in this Union which provide what are known as State funds; that is, there is a board or commission to which the employer may pay the proper assessed cost of protecting the workmen in his employ, and this board investigates and pays out a just and fair compensation under the act. If insurance companies were left to take care of that compulsory duty on the part of their employer, then the State must also provide investigating and checking agencies in order to prevent in some measure the taking advantage of the injured workmen, because this is different from any other form of insurance in this, that the beneficiary himself has nothing to say, or very little, as to the business of obtaining or writing insurance and every one except the injured workman seems to be most interested in how little may be paid to him.

In the State of New York, where the fund is not exclusive, we have had two investigations by the State, the Connor investigation and the Lockwood investigation, which has just recently been concluded. It was shown by the first investigation that injured workmen had been defrauded to the extent of $5,700,000 by the private insurance companies in spite of the inspections and supervision the State had attempted to maintain.

I want to contrast this with the situation in some of the States where not only a fund is provided—that is, where they all join in and treat the matter as a mutual concern—where the fund is exclusive, or very nearly so; and taking Ohio as illustrative of that point, where the entire overhead expense or overhead is less than 3 per cent as contrasted with the situation in States where the insurance companies take 38 or 40 and sometimes 50 cents out of every dollar of the premium paid by the employer for the purpose of the insurance company in its solicitation work adjustment and for profits. In fund States the fund is administered for an average of 7½ per cent overhead upon the amount collected in premiums. Everywhere that there has been an investigation the success of the fund has been demonstrated, as contrasted with the practice compelling employers to protect their workmen and then turning them over to private insurance companies to make a profit out of the injured man and the employer.

I hold in my hand the report of Miles M. Dawson, entitled "State Accident Insurance Funds a Demonstrated Success in America." This man, Mr. Dawson, was the consulting actuary employed to make the investigation in three of the States—New York, Pennsylvania, and I think Illinois. The Department of Labor, for the benefit of the people of the United States, has made a thorough and apparently impartial investigation of the entire subject in all its aspects—that is, in regard to the time which the man must wait for his money; in regard to how liberally he is treated; in regard to the cost; in regard to underpayment; in regard to every feature which enters into it. I hold in my hand the report of Carl Hookstadt, then and now the expert on this subject, of the Department of Labor, to which anyone interested may refer, as demonstrating the fairness and the justice of the fund as compared with either the competitive system or the writing of such compensation by insurance companies. This document and report made by the expert of the Department of Labor has been attacked by an employee of the insurance companies, Mr. P. Tecumseh Sherman, in a very clever pamphlet. I am referring to an insert in that pamphlet which was supplied, I believe, to every Member of this House as a part of the propaganda of the insurance companies against this bill, because it ought to be made clear that on both sides of this controversy there seems to be no difference of opinion but that this particular act for the District of Columbia must be either one or the other. It can not be like it is in Pennsylvania, competitive, nor can it be one where self-insurance and other features are taken up to make it complex.

One reason is because the field here is so limited and restricted by only 100,000 employees, and another is because it would make it unduly expensive and more complex, because this act attempts to take advantage and does take advantage of the commission which already exists under the former act, which is for the benefit of Government employees, which commission is already administering the act for 600,000 employees of this Government, 75,000 of whom are in the District of Columbia. So that no new machinery is created in order to provide protection for the private employees of the District of Columbia, which ought to make this the most economical administration of any act in existence, not excepting even the wonderful showing made in the State of Ohio.

I refer to this insert and read:

Finally it is argued in the report—

That is the report which was filed by the District Committee on this bill—

that the comparatively small area and limited number of employees in the District of Columbia make a *monopolistic*—

That is the word of the criticism, and then in brackets they put in the real word of the report—

[exclusive] State insurance fund there especially advisable. Those facts do preclude a competitive State fund. But the more advisable alternative is no State fund at all.

In the face of all these figures we can not accede to a demand to tax the employers of the District of Columbia to waste 35 cents out of every dollar simply to give useless business to the private insurance companies.

Mr. LAYTON. So that this act will actually put out of business all private casualty companies in the District of Columbia?

Mr. FITZGERALD. They do an insignificant business. They will tell you that, Doctor, that they have little or no business now. This would put a great expense upon the employers of the District, and it is a question whether that should be done simply for the sake of giving profits to insurance companies. [Applause.]

Mr. SPROUL. Mr. Chairman, I make the point of no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of no quorum present. The Chair will count. [After

counting]. Sixty-six Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Almon	Dempsey	Kincheloe	Robsion
Anderson	Dickinson	Kindred	Rodenberg
Andrew, Mass.	Drane	Kinkaid	Rogers
Ansorge	Drewry	Kitchin	Rossdale
Appleby	Driver	Kline, N. Y.	Rouse
Arentz	Dunn	Knight	Rucker
Bacharach	Dyer	Kreider	Ryan
Barkley	Elliott	Kunz	Sabath
Beck	Evans	Langley	Sanders, Ind.
Bell	Fenn	Larson, Minn.	Sears
Benham	Fess	Leatherwood	Shelton
Bixler	Fields	Lee, N. Y.	Shreve
Black	Fish	Longworth	Siegel
Blakeney	Fordney	Luce	Sinclair
Bland, Ind.	Foster	McArthur	Slemp
Bland, Va.	Frear	McClintic	Smith, Mich.
Blanton	Freeman	McKenzie	Snell
Boies	French	McLaughlin, Pa.	Snyder
Bond	Fuller	Madden	Stevenson
Bowers	Garrett, Tex.	Maloney	Stiness
Brennan	Gilbert	Mann	Stoll
Britten	Glynn	Mansfield	Strong, Pa.
Brooks, Pa.	Goldsborough	Martin	Sullivan
Buchanan	Goodykoontz	Mead	Swank
Bulwinkle	Gould	Michaelson	Sweet
Burke	Graham, Pa.	Mills	Tague
Burtness	Griest	Montoya	Taylor, Ark.
Burton	Griffin	Moore, Ill.	Taylor, Colo.
Butler	Hawes	Morgan	Taylor, Tenn.
Campbell, Kans.	Hayden	Morin	Temple
Campbell, Pa.	Hays	Mudd	Thomas
Cantrill	Hersey	Murphy	Tilson
Carter	Hicks	Nelson, J. M.	Treadway
Chandler, N. Y.	Himes	O'Brien	Tyson
Clague	Hogan	Olpp	Upshaw
Clark, Fla.	Hooker	Osborne	Vaile
Classon	Husted	Padgett	Vare
Cockran	Hutchinson	Paige	Vestal
Codd	Ireland	Park, Ga.	Volk
Cole, Iowa	James	Parker, N. Y.	Ward, N. Y.
Connell	Jefferis, Nebr.	Parks, Ark.	Wason
Cooper, Ohio	Jeffers, Ala.	Perkins	Watson
Cooper, Wis.	Johnson, Wash.	Perlman	Weaver
Copley	Jones, Pa.	Petersen	Winslow
Crago	Jones, Tex.	Rainey, Ala.	Wood, Ind.
Crowther	Kahn	Rayburn	Woods, Va.
Cullen	Kelley, Mich.	Reber	Woodyard
Darrow	Kendall	Reed, N. Y.	Wright
Davis, Minn.	Kennedy	Riordan	Wurzbach
Deal	Kiess	Robertson	

The committee rose; and Mr. WALSH, Speaker pro tempore, having resumed 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. 10034, and finding itself without a quorum he had directed the roll to be called, whereupon 231 Members responded to their names, and he presented a list of the absentees.

The committee resumed its session.

Mr. UNDERHILL. Mr. Chairman, I ask the Chair to notify me when I have spoken 30 minutes. I first wish to compliment my colleague [Mr. FITZGERALD], who made a very fair presentation of his side of the workmen's compensation act, and in the second place to correct an error in a statement that I am opposed to the workmen's compensation act. That is not the fact; I am opposed to the so-called Fitzgerald bill, but I am in favor of H. R. 9546, a bill which I shall move at the proper time to substitute for the Fitzgerald bill. I might also say in passing that if it had not been for the insistence of some of the proponents of this workmen's compensation there would probably have been a law on the statute books pretty nearly a year ago; but some of the proponents apparently would rather have the workman suffer and be deprived of his rights indefinitely in order that they may stand for what they call an advanced and what I call a socialistic piece of legislation which jeopardizes any chance the bill may have in passing both branches of Congress. In the second place it has delayed, I can not say for how long, the readjustment of conditions in the District, which are particularly bad and disgraceful to the country. Like my predecessor, I have a map of States that are now covered by some form of workmen's compensation, showing 5 States that are without it, showing that out of all the other States only 6 have the monopolistic or socialistic feature of the Fitzgerald bill, and showing 15 in all, including those 6, that have some form of State competitive insurance to which I do not object, and the balance of the country in blue—Arizona, New Mexico, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Louisiana, Wisconsin, Illinois, Tennessee, Alabama, Georgia, Indiana, Kentucky, Virginia, New Jersey, Maine, New Hampshire, Vermont, and Massachusetts—all have a liberal freedom and privilege of carrying on legitimate business without the Government stepping in and saying that they shall not do it.

Mr. MOORE of Virginia. Will the gentleman state the six that have, as he calls it, the monopolistic and socialistic features of the bill.

Mr. UNDERHILL. Washington, Wyoming, Nevada, Oregon, North Dakota, and Ohio. Ohio was the last State to join this group, and there has been no State added to it for a number of years, although some of the States have taken up the subject of workmen's compensation insurance and have passed laws with reference to it.

Mr. GRAHAM of Illinois. When was the Ohio law passed?

Mr. UNDERHILL. The gentleman from Ohio, Mr. FITZGERALD, can probably answer the gentleman. I do not want to introduce anything of a partisan character into this debate, but I am not betraying any confidence when I say that the result of the efforts on the part of James M. Cox, of Ohio, to get this adopted in Ohio law is responsible for the introduction of this bill here, but that does not make it good, bad, or indifferent, and yet at the same time it casts light on the subject in which some of you might be interested.

Now in only 7 out of 43 States that have accepted the workmen's compensation provision do they have a monopolistic or exclusive feature, and I think I may be excused if I take a moment to explain what that means. It means this. I hold no brief for the insurance companies. I am very grateful to the companies for the protection I have had in business in protecting me from fire and my family against loss that they might sustain because of my death. But this says that the companies in this country who are producers, who are investors, who pay a tax, and who employ thousands and thousands of people in their legitimate endeavors shall not come into the District of Columbia and write insurance on workmen's compensation. That is what it says in effect. The proponents will tell you that it does not prevent a man taking out workmen's compensation insurance in any of these companies. That is true; it does not prevent him, but he would duplicate his expense by taking out insurance of the State or governmental companies, and also in the stock companies.

Now, if we had passed the Fitzgerald bill a year ago, which provides a capital furnished by the Government of $50,000, if we had passed it before the Knickerbocker disaster that whole capital would have been wiped out by the death and injuries of the employees of the Knickerbocker Theater.

Mr. MILLSPAUGH. If the gentleman will yield, is it not a fact that the Knickerbocker disaster would have wiped out twice as much capital?

Mr. UNDERHILL. Yes, indeed; the total capital provided in the Fitzgerald bill would have been twice wiped out.

I tried to amend the Fitzgerald bill. I have done everything I possibly could do to bring out a proper bill. I tried to amend the bill, to provide for $250,000 of capital in the first place, and the proposition was turned down. You can not possibly carry on governmental business as successfully as you can private endeavor.

In my bill I provide every remedy, every relief, every consideration for the workman that is provided for in the Fitzgerald bill. Every man who appeared before the committee, when we had the matter before us for weeks and months, was asked the question as to which is of paramount importance, the relief of the workman or the relief of the employer in saving him a few dollars in the writing of his premium, and everyone agreed that the workmen's compensation bill was a workmen's compensation bill and that the workman was the first consideration. That is the idea of to-day, but when workmen's compensation was first proposed it was not to that altruistic idea at all. The first idea of workmen's compensation was to relieve society of the burden of the renewal of human machinery and put it upon the industry that was responsible for the wearing out of that machinery or the maiming of the employees. That was the original idea, but to-day it has gone further than that, it has more of a humanitarian aspect, and I am glad of it.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GRAHAM of Illinois. A query in my mind at the start of this is, Can the Government do insurance business, counting all of the overhead charge—that is to say, in that operation—more cheaply than private corporations, more cheaply than private companies can do it?

Mr. UNDERHILL. The Government can do anything more cheaply than private companies can do it, provided the Government assesses the taxpayers for the balance.

Mr. GRAHAM of Illinois. That is what I am getting at. Will the burden be transferred to the people?

Mr. UNDERHILL. I will be frank and say that it will not.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. In a minute. The Government has already a vehicle or machinery for putting into operation an extended workmen's compensation act in the District, and it is so provided for in my bill. I have asked the board about it and they have frankly stated that it means that they would have to hire a large number of additional employees. Every time the Government puts another one on the pay roll it simply takes from the ranks of the producers a man and puts him in the ranks of the consumers, and the taxpayer has to pay for it. In that way it costs the people. Furthermore, it takes away from legitimate industry, even though it is the much abused line of insurance work and activity. It takes some man of ambition, of incentive, with an earnest endeavor to go out after business and make business for himself and build up business for the country, and it puts him in the ranks of the consumers. Furthermore, it takes away from the Government that amount of taxation which it would collect, and it amounts to millions of dollars every year from the insurance companies of this country. They pay in part for running the Government's machinery. If you pass this monopolistic law, you tax the insurance companies in Connecticut, in your State, in my State, and every other State, that are carrying on a legitimate business, to carry on a governmental function in Washington in competition with their own business, and there again the people pay.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. NEWTON of Minnesota. What is the claimed advantage on the part of the proponents of this bill for Government insurance as distinct from the insurance now in effect in these various States?

Mr. UNDERHILL. The claim is, and I shall use my colleague's own words, that it costs about 35 per cent for a private company—a corporation to do this business—and that includes taxation, rent, agents' commissions, the hiring of real estate, office rent, office supplies, and all that sort of thing——

Mr. LAYTON. And taxes.

Mr. UNDERHILL. I mentioned taxes, and I reiterate it; and, on the other hand, the Government pays no taxes to itself, and in the carrying on of its business in many instances the expense is hidden; some other department carries it. Take the Post Office Department. That does not carry one single dollar for the buildings of the Post Office Department, and the Treasury Department does; and yet the Post Office Department shows a deficit of only so many million dollars, whereas if they had to show the whole expense it would show a deficit that would alarm the people. It is the same way in this proposition. This is the first time that I have seen certain organizations and certain individuals show such anxiety in respect to how much the employer pays out of his pocket. There is no question whatever but that the employee gets just as much under my bill as he does under the so-called Fitzgerald bill, but the argument for that bill is that it costs the employer from 24 to 30 per cent less. I doubt if it costs as much less as that, although I think there is a difference of about 15 per cent.

Mr. NEWTON of Minnesota. The gentleman has answered the inquiry; but, that being the case, why then make it compulsory so that Government insurance must be carried? What is the argument for that?

Mr. UNDERHILL. Workmen's compensation is of no use whatever unless it is compulsory.

Mr. NEWTON of Minnesota. I mean the Government insurance feature as being compulsory. Why not let it be taken from either the Government insurance company or the private insurance company?

Mr. UNDERHILL. That is the only contention between Mr. FITZGERALD and myself, or between the proponents of this bill and the proponents of my bill. It is that one difference, that legitimate business has a right to that business, and that the Government should not say him nay in going after that business. If I want to join with Mr. HAMMER and Mr. WILLIAMS and a dozen other men here and form a mutual insurance company and carry on this business ourselves with a sufficient surplus to take care of employees, then I think the Government has no right to say that we shall not do it.

Mr. NEWTON of Minnesota. Is that prohibited?

Mr. UNDERHILL. Absolutely.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. ZIHLMAN. Did not the testimony before the committee show that these States that have a State fund were doing business for an overhead of about 3 per cent as compared with 35 to 60 per cent in States where they had the competitive form?

Mr. UNDERHILL. Yes; and I think that is a good argument for the Underhill bill. If we can get 35 per cent into general business, it is better than putting 3 per cent into Government business. What is the result in the States where they have a competitive business, in these States, including the great State of Pennsylvania and the State of New York? Over 75 per cent of those who carry insurance—and everybody, you understand, has to carry it—elect to take out the regular straight old-line company insurance, and they pass up the cheaper insurance which the State offers and does give.

But, gentlemen, any one of you who has been in business knows that it is not always the cheapest that is the best. You know in your business you pay for service. In fact, every employee you have you do not pay because he is John Smith or John Jones, but for the service which he renders, and you try, unless hampered by some outside organization, to pay the men who give the best service a little more money and recognition.

Mr. DENISON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. DENISON. In view of the question just asked by the gentleman from Maryland, can the gentleman from Massachusetts just state briefly what it is that makes the difference in the cost of writing insurance between the Government writing it and a business concern writing it?

Mr. UNDERHILL. Well, in the first place, there is that horrible bugaboo that is always put before us of the profit that the company makes in writing insurance, and they are legitimately entitled to have a profit. The next is that the agent here in Washington, a resident of Washington, who goes out seeking this business, is paid a commission, and that the Government has no agent to pay a commission. The next is the taxes that these insurance companies and all employed by them pay to the Government. The Government does not have to pay taxes to itself. The next is the office buildings rented by the insurance companies and agents down on F or Sixteenth Street in which to do their business. Why, it is positively ridiculous unless we are going to go the whole distance. And how far are you going to go? Let us start with the insurance companies, and then we will take the railroads and then we will take the mines, and then let us go out and take the manufacturers throughout the country, and then you have the farmers, and then what have we got left? It is just what Russia has left; that is, the church wealth. Then what is there to pay our taxes? That is the ultimate result.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. UNDERHILL. I will yield.

Mr. MILLSPAUGH. The proponents of the Fitzgerald bill are so anxious to make it appear that the District is such a restricted territory and having taken that stand want to collect as large an amount of premiums under the proposition that they foster, do not they with the provisions of this bill provide that if you have a maid coming to your house once a week to clean up for two hours and if on the 1st day of June, the registering day, you fail to register the maid with the District Commissioners or the board or whatever functionary it might be, you will be liable to a fine of $500. Is not that true?

Mr. UNDERHILL. That is true largely. And, gentlemen, I just want to call attention to this. I have no pride of authorship in the so-called Underhill bill, and I have tried to have the bill introduced under another name, but there is a bunch of amendments which must be offered to the Fitzgerald bill in order to make it conform to the kinds of insurance that you have in most of your States, so I thought it better to offer the amendments in bulk. The Underhill bill differs from the Fitzgerald bill in this—that it does not include domestic employment. That is, if you and I or some one of our neighbors has a maid who comes once a week; say she comes to my house on Monday every week, and to your house on Tuesday every week, and to a neighboring house on Wednesday every week, each one of the three, five, or a dozen have to carry insurance for that person because that means regular employment. Why, the nuisance of including domestic employees in this bill would make it so unpopular that Mr. VOLSTEAD's name would be written in gilt bright letters in comparison with it. [Laughter and applause.]

Mr. WILLIAMSON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WILLIAMSON. If we adopt the amendment the gentleman proposes what differences would it make in reference to the insurance of these employees?

Mr. UNDERHILL. I do not know just the page, but my bill exempts domestic employees entirely from the provision. Let me give you a little of the inconsistencies of the Ohio law. The Ohio law exempts any employee employed in an establishment where they do not employ more than five people. In other words, if you are carrying on a little business and you employ

five men, you do not have to take out workman's compensation. If one of your employees breaks a leg or loses an arm or loses an eye, he is not compensated under the Ohio law at all, but his eye is gone, his arm or leg is broken, and he is suffering just the same. Furthermore, the Ohio law exempts all farm laborers. A man falls from a load of hay and breaks his leg, or he falls off one of these mowing machines that has dozens of knives running click clack, cuts off his foot or a toe; he gets nothing whatever, because farm laborers are all exempt.

Almost all the States have that provision excepting farm labor. I do not know whether they are civilized enough to realize what this all means to the workingmen, and that if a man is employed in farm labor he is just as much of a workingman as a man who is employed in a mine or a man employed on railroads and is just as much entitled to protection. So I have included in my bill the farm laborer, and I have included the man who works for his brother and is the only employee he has. For years I ran a blacksmith shop, where I employed only one man beside myself. Do you not suppose that his family was just as much entitled to relief and help if he happened to an accident as an employee of my competitor, who hired 10 men, say, and 1 of which was injured? There is reason why you should exempt that class of employment where the accidents are very few, where the employment is not hazardous, and where the nuisance is of such a character that it more than makes up for whatever relief may come. Furthermore, you know it, all of you, by your own personal experience, that if a maid cuts a finger you do not discharge her. You either send her to your family physician to have the wound dressed or you do it yourself by first aid. You know if you have a chauffeur who in cranking a machine breaks an arm, you do not fire him, but you take care of him until he is ready to go to work again. And so instead of having thousands of people in Washington register that they have one woman in the kitchen or a man emptying ashes, or this girl or that wheeling the baby out on Sunday afternoon, I have exempted them.

Mr. HUDSPETH. Does the gentleman propose to substitute his bill for this one?

Mr. UNDERHILL. That is my purpose.

Mr. HUDSPETH. Does the gentleman make any arrangement as to exemption in regard to the number employed?

Mr. UNDERHILL. I do not exempt anyone, no matter how few are employed.

Mr. HUDSPETH. But you exempt domestic labor?

Mr. UNDERHILL. Yes.

Let me give you a brief outline of what my bill does accomplish. I know I have quite a task before me, due to the fact that most of the Members of the House have a misunderstanding of these two bills. They think I am opposed to the workmen's compensation. Far from it. I am proud of the fact that Massachusetts was the first or one of the first States to adopt workmen's compensation. I was a conservative member of the house at the time. They had tried at several sessions to put workmen's compensation upon the statute books, but had failed. I think possibly because of the reputation I had of ultraconservatism my support helped considerably in putting the bill on the statute books. One of our other Members here at that time was a member of the Massachusetts Senate. When they tried to make this exclusive and monopolistic feature a part of the bill, he led the opposition.

One of the other pleas you will hear is to your prejudice against insurance companies. My bill leaves no chance for the insurance companies to take advantage of the workmen. Every single, solitary injury almost that you can conceive of has been covered in my bill and provision made for it—for the loss of a foot, of a hand, of a finger, a toe, an eye, or an arm, or a leg, and for everything of that sort, and there is no way for an insurance company, even if they were so inclined, to be crooked or mean, because the bill says what they shall pay and how long they shall pay. It takes care of every dependent—the widow with 1 child, 2 children, 6 or 10 children, as the case may be. And it is only right that it should do so.

Mr. RANKIN. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. RANKIN. How does the gentleman's bill compare with the Massachusetts law?

Mr. UNDERHILL. I will say that the bill is almost identical with the Massachusetts law, with few exceptions that had to be made in the bill on account of the Maryland law and the Virginia law. You know how necessary it would be to take into consideration the law of those States, where the District of Columbia is only a small acreage in the midst of them, and almost every man who employs help here in the District of Columbia sends that help over into Maryland and into Virginia. And so my bill had to be drawn with reference to the laws that exist in Maryland and in Virginia.

The CHAIRMAN. The gentleman has consumed his time.

Mr. UNDERHILL. I yield myself another half hour.

Mr. RANKIN. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. RANKIN. What are the main differences between the Ohio law and the Massachusetts law?

Mr. UNDERHILL. In the Massachusetts law we have an insurance commissioner. You have one here in the District of Columbia. That commissioner passes upon the liability of an insurance company, and any insurance company with sufficient capital and a good reputation in business and can meet its obligations can come into Massachusetts and solicit insurance from me, and I can write with that company workmen's insurance, but under this bill no one in the District of Columbia could get any insurance company, no matter how solvent it might be, to write any insurance unless they duplicated it afterwards or before by writing insurance with the State company here in the District of Columbia.

No insurance company in the District or in any State will hire an agent to go out and solicit insurance of this character after the passage of the bill. It has got to be done under governmental operation and is exclusively a governmental function.

Mr. GENSMAN. Under your bill is the employer absolved from all liability whatever for the ordinary accident?

Mr. UNDERHILL. When the employer takes out the insurance he transfers his liability to the insurance company. He is liable, however, in every instance.

Mr. OGDEN. Is it a fact that under the operation of the competitive system you have better and safer working conditions and therefore a decrease in the number of accidents to the employees?

Mr. UNDERHILL. I wish I could only cover all these questions. It is a most interesting study. In Massachusetts many insurance companies are far from being looked upon with distrust and disregard by the employer and employee, but are looked upon almost as angels of mercy. Why? Because they insist on safeguards in instance after instance, and send their inspectors out day after day and day after day, and woe betide any factory where they have not placed all the safeguards that that inspector orders around the machinery to protect the workers. It is surprising to see how many safety devices have been invented and put into operation in Massachusetts by insistence on the part of the insurance company that the workers shall be protected.

Mr. HUDSPETH. As I understand, unless the insurance company is organized in this District it can not write this insurance?

Mr. UNDERHILL. If an insurance company is organized in this District, it can not write this insurance.

Mr. HUDSPETH. What company can?

Mr. UNDERHILL. The Government can write it, and only the Government. It says that Congress shall appropriate $50,000, and that then, if you are an employer of labor you must go on the first of a certain month and register with the Labor Commission, and show how many you employ, how much you pay, and all the details they ask you concerning your business, and then you must take out the insurance the Government says you must take out and pay the premium the Government says you must pay.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield there?

Mr. UNDERHILL. Yes.

Mr. HUDSPETH. That provides for employees of the Government as well as for those who are not employees of the Government?

Mr. UNDERHILL. No. It applies only to those employed by private individuals and corporations. Government employees are already provided for.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GRAHAM of Illinois. Does the Fitzgerald bill apply also to home labor and farm labor?

Mr. UNDERHILL. Yes, sir.

Mr. GRAHAM of Illinois. So that anybody who has a housemaid or a farm hand must take out liability insurance?

Mr. UNDERHILL. Yes, sir.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES of Texas. I notice here that compensation is given for disability. Is there any compensation given for an

injury other than a disability, or injury such as cutting off an ear or something producing a disfigurement only?

Mr. UNDERHILL. Yes; there is compensation for disfigurement.

Mr. JONES of Texas. Is there a provision here that a man may sue if he is not satisfied, or is he bound to abide by it?

Mr. UNDERHILL. He may sue. But if an employer does not take out insurance he has no protection at all; that is, he can not revert to the old common law, or contributory negligence, or anything of that kind.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. LINEBERGER. Is it obligatory on the part of those having domestic help to take out this insurance?

Mr. UNDERHILL. Yes.

Mr. LINEBERGER. It is obligatory?

Mr. UNDERHILL. Yes. If you do not, you lay yourself liable to be pretty badly held up and soaked.

Mr. REED of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. REED of West Virginia. You stated that the agent of a stock company can not write insurance in the District of Columbia after the enactment of this bill. Let us take an example: John Smith is getting $150 per month from Parker, Bridget & Co. or some other store here. He is insured. I believe under the Fitzgerald bill he would get $100 a month, or 66⅔ per cent?

Mr. UNDERHILL. Yes.

Mr. REED of West Virginia. Do you say that an agent could not go to John Smith and say, "You are already protected, and that is not costing you anything; your employer pays for that. I want you to take out additional insurance." Can he take out additional insurance?

Mr. UNDERHILL. Certainly.

Mr. REED of West Virginia. Is it not a fact that there is an atmosphere of insurance created here that would help the insurance business?

Mr. UNDERHILL. Yes. God help us if we ever should say that a man can not take out insurance to protect his people. We would not dare to go that far.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. BARBOUR. What would the gentleman say that it would cost to take out insurance for a housemaid, for example?

Mr. UNDERHILL. Oh, it might be $5 a year, but the nuisance of it would be emphasized every time you got a new maid in your kitchen, a man to tend the furnace, or a new maid to push the perambulator.

Mr. LAYTON. That would be one of the changes that most familes would have to make here?

Mr. UNDERHILL. Yes.

Mr. BARBOUR. Does not the blanket clause cover almost any kind of person?

Mr. UNDERHILL. Yes; almost any kind of person might be covered by the compensation clause.

Mr. BARBOUR. It would not apply to a particular person?

Mr. UNDERHILL. No.

Now, gentlemen, I do not want to be misunderstood. I think it is a disgraceful state of affairs that the Capital of this Nation and the more than 100,000 people employed therein should not have the protection that is given almost universally all over this country. They are entitled to it.

I think that before long those five States which so far have been without workmen's compensation laws will undoubtedly see the advantage of it, and will come in under some form of workmen's compensation. In the State of Massachusetts, where we have to depend upon our industries, and practically all the people there are employed in industry, there is not an employer who would change the employers' compensation law. There is not an employee who would change it. There is not a word of criticism to be heard against it. And yet it took one of the greatest fights ever had in any legislature to get that form of insurance adopted by the Massachusetts Legislature on account of the opposition on the part of business men who could not see their way clear to pay that added expense. We added that expense to the public, to industry, to be accurate; and to-day the injured workman, instead of being thrown upon the charity or upon the kindness and sympathy and hospitality of his friends, has a legitimate source from which he can draw and keep his little family together and care for himself. His doctor's bills, his hospital bills, even his burial expenses, are provided for in this bill, and it is the right way to handle this great economic problem.

Under private insurance the losses are settled with the greatest expedition possible. Whereas in the State of Ohio there is hardly a man injured there, so the record shows, that gets his pay until after he goes back to work again, and that is the usual result of government activity everywhere—the delay owing to the army of employees and to the great amount of red tape, and all that sort of thing.

Do not be misled, gentlemen, by an appeal to the prejudice they hope to create regarding the heartless corporations known as insurance companies. We have found them in Massachusetts, those of us who have had to deal with them in the halls of legislation, those of us who have had to deal with them as business men, have found the insurance companies measure up to the full standard with any organizations of business men, professional or otherwise, that we have in the community. We have found that they were willing in many, many instances to stretch a point. I had five years' experience as the president of a great philanthropic organization in my State, and I never went in vain to the big insurance companies that handle workmen's compensation and asked for them a little leniency, a little leeway, or a little extra on their part in behalf or for the benefit of some of the injured employees which they did not grant willingly. There are mistakes made, and there are evils that creep into any line of business or profession, and no doubt instances could be related to you where a man may have been unjustly treated through the operation of some insurance company, but for every instance of that character I can bring you another, on the other hand, because of the red tape of the governmental mismanagement. I have been able in the last few weeks to correct some instances of injustice on the part of the Federal Insurance Board.

When brought to their attention in a proper sort of way they were very glad to correct those instances. In some cases it seems to me they should have been more liberal; but I am not here to criticize the operation of the Federal Workingmen's Compensation Commission. I think it is a splendid board and that it has done an excellent work.

I just want to state a few of the fundamentals, and then I shall be very glad, indeed, to yield to anyone.

Under the provisions of this bill we give a man 66⅔ per cent of his wages. Under my bill we start to give him conpensation after 5 days; that is, if he is injured, after 5 days we begin to give him compensation from the fourth day. In Massachusetts that has been reduced from 14 to 10 days, and I think from 10 to 7 days. In the Fitzgerald bill it is after 3 days. Now, the trouble with that is that while most of the workingmen are pretty good fellows, and most of them are not only willing but anxious to get back to work, where you make it 3 days it is an invitation to the workmen to lay off and quit the job for a little minor injury. So we increase the time by 2 days, and to a certain extent that removes the difficulty.

Mr. MOORE of Virginia. As I understand, the only irreconcilable difference between the gentleman's bill and the Fitzgerald bill is the one that he has been discussing, namely, the competitive insurance feature.

Mr. UNDERHILL. Absolutely. I would take all the evils of the Fitzgerald bill and fold them to my bosom to-day, and would have done so long ago, if they could have eliminated this exclusive, monopolistic, socialistic feature of his bill which has been adopted in Ohio. And may I say in passing that my information from Ohio recently is that the employers in Ohio are not all satisfied with this provision; that they are now seeking some remedy through an investigation of the whole workings of this bill in Ohio, with a purpose in view of changing this from a monopolistic State insurance to something of a different character, where they can have mutual, self-insurance, or competitive insurance. So you can see that there is some difference of opinion in Ohio, even although Ohio has collected hundreds of thousands of dollars from the premium payers—from industry and from society—and turned the money back into the State treasury. That is not altogether a good thing. Because the State of Ohio made $1,000,000 on this form of business last year, I do not consider that that justifies it by any means. It does not justify it, because it takes the money away from somebody, and that is simply another form of taxation.

Mr. LAYTON. In other words it is taken away from productivity.

Mr. UNDERHILL. It is taken away from production and paid out to public employees. In my bill we provide for medical and surgical aid, for previous disability, for all of the dependents, for minors and incompetent persons, for the right of employers and insurers to examine, for methods of payment, for proceedings to collect. Nothing has been left out of the

bill. It is not a perfect bill. I have no pride of authorship. When it comes to the reading of the bill if it is substituted for the Fitzgerald bill there will probably be numerous amendments that should be offered that will be improvements to the bill.

There is a great deal to be said about other forms and other practices in other States. You gentlemen who come from these other States are probably familiar with them and can improve this bill.

Now, let me say just one word more and then I am through. What is the purpose back of this bill? Why do they want a monopolistic bill here in this little bit of a District, where there are only 100,000 employees anyway? Why do they want that bill here? They want it for a model. They want it for a wedge. They want it for a starting point. They want to adopt it in the Nation's Capital, to hold it up as the one real piece of legislation that all other States should follow. What is the next step? Why, the next step is to go out into your State and my State and say, "Here, you have got to do this because they have done it down in Washington; and because we find we are making some money for the Government by going into the insurance business, it is a good thing for you to follow." In other words, it is an example.

The purpose is to try it first here as a model for all the rest of the country to follow. I do not believe the Members of Congress with their States rights want such a form of insurance. I see that New York and Massachusetts and other States in the North are coming to believe that the States have some rights, for an unprecedented thing has happened in Massachusetts. Congress passed a law giving to Massachusetts $69,000 on a so-called maternity bill, and the Legislature of Massachusetts refused to accept the $69,000 and is going to bring suit against the United States to test the constitutionality of that act. Did you ever hear before of a State refusing $69,000 from the Government? You heard once of the State of Massachusetts having a tea party. This is the second tea party, and we are going to protest against being taxed from now on. New York has taken about the same action or will take similar action. It is time for Congress to pause before they put into Government activities, Government hands, Government employees, Government bureaus, Government departments all of the rights and privileges that belong to the people and to the States.

So I oppose this bill, the so-called Fitzgerald bill, on the principle which is dear to the heart of almost every American, greater than the amount of money that they can make out of it or that the Government can make out of it—the principle of thrift, industry, ambition, and justice; but I advocate earnestly the principles of the workmen's compensation act as applied in Massachusetts and many other States. [Applause.]

Mr. ZIHLMAN. I yield five minutes to the gentleman from Ohio [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman, while this matter is fresh in our minds I want to say a few words in regard to what my distinguished friend from Massachusetts has just said. I want to say, first, that nowhere in the world where workmen's compensation laws have been enacted and the State fund established by the government has this feature ever been departed from, and wherever the forward step has been taken it has come to be made exclusive; we have added West Virginia to the black map which my opponent has presented here, and the Canadian Province of Alberta because of the scandal which has occurred there when the insurance overhead expense rose to 50 per cent of the premiums.

My opponent, the distinguished gentleman from Massachusetts, is entirely mistaken about what his bill provides. I have had prepared by an actuary familiar with the laws of New York, Pennsylvania, and Massachusetts an analysis to show how imperfectly he understands his own bill. It reminds me of what he said in the committee, that he wanted to make a statement, which "was not borne out by the facts." He does make a statement, and it is not borne out by the facts. Labor can not recognize either him or his bill as friendly. Let us see. Here is a Government with a commission already administering for 600,000 employees, and he tosses it aside as useless machinery in providing for the 100,000 additional employees, just to create business uselessly for insurance companies and at the expense of both employer and employee. He talks about discontent in the State of Ohio and about the Hon. James M. Cox, late candidate for President of the United States. I wish to say that if there was one thing more than another which the Republicans resented in the State of Ohio during the last campaign it was the fact that to Governor Cox there was attributed too much credit for the wonderful popularity of the exclusive fund of the State of Ohio and the making it economically possible to pay the workmen compensation for injuries received in their employment without a needless additional 30 per cent burden on the employers.

Now I wish to call attention to the investigation made in the State of New York by the State officials. I want to call attention to his own State, where he claims that they are so well satisfied. Here is the last speech made by one of the senators on the floor of the senate in the State of Massachusetts. It reads:

Workmen's compensation insurance—Employers robbed—Injured workers swindled—Workers forced to pay $15.60 per capita tax—State fund only remedy—Address delivered by Hon. Warren E. Tarbell on floor of Massachusetts Senate April 5, 1922.

Mr. UNDERHILL. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. UNDERHILL. The proposition introduced by Mr. Warren Tarbell got one vote in the whole legislature, both in the House and the Senate, when it came up for action. [Laughter.]

Mr. FITZGERALD. I am glad to have my friend, who is so courageous, make that statement, as I may be inclined to think he is as much mistaken as he is about other things. He appeals to the intelligence of this House on the same basis that thinks that Yom Kippur is a kind of herring, and that Easter Sunday is a sister of Billy Sunday.

Mr. ZIHLMAN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. ZIHLMAN. Does it not show that the employees were paying more than two and a half millions more than they would pay under the State fund?

Mr. FITZGERALD. Yes; that is demonstrated by every actuary and every investigating committee and from independent sources.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. NEWTON of Minnesota. I am at a loss to understand why this is made exclusive. If Government insurance is better and cheaper, why will not that fact in itself drive out private insurance companies, and if it does not drive them out, why should Congress be interested in driving them out?

Mr. FITZGERALD. I might answer the gentleman in a psychological way. I doubt if you or I ever took out life insurance until we were importuned. This insurance is made compulsory, and then we are asked by the gentleman from Massachusetts to tax the employers 35 per cent so that the insurance people can go out and solicit the business among and for themselves.

Mr. NEWTON of Minnesota. But you make it compulsory to take out Government insurance rather than private insurance.

Mr. FITZGERALD. I have tried to answer that.

Mr. LAYTON. But the gentleman has not.

Mr. FITZGERALD. The gentleman from Delaware may be right; I have done my best to answer it. The Lockwood investigation in New York explains that there is a fraudulent cutting of other kinds of insurance, burglary, flywheel, and other casualties which are not associated with Government activity in State funds in any State whereby by collusive action they are able to obtain the business as against the State fund.

Mr. LAYTON. Mr. Chairman, I do not like to embarrass the gentleman, but that is thicker than it was before.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield the gentleman three minutes more.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. WYANT. If it is true that the Government offers better insurance at a cheaper rate, is it not also true as a usual thing that good business men would seek the best rate of insurance without being importuned?

Mr. FITZGERALD. I answer the gentleman by referring him to the life insurance companies that attempted insurance by mail at a saving of the agents' commissions. They were not able to go on with it. They kept it up and advertised in some of the high-class magazines, and although everybody could go to them, nobody would take the trouble to do it. Cutting the rates for other classes of insurance to induce employers to deal with the stock companies is a notorious scheme to get business away from the State fund. This is not my say-so, but this is the testimony taken by the Lockwood committee of the New York State Legislature which investigated conditions in the State and the city of New York.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. JONES of Texas. I notice that the first part of the bill abolishes all causes of action, so that one must look to the

bill. In case of disfigurement, you are allowed only to recover when it diminishes ability to obtain employment. Suppose a man gets his ear cut off or his toe cut off, such as to cause tremendous physical pain and disfigurement, and yet it would not interfere with the kind of business that he is doing. He can not receive anything at all under this bill.

Mr. FITZGERALD. I think the gentleman is right, because this is solely economic.

Mr. JONES of Texas. You abolish all causes of action. There are many causes of action that under the present laws throughout the country can be sustained, where there is disfigurement, which would not result in lack of ability to obtain employment, but which would cause humiliation and pain, and for which, where it is negligently done, any man ought to have the right to obtain compensation.

Mr. FITZGERALD. I would agree with the gentleman on that, and I would be very glad to join in an amendment on that subject. These bills are far from perfect. I am in accord with the gentleman on that ground.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. BARBOUR. Is there any organized machinery now existing which will carry into effect this Government insurance?

Mr. FITZGERALD. Yes. We have a commission here for the employees of the United States, all of them—600,000—to which we turn this over.

Mr. BARBOUR. Do they do an insurance business under the Federal liability act?

Mr. FITZGERALD. So far as I know.

Mr. MICHENER. Oh, no.

Mr. FITZGERALD. This bill is in accord with that.

Mr. BARBOUR. If it is necessary to create an entirely new bureau or department to conduct this insurance business, and there are only 100,000 people to take insurance, and private companies also engage, then there would not be enough business to go around.

Mr. FITZGERALD. In spite of what my opponent from Massachusetts [Mr. UNDERHILL] says, all of the official propaganda going out from the headquarters of the insurance companies admit that the District of Columbia would not admit of a competitive plan; that it must be either one or the other—we must make it compulsory and turn it over to the insurance companies or make it compulsory and use the machinery that we already have.

Mr. BARBOUR. That is conceded by everyone?

Mr. FITZGERALD. Yes. I can show the gentleman the insurance company propaganda that went out on that.

Mr. UNDERHILL. Mr. Chairman, I want to yield a little time to myself in order to answer some of these questions. There was not an insurance company that appeared before our committee, or that was represented before our committee, that opposed the workmen's compensation act. There was no insurance company or a representative of an insurance company that appeared before our committee that objected to the State fund provided that they had the privilege of competing with that State fund.

Mr. BARBOUR. Suppose the Government had to establish a bureau or some kind of machinery for carrying on this insurance business. It would be more or less expensive. Suppose the private insurance companies came in through their agencies now existing and competing, would it not necessarily follow that the Government would do this insurance business at a loss? There are only 100,000 prospects to begin with.

Mr. UNDERHILL. I want to be perfectly fair. In the first place the Government has this machinery. It is provided in both the Fitzgerald bill and in my bill that the present machinery shall be used.

Mr. BARBOUR. Do they do an insurance business?

Mr. UNDERHILL. No; they do not. They only insure the Government just the same as under the laws in most of the States an individual can insure his own employees if he will deposit a bond sufficiently large to cover all of the loss that may be entailed under that insurance. That is allowed in many States, and also mutual insurance. The Government, in other words, acts as an individual; that is, insuring its own employees in carrying its own insurance.

Mr. BARBOUR. And the commission now is not conducting an insurance business?

Mr. UNDERHILL. No.

Mr. BARBOUR. But if this bill goes into effect it will have to do it.

Mr. UNDERHILL. If this bill goes into effect, the board tells me that they could not carry it on with their present force; that everything would have to be kept separate, and they would have to have an entirely new force to carry out the provisions of the bill.

Mr. BARBOUR. Does it not necessarily follow that this insurance business will have to be done entirely by the Government or by private companies?

Mr. UNDERHILL. I will agree that there is not enough business here to divide between the two, but that is no reason why the Government should say that an individual who wanted to do business here shall not do it.

Mr. BARBOUR. Then, it resolves itself into a question of the Government doing an insurance business or private companies doing it.

Mr. UNDERHILL. Absolutely.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WYANT. As I understand, the Government has now machinery by which it carries into effect the insurance of Federal employees.

Mr. UNDERHILL. Yes.

Mr. WYANT. Did this department inform the committee that they would have to have an entirely new machinery to insure these other parties proposed to be taken on by this bill?

Mr. UNDERHILL. I do not think that I am mistaken when I say that the board did not inform the committee, nor was it asked by the committee—I see no reference to it in the hearings—as to whether they could carry on the business. Of course they can carry on the business, but the gentleman's common sense as a business man would show him that in this entirely different class of business they would have to employ more help; they would have to take from the ranks of the producers and add to the ranks of the consumers in order to carry on the business.

Mr. LAYTON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. LAYTON. As a matter of fact, however, it will go out to the country at large that Congress is establishing, at least as far as the District of Columbia is concerned, a governmental monopoly in this class of business?

Mr UNDERHILL. Absolutely.

Mr. FOCHT. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. ZIHLMAN].

Mr. ZIHLMAN. Mr. Chairman, I at one time had a rather comprehensive knowledge of this subject. In 1910 I was the author of the cooperative relief bill for coal and clay miners in my State, which was one of the pioneer laws on the subject of compulsory compensation legislation. And I was a member of the committee which drafted the present compensation law in Maryland, and yet I rise to speak on this bill before the committee with some reluctance and diffidence because I have been connected more or less for a number of years with the insurance business and a large part of the business written for the firm of which I am a member is compensation insurance. However, I feel that here in the District of Columbia, with a very limited field for the writing of business and a very few employees engaged in hazardous occupations, that it would be unfair for Congress to pass a law compelling the private employers of the District of Columbia to insure their employees and then open that field to the competition of insurance companies and force them to pay an overhead of from 35 to 60 per cent in excess of what they would have to pay under a State or a district fund. The gentleman from Massachusetts, who set up a straw Frankenstein here this afternoon and then kicked it to pieces, says he admits that the cost of writing insurance by insurance companies or by private capital is fully 35 per cent in excess of what it would cost if conducted under the fund provided by the Fitzgerald bill, but he pointed out to the House the fact that in the bill now before the committee an initial appropriation was carried of $50,000 to set in motion the machinery of insuring the private employees here in the District of Columbia. Now, I call the attention of the committee to this fact that in this bill it is also provided that there shall be set up a reserve fund to pay losses due to the injury or death of workmen and it is provided that when the fund reaches the sum of $100,000 the $50,000 paid out of the Federal Treasury is to be refunded. But what does the gentleman provide in the bill he proposes as a substitute for the bill now before the House?

The gentleman just stated to the distinguished gentleman from Pennsylvania that it would necessitate additional employees—additional clerks, stenographers—additional offices and quarters; but he did not tell the committee this was to be paid for out of the fund created by the provisions of the Fitzgerald bill. What does the gentleman provide in his bill? Let me call your attention to the method by which the gentle-

man from Massachusetts legislates along the lines of economy. Section 2 of his bill, the very first page, provides that there shall be appointed a compensation commissioner at $4,500 to administer the law. In section 5 it provides that the compensation commissioner may employ a deputy or deputies, clerks, officers, and other assistants and fix their compensation, subject to the written approval of the Commissioners of the District of Columbia. When the gentleman from Massachusetts comes to providing jobs and making expenditures from the Federal Treasury, the sky is the limit; but in this bill when it comes to dealing with the question of the injured employees the gentleman has put the total awards payable under that bill as low as he consistently can, taking into consideration the law of his own State and in other States on the subject.

Mr. UNDERHILL. Will the gentleman yield?

Mr. ZIHLMAN. I will.

Mr. UNDERHILL. I will state to the gentleman that in my bill the awards are higher than existing in any State in the Union——

Mr. ZIHLMAN. I differ with the gentleman. I hold in my hand a report of the Department of Labor, and I call attention to the fact that the Federal act and the law in a great many of the States provides that when a man is permanently disabled his family shall receive compensation for an indefinite period; and I call attention to the fact that in his bill it provides that it shall be limited, and that if within the 10 years the man totally disabled becomes either a pauper or——

Mr. UNDERHILL. Will the gentleman yield?

Mr. ZIHLMAN. I call attention further to the fact that in section 16 of his bill, I think it is, it provides that the insurance companies can go and settle their differences with the injured employee. In other words, the man who may be permanently disabled under provisions of the bill may be beguiled by the soothing words of some adjuster of the insurance company to settle for the compensation due him in any manner that he might see fit, subject to the approval of the insurance commissioners.

Mr. LAYTON. Will the gentleman yield?

Mr. ZIHLMAN. I will.

Mr. LAYTON. I know you will, my friend; we are old-time friends since 1920.

Mr. ZIHLMAN. I know, and I am deeply indebted to the gentleman.

Mr. LAYTON. But will the gentleman tell me as a citizen of the United States why he should be willing to pass any law that would keep any reputable business out of the District where the Capitol of the country is?

Mr. ZIHLMAN. Well, I will say to the gentleman when Congress attempts to legislate and say that employers shall carry insurance in a city such as this, where there is practically no industry and where a great majority of the employees are engaged in nonhazardous occupations, and we have already set up a compensation commission to adjudicate and adjust compensation connected with Federal employees, that we should provide this same class of protection that many of the States, which have been pioneers in this movement for compensation legislation, now provide.

Mr. LAYTON. If the principle is good, let us go the whole hog about legislation. Let us put Woodward & Lothrop out of business, put all the other merchants out of business for the sake and the benefit of the people of the District of Columbia, and keep all merchants and everybody else doing anything under heaven outside of the District for the benefit of the people and let the Government do it all.

Mr. ZIHLMAN. Well, I will say to the gentleman that a few years ago, when legislatures took up the question of injuries to men in employment, there was a great clamor as to taking property without due process of law; that they could not pass a law compelling an employer to compensate his employee; but nobody now, with the modern thought on the subject before them, would dare to voice that opinion which was voiced by many constitutional lawyers on this question.

Mr. LAYTON. The gentleman, I suppose, is restrained from taking a chance in the amalgamation of the car lines of the city for the purpose of securing cheaper car fares?

Mr. ZIHLMAN. We were only restrained from the fact that when we brought in a bill Members proceeded to kick it all over the House and did not offer a substitute for it.

Mr. LONDON. I understand that the law of almost every State in the Union, distrusting insurance companies, writes for them the contracts so far as life and fire insurance companies are concerned. Do the various insurance companies prescribe the terms in accident cases?

Mr. ZIHLMAN. They not only do that, but make terms as to life-insurance policies.

Mr. LONDON. Do the States prescribe the terms of accident policies?

Mr. ZIHLMAN. They regulate the reserve and protection of policyholders.

Mr. LONDON. The State has practically prescribed the terms of the policy. It has taken out the making of contracts from the hands of the insurance companies because of the frauds committed.

Mr. ZIHLMAN. I am glad to have that information added to the discussion.

Mr. BARBOUR. I want to say that the State of California does provide the form of policy.

Mr. ZIHLMAN. The gentleman from New York says it is almost universal among the States.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. MILLSPAUGH. How many States make the State or government insurance exclusive?

Mr. ZIHLMAN. Five States.

Mr. MILLSPAUGH. What others?

Mr. ZIHLMAN. The gentleman knows them.

Mr. MILLSPAUGH. I am asking for information.

Mr. ZIHLMAN. I have them here. Exclusive are Nevada, North Dakota, Ohio, Michigan, Porto Rico, Washington, West Virginia, and Wyoming.

Mr. LAYTON. Wyoming is exclusive?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. What is that last word? Is it Wyoming?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. It can not possibly be.

Mr. ZIHLMAN. I will explain to the gentleman. I can loan him this pamphlet.

Mr. LAYTON. I can not understand how it could be. [Laughter.]

Mr. ZIHLMAN. I will give the gentleman the Government statement. I also want to call attention to the fact that the gentleman from Massachusetts, who is so concerned about the enormous expenditures under the Fitzgerald bill, appropriates $20,000 in his bill annually for the years 1922 and 1923, and so much thereof as may be necessary annually for the maintenance of the office of the compensation commissioner of the District of Columbia and in the payment of salaries and expenses of the commissioner and his employees.

Further appropriation is made of $5,000 for the year 1922 for the necessary expenses of aforesaid compensation commissioner to cover printing, office fixtures, and other legitimate expenses. So that when it comes to the matter of officers and competent help—stenographers, typists, clerks, and assistants—the gentleman has been very liberal, and I want to show just how liberal the gentleman has made provisions for compensation in his bill.

Mr. UNDERHILL. Does the gentleman pretend that this can be carried on without expense?

Mr. ZIHLMAN. I contend that under the Fitzgerald bill sufficient premium will be collected to pay the expenses, and that is clearly outlined in the bill.

Mr. UNDERHILL. Who pays them?

Mr. ZIHLMAN. The employers, the policyholders. The public pays, absolutely.

Mr. UNDERHILL. In my bill I provide for the executive officers, but I do not provide for a whole army of employees to take care of all of these workmen.

Mr. ZIHLMAN. You provide for the necessary employees. I want to ask the gentleman from Massachusetts—I do not want to misquote him—did you not state before the committee that this bill of yours was perfectly acceptable to the insurance companies?

Mr. UNDERHILL. I did not make any such statement. I do not know whether it is or not, and I do not care.

Mr. LAYTON. Is not the gentleman, at least, in this dilemma, that either the functions already established for Government employees in their compensation liability are too much, or else there will have to be an additional force to take care of the additional work that will be thrown upon them?

Mr. ZIHLMAN. I do not think there is any question about that being true, I will say to the gentleman. There will be additional employees, and they will be paid as part of the overhead for managing this phase of the business of the Federal accident commission, by the premium and policy holders.

Mr. LAYTON. And then, of course, if there is an additional cost and overhead charges, the increase must come out of the Treasury or, what amounts to the same thing, out of the pockets of the people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ZIHLMAN. I would like to ask the gentleman from Pennsylvania if he will yield me five additional minutes?

Mr. FOCHT. I yield five minutes more to the gentleman.

Mr. ZIHLMAN. I call the attention of the committee to the fact that in the Underhill bill the total and permanent disability is limited to payments aggregating $5,000, so that at the end of 10 years the injured employee, if his injury is total and permanent, would be a charge on the community. I want to call attention to the fact that way out in Arizona this provision is for life; in California, I will state to the gentleman from California [Mr. BARBOUR], this provision is for life; in Colorado, for life; in Idaho, for life; in Illinois, for life; in Nevada, for life; in Pennsylvania, for life; in North Dakota, for life; in Ohio, for life; in South Dakota, for life; in Washington, for life; in West Virginia, for life; and under the compensation laws for Federal employees if a man is permanently and totally injured he gets compensation—a percentage of his wages—as long as he lives, but under the provision of the very liberal bill of the gentleman from Massachusetts he is limited to $5,000.

Mr. MOORE of Virginia. Does the gentleman state that the States can control the rates charged by insurance companies?

Mr. ZIHLMAN. I will state to the gentleman from Virginia that in the gentleman's own State, the State of the gentleman from Massachusetts [Mr. UNDERHILL], according to this publication of the Government, the original proposition was to create a mutual company of employers, supervised and guaranteed by the State. But owing to the great pressure of the insurance companies, from the agitation against this form of legislation, they made what they call a fourfold plan, and that the experience of Massachusetts has been the experience in Maryland. Originally it was proposed to create a State fund, and the law now provides that you can insure in the State funds or you can carry your own insurance by depositing the proper bond; and an employer can insure in a stock company, and he can insure in a mutual company. The fourfold plan is in operation in Maryland and other States.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. MOORE of Virginia. I understand that in the gentleman's State and in my State, as well as in the District of Columbia, an insurance commission is authorized by law to regulate the insurance companies and restrain the rates within certain limits. Is not that the fact?

Mr. ZIHLMAN. In my State the authority to administer the workmen's compensation law is vested in a commission.

Mr. MOORE of Virginia. That is true with us.

Mr. ZIHLMAN. Yes; I recall now that they must approve the rates submitted. I will say to the gentleman that in my State and in many other States the experience has been that the insurance companies through the solicitors get the preferred business and discourage the writing of others, and the State usually gets the undesirable end of the business.

Mr. MOORE of Virginia. If this bill passes, it seems to me the District of Columbia would be a "no man's land," so far as insurance business is concerned, but they could do business in the adjoining States of Maryland and Virginia.

Mr. ZIHLMAN. I will say to the gentleman that they have no business now to speak of, and in order to get business Congress would have to say so by law.

Mr. MOORE of Virginia. I understand you are proposing new legislation here, but that it is at variance with that of the State that the gentleman partly represents and that of the State that I partly represent.

Mr. OGDEN. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. OGDEN. Of course, the insurance companies are doing a liability business in the District at this time, are they not?

Mr. ZIHLMAN. They are doing some, but not the great volume of business that they would do if this act went into effect. The volume of business must necessarily be small here, because there are no industries of a hazardous nature here.

Mr. OGDEN. Whatever such business there is would be destroyed by this bill, and they will be driven out of business altogether?

Mr. ZIHLMAN. There would be nothing to compel the employer to take out double insurance.

Mr. OGDEN. It would be a double liability?

Mr. ZIHLMAN. Yes.

Mr. OGDEN. I want to call this to the gentleman's attention: Beginning on line 21 of page 2 of the Fitzgerald bill it is provided:

"Injury" means only an injury sustained in the course of employment, including disease arising out of and in the course of employment and an injury caused by the willful act of a third person directed against an employee because of his employment.

What particular situation did the gentleman have in mind when that provision was inserted?

Mr. ZIHLMAN. I will state to the gentleman that this is not my bill, but the provision, no doubt, is intended to cover injuries received because of the occupation of the employee, such as assault.

Now, Mr. Chairman, as I have just pointed out, there is a limitation of payment of $5,000 in this bill to those who may be permanently injured, contrary to the provisions of the acts of most of the States and contrary to the Federal compensation or liability law. In section 26 it is provided that the injured employee can adjust the matter, can compromise the sum that the insurance company may owe him, which is a form that is not found in the Massachusetts law. The gentleman from Massachusetts [Mr. UNDERHILL] said that his bill was taken largely from the insurance laws of his own State. There is no such provision in Massachusetts that would allow an insurance company to adjust their liability with the injured employee.

Mr. UNDERHILL. My bill, in section 15, provides that it shall not be done without the consent and permission of the insurance commission.

Mr. ZIHLMAN. Yes; I understand that.

Now, I contend that in a limited field such as obtains here in the District of Columbia, with a commission already set up, adjusting hundreds of cases each year; a commission whose members are competent and who, I understand, are willing to handle this additional business, where the number of injured is relatively small, where the business can be written at an average of 3 per cent overhead, as compared with from 35 to 60 per cent on the part of insurance companies, we should give to the people of the District the opportunity of securing this class of protection at the lowest rate possible.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. FOCHT. Mr. Chairman, I yield to the gentleman one minute.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. I want to repeat a question that I asked my friend. Does he not think it a vicious principle——

Mr. ZIHLMAN. I do not think it is any more vicious a principle to say how he shall buy his insurance than to say that he shall insure.

Mr. LAYTON. The gentleman has not heard my question in full. Let me ask the gentleman this question: Do not you think that it is a vicious principle for this Congress to say that any legitimate business in the territory presided over by the United States shall not have the right to enter in?

Mr. ZIHLMAN. I do not consider it any more vicious than to say that the employer shall take insurance; and if you compel a man to take something, you should provide the best possible vehicle for him.

The CHAIRMAN. The time of the gentleman from Maryland has again expired. To whom does the gentleman from Pennsylvania yield?

Mr. FOCHT. I yield five minutes to myself.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes.

Mr. FOCHT. Mr. Chairman, this debate has gone along on a great question, which is one that is universally understood, I believe, and accepted in all the States. The fact of the matter is, this country has been very dilatory in matters of this kind. That will be manifest when we note and comprehend the fact that in Germany they had compensation laws 100 years ago. They have old-age pension laws in England, Germany, Austria, Australia, and New Zealand in successful operation; everything is done to extend the helping hand to the weak and the unfortunate. For the District of Columbia to have a compensation law is marking time far behind the rest of the divisions of government in the country. Massachusetts, New Jersey, Pennsylvania, Minnesota, and Wisconsin, and many of the other Western States have had these laws in full and successful operation. Therefore, fundamentally, so far as the people are concerned, these laws are acceptable, and as to their functioning they have been satisfactory and have met every requirement.

Now, what we are trying to do is to perfect them as we step along in the march of advancement; trying to apply something to the District of Columbia, although admitting that conditions here are somewhat different from those in the States, both as to the laws governing the District, on account of the District not being a municipality, but a species of Government reserva-

tion, without the sovereignty of a State, and otherwise, so that the laws of a State could not be transferred and applied here as they are in New York or Pennsylvania, or as they are out in Kansas, where Colonel LITTLE lives, where they have been adopted and perfected.

Therefore, in applying this law to the District of Columbia—a measure that has worked with splendid success in the great industrial State of Pennsylvania—and I do not think I am immodest or boastful when I say a thing that has worked successfully in Pennsylvania will work well anywhere else in any situation that will justify the application of a beneficent law like this.

Mr. OGDEN. You have the competitive system in Pennsylvania, have you not?

Mr. FOCHT. Oh, yes; and that is the exact point I want to refer to.

Mr. WYANT. Before the gentleman closes——

Mr. FOCHT. I have only started.

Mr. WYANT. I wish the gentleman would address his attention to this exclusive feature of this bill. Personally, I am strongly in favor of employers' liability laws, but the thing to which I object in the bill is the exclusive feature. Now, the gentleman is well posted in this matter——

Mr. FOCHT. I admit it.

Mr. WYANT. Will he give us some reason for inserting this exclusive feature in the bill?

Mr. FOCHT. I am afraid I can not do that. That is just exactly where the trouble comes with this bill, and where it has found opposition from the day it was offered by the distinguished gentleman from Ohio [Mr. FITZGERALD], whose heart, like mine, is for the man who is down and out, and who wishes to help the man who is injured. We must extend that helpfulness wherever injury may befall a man, particularly the workingman.

I want to see this thing so enlarged and extended that it will not only include the injured but will include helpfulness to the sick man and the sick woman and a pension for the aged as well. We shall have come nearer to the last word in Christian civilization when those things are accomplished. But progress must be made slowly. Therefore, believing with all my heart in a reasonable compensation bill, I can not understand why this bill should be imperiled and why we are asked to vote for a bill containing the obnoxious principle of continued governmental interference with the business of the people, something that does not appear in that wonderfully successful measure now operating so satisfactorily in the State of Pennsylvania.

The CHAIRMAN. The gentleman's five minutes have expired.

Mr. FOCHT. I yield to myself five minutes more. So successfully does this law operate in Pennsylvania that the few men whom I employ in my publishing plant actually cost so little that I never hear anything about it. And notwithstanding the low cost there they have a reserve fund of something approximating $5,000,000, although the insurance has not been in operation any great length of time.

Mr. KELLY of Pennsylvania. The gentleman is very familiar with the Pennsylvania law. Will he kindly give us the fundamental differences between the Pennsylvania statute and this bill which is now before us?

Mr. FOCHT. The fundamental difference, as I understand it, is one which I would like to have clarified by the gentlemen who wish to establish governmental control in contradistinction to the operation of the law in Pennsylvania, where insurance companies have the opportunity to compete with the State. Now, if the Government is going to do it so much cheaper than private companies can do it, then why is it necessary to legislate against the private companies? If the Government will do it more cheaply and do it as well as the private companies, then the Government ought to get the business in open competition.

Mr. LAYTON. Would not that be a good logical argument in favor of the Government going into every form of business under heaven?

Mr. FOCHT. That is the one reason I sent to Pennsylvania for the experts from the capital of that State. Mr. Mackey sent down several experts from the Pennsylvania board to give testimony before the committee, and it is the one bone of contention so far as this bill is concerned. No man on this floor will vote against compensation for injured employees in Washington, but I believe if the thing were separated so that an opportunity were given to vote upon each proposition singly every man here would vote against governmental interference and governmental ownership and governmental control. Now, during the rest of this debate I would like to have Members who understand this thing and who are sincere and earnest explain to us why they can not take out of this bill the element of Government control and let it operate successfully, as it does in Pennsylvania, and not hamper and jeopardize the possibility of the passage of this bill. [Applause.]

Mr. KELLY of Pennsylvania. The gentleman realizes that in Pennsylvania there is a 10 per cent differential in favor of the State.

Mr. FOCHT. Yes.

Mr. KELLY of Pennsylvania. But still the private companies do business.

Mr. FOCHT. Yes; and you do not establish the obnoxious principle of this exclusive governmental feature, a thing that is a nuisance and an annoyance to every man who believes in individual incentive. If we are going to continue to interfere with private enterprise, we will take away the rock upon which this Government is built, which is the hope of any young man to succeed in enterprise, and if the Government is going to run all the business, then all of us will be Government employees, and then the Government itself will perish and be eclipsed. [Applause.]

Mr. LAYTON. The gentleman and I are in thorough accord.

The CHAIRMAN. Does the gentleman from Massachusetts desire to yield any time?

Mr. UNDERHILL. How much time remains?

The CHAIRMAN. The gentleman has an hour and five minutes remaining, and the other side have 40 minutes remaining.

Mr. WYANT. Will the gentleman yield for a question?

Mr. UNDERHILL. Yes.

Mr. WYANT. During the remarks of the gentleman from Maryland [Mr. ZIHLMAN] reference was made to the fact that in the Fitzgerald bill the payments are indefinite in the case of the death of an employee. I understand the gentleman's bill provides for a maximum payment of $5,000 extending over a certain period of time. Is that correct?

Mr. UNDERHILL. Yes.

Mr. WYANT. Will the gentleman state why he gives a limited sum rather than the payment over an indefinite period of time?

Mr. UNDERHILL. Mr. Chairman, the two bills differ in many minor ways, and this is one of them. I have been, in addition to being a member of the Committee on the District of Columbia, a member of the Committee on Claims in this House. I have reported from time to time various bills for the death of citizens of the United States caused through no neglect or fault on their part but through the carelessness or drunkenness or neglect of some Government employee, and in no case has the sum exceeded $5,000 for a death. That has been the maximum, and when I realize the amount of energy and time and explanation to get these just claims adjudicated before this House I thought that possibly the House was committed to the $5,000 maximum in the case of death.

Mr. LAYTON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. LAYTON. Has one of these claims been paid yet?

Mr. UNDERHILL. I do not know.

Mr. LAYTON. The reason that I have asked the question is that I have had two claims of this character where the evidence was absolutely conclusive and there has not been a settlement in either instance yet.

Mr. UNDERHILL. It seems to me there should be some limitation; it seems to me that this thing ought not to run on indefinitely. If you run these matters along indefinitely regarding the insured workman and his dependents, there will be no incentive on the part of anybody to try to improve conditions; it will be an easy thing for them in many instances to live on the amount of the award by compensation laws. You will note that in my bill I try to provide for that; that there shall be a specific sum for the loss of a hand or a foot, a toe or a finger, or an arm or a leg, and all the members or parts of the anatomy which enter into the carrying on of business and making a living.

The insurance company can not take any advantage because it is specifically stated in the bill what their responsibilities are. It may be better to carry this over a series of years. I know the United States Government, the Federal Employees' Commission, have paid in instances claims amounting to $12,000 and over and are still going on, but that is one of the ways in which the Government carries on its business, and it is one of the objections I had to placing more business in the hands of of the Government.

Now I have in my hand a report of the hearings before the subcommittee, and I want to read to you what the insurance commissioner of the State of Massachusetts has said. He said

he had had four years' experience as chairman of the board, several years as chairman of the House Judiciary Committee that had all the bills to do with workmen's compensation, and one summer served on a special committee, and he said in all that experience he never knew an instance where the insurance companies have not been willing to settle all claims on a reasonably fair basis. That brings us to the real reason for passing a workmen's compensation bill. It is not how much the employer pays, it is not how much society contributes, or how much industry has contributed in regard to paying it. The real reason for it is to pay the employee for the injury he has received, and that is covered in my bill without unnecessary delay. The proponents of my bill say that that is not a business now existing; that it is a new business created by this law. As a matter of fact, many of the merchants, many of the men who employ help, carry insurance to-day in behalf of their employees. Why should they not continue to deal with insurance companies in the same pleasant relations they have had in the past; why should they have to shift and change and go to the Government employees who are only on the job seven hours of the day, when he could call up the agent over the telephone and tell him what the difficulty is, what he wants to do, and get the business and all of his worry and trouble passed along to the agent or representative of the insurance company?

Mr. WYANT. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WYANT. Do the hearings disclose the number of States in which this payment to the beneficiary extends over an indefinite period of time?

Mr. UNDERHILL. I think the gentleman from Maryland [Mr. ZIHLMAN] gave that to the House, and I have no reason to question his statement. There are many States that extend it over an indefinite period of time.

Mr. LONDON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. LONDON. Speaking of the Fitzgerald bill, in what manner does the bill compel the employers to insure? Does it fine them or does it remove the old common law?

Mr. UNDERHILL. It removes the old common law; he has no protection in the courts.

Mr. LONDON. The penalty is that it withdraws the old common law from any defense the employer may make?

Mr. UNDERHILL. Practically all defense is withdrawn.

Mr. LONDON. That is the only penalty it imposes.

Mr. UNDERHILL. And the same in my bill.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. MOORE of Virginia. I have not had an opportunity to study the gentleman's bill. Is the gentleman's bill as liberal to the employees as the law in any of the States?

Mr. UNDERHILL. In many respects my bill is much more liberal to the employees than in any of the States, including the State of Ohio. There is some question as to the good judgment of that. The Fitzgerald bill carries a maximum of $25 a week, and in his own State the maximum is only $16.

In Massachusetts it is more than that. I provide for a maximum of $25 in my bill. The only limitation I made in my bill that is not made in the Fitzgerald bill is as to time, and I do specify the exact amount which shall be paid for a finger, a toe, an arm, or a leg, and so forth.

Mr. MOORE of Virginia. I take it for granted, then, that the gentleman's bill reaches the high-water mark of liberality which obtains in any of these States where compensation laws are in effect.

Mr. UNDERHILL. Yes. Mr. Chairman, before I go any further, I ask unanimous consent to revise and extend my remarks in the RECORD in order that I may have my bill printed in the RECORD.

The bill is as follows:

A bill (H. R. 9546) relating to assuring compensation for accidental injuries or death of employees in certain occupations in the District of Columbia.

Be it enacted, etc., That this act shall be known as "The District of Columbia workmen's compensation act."

SEC. 2. That the office of compensation commissioner for the District of Columbia is hereby created. It shall be the duty of such commissioner to administer this act. He shall be appointed by the Commissioners of the District of Columbia and shall be an actual resident of said District. His term of office shall be for four years, but said commissioners may at any time remove him for inefficiency, neglect of duty, or malfeasance in office. The salary of such commissioner shall be $4,500 per annum, and shall be paid as other salaries and expenses of public officers of the District of Columbia are paid. The commissioner shall devote his entire time to the duties of the office and shall not hold any position of trust or engage in any occupation or business interfering or inconsistent with his duties as such commissioner. The commissioner shall maintain an office in the District of Columbia, to be provided by the Commissioners of the District of Columbia.

SEC. 3. That any investigation, inquiry, or hearing which the compensation commissioner is authorized to hold or undertake may be held or undertaken by or before any deputy commissioner, and every order made by a deputy commissioner, when approved and confirmed by the compensation commissioner and so shown on his record of proceedings, shall be deemed to be the order of the compensation commissioner.

SEC. 4. That the office of the compensation commissioner shall be open for the transaction of business during all business hours of each and every day, excepting Sunday and legal holidays. All hearings shall be open to the public and shall stand and be adjourned without further notice thereof on its record. All proceedings of the commissioner shall be shown on his record of proceedings, which shall be a public record, and shall contain a record of each case considered and the award made and of all remuneration paid or allowed to any employee of the commissioner or to any other person for services: *Provided, however*, That any person in the employ of the commissioner who shall divulge any information secured by him in respect to the transactions, property, or business of any person, firm, company or corporation, association or joint partnership to any person other than the compensation commissioner or a deputy commissioner shall be guilty of a misdemeanor and subject to a fine of not less than $100 or more than $500, or imprisonment not exceeding 12 months, in the discretion of the court, and shall thereafter be disqualified from holding any appointment with the commissioner.

SEC. 5. That the compensation commissioner may employ a deputy or deputies, clerks, stenographers, and other assistants, and fix their compensation, subject to the written approval of the Commissioners of the District of Columbia. The commissioner shall provide necessary office furniture and supplies for the same. Such compensation and all necessary expenses shall be audited and paid as other salaries and expenses of the District of Columbia are paid. The commissioner shall provide himself with a seal for the authentication of his orders, awards, and proceedings, upon which shall be inscribed the words "District of Columbia Compensation Commissioner—Official Seal."

The compensation commissioner and each deputy commissioner shall, before entering upon the duties of his office, take and subscribe to the constitutional oath of office.

SEC. 6. That the compensation commissioner and each deputy commissioner shall, for purposes contemplated by this act, have power to issue subpœnas, compel the attendance of witnesses, administer oaths, certify to official acts, compel the production of pertinent books, pay rolls, accounts, papers, records, documents, and testimony.

If a person subpœnaed to attend or in attendance before the compensation commissioner or a deputy commissioner shall, without reasonable cause, fail or refuse to attend or refuse to be examined or to answer a legal and pertinent question, or to produce a book or paper when ordered to do so by the commissioner or deputy commissioner, the commissioner may apply to any judge of the Supreme Court of the District of Columbia, upon proof by affidavit of the fact, for a rule or order returnable in not less than two or more than five days, directing such person to show cause before the judge who made the order, or any other judge aforesaid, why he should not be committed to jail; upon the return of such order the judge before whom the matter and such person shall come on for a hearing shall examine under oath such person, and such person shall be given an opportunity to be heard; and if the judge shall determine that such person has failed or refused, without reasonable cause or legal excuse, to attend or to be examined or to answer a legal or pertinent question, or to produce a book or paper which he was ordered to bring or produce, he may forthwith commit the offender to jail, there to remain until he submits to do the act which he was so required to do or is discharged according to law.

SEC. 7. That each officer or person who serves a subpœna issued as aforesaid shall receive the same fee as the marshal would receive where said witness is subpœnaed, and each witness who appears in obedience to a subpœna before the compensation commissioner or a deputy commissioner shall receive for his attendance the fees and mileage provided for witnesses in civil cases in the Supreme Court of the District of Columbia, which shall be audited and paid in the same manner as other expenses hereinbefore provided for. No witness subpœnaed at the instance of a party other than the compensation commissioner or deputy commissioner shall be entitled to compensation, unless the commissioner or deputy shall certify that his testimony was material to the matter investigated. In an investigation the commissioner may cause depositions of witnesses residing within or without the District to be taken in the manner prescribed by law for like depositions taken in cases pending before the Supreme Court of the District of Columbia. The compensation commissioner shall have authority to appoint, by his written order, any subordinate or other person to serve subpœnas, notices, and all other papers issued by and in his name.

SEC. 8. That, subject to the provisions of this act, the compensation commissioner shall adopt reasonable and proper rules to govern his procedure, which procedure shall be as summary and simple as reasonably may be. He shall regulate and provide for the kind and character of notices and the service thereof, and, in cases of injury by accident to employees, the nature and extent of the proofs and evidence and the method of taking and furnishing the same for the establishment of the right to compensation. He shall determine the nature and forms of application of those claiming to be entitled to benefits or compensation, and shall regulate the method of making investigations, physical examinations, and inspections, and prescribe the time within which adjudications and awards shall be made: *Provided*, That all such rules and regulations shall conform to the provisions of this act.

SEC. 9. That a transcribed copy of the evidence and proceedings, or any specific part thereof, of any investigation taken by a stenographer appointed by the compensation commissioner or a deputy commissioner, being certified and sworn to by such stenographer to be a true and correct transcript of the testimony, or of a particular witness, or of any specific part thereof, or to be a correct transcript of the proceedings had on such investigation so purporting to be taken and subscribed, may be received in evidence by the commissioner or a deputy with the same effect as if such stenographer were present and testified to the facts certified. A copy of such transcript shall be furnished on demand to any party in interest upon payment of the fee therefor, as provided by rule of the compensation commissioner.

SEC. 10. (a) That the compensation commissioner shall prepare and furnish free of cost blank forms and provide for their distribution so that the same may be readily available, of applications for benefits or compensation, notices to employers, proof of injury or death, of medical attendance, of employment and wage earnings, and such other blanks as may be deemed proper and advisable, and it shall be the duty of employers to constantly keep on hand a sufficient supply of such blanks.

(b) The compensation commissioner shall inquire into the causes and results of accidents to employees, and study the methods of safeguarding against such accidents. The said commissioner, or any of his agents, may enter into any place of employment for the purpose of collecting facts and statistics, examining the provisions made for the health, protection, and safety of employees and observing and enforcing the observance of any law, ordinance, or other lawful rule, regulation, or order relating thereto.

SEC. 11. That annually, on or before the 1st day of January, the compensation commissioner shall make a report to the Commissioners of the District of Columbia, which shall include a statement of the number of awards made by him, the causes of the accidents leading to the injuries for which the awards were made, and a detailed statement of the expenses of his office, together with any other matters which the commissioner deems proper to report, including any recommendations he may desire to make.

SEC. 12. That if an employee suffers personal injury or death by accident arising out of and in the course of an employment subject to this act his employer or insurer shall pay or provide compensation according to the schedules of this act, except where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty. Where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty, neither the injured employee nor any dependent of such employee shall receive compensation under this act.

The liability prescribed by the last preceding paragraph shall be exclusive, except that if an employer fail to secure the payment of compensation for his injured employees and their dependents, as provided in this act, an injured employee or his legal representative, in case death results from the injury, may, at his option, elect either to claim compensation under this act or to maintain an action in the courts for damages on account of such injury; and in such an action the defendant may not plead as a defense that the injury was caused by the negligence of a fellow servant or that the employee assumed the risk of his employment, or that the injury was due to the contributory negligence of the employee.

SEC. 13. That this act shall apply to all private employments, except as herein otherwise provided. It shall not apply to—

(1) Any employment in commerce between the District of Columbia and any of the States, Territories, or possessions of the United States or any foreign nation or nations, in the service of a common carrier by railroad;

(2) Any employment that is casual and not in the usual course of the trade, business, occupation, or profession of the employer;

(3) Any employment in an occupation not carried on by the employer for the sake of pecuniary gain;

(4) Any employment as a household domestic servant; or

(5) Any employment by an eleemosynary institution or association.

Provided, however, That an excluded employment may be brought under the provisions of this act by express agreement in writing between the employer and employee filed with the compensation commissioner.

SEC. 14. (a) That where an accident happens while the employee is employed elsewhere than in the District of Columbia which would entitle him or his dependents to compensation if it had happened in such District, the employee or his dependents shall be entitled to compensation, if the contract of employment was made in said District, if the employer's place of business is in said District, or if the residence of the employee is in said District: *Provided,* That his contract of employment was not expressly for service exclusively outside of said District.

(b) *Provided, however,* That if an employee shall receive compensation or damages under the law of any State or Territory other than the District of Columbia, nothing herein contained shall be construed so as to permit a total compensation for the same injury greater than is provided in this act.

SEC. 15. That the rights and remedies herein granted shall exclude all other rights and remedies of such employee, his personal representative, wife, parents, dependents, or next of kin, at common law or otherwise on account of such injury, loss of service, or death, except as herein elsewhere otherwise provided.

The making of a lawful claim against an employer for compensation under this act for the injury or death of an employee shall operate as an assignment to the employer of any right to recover damages which the injured employee or his personal representative or other person may have against any other party for such injury or death, and such employer shall be subrogated to any such right and may enforce, in his own name or in the name of the injured employee or his personal representative, the legal liability of such other party. The amount of compensation paid by the employer or the amount of compensation to which the injured employee or his dependents are entitled shall not be admissible as evidence in any action brought to recover damages, but any amount collected by the employer under the provisions of this section in excess of the amount of compensation paid by the employer subject to the order of the compensation commissioner or for which he is liable shall be held by the employer for the benefit of the injured employee or other person entitled thereto, less such amounts as are paid by the employer for reasonable expenses and attorney's fees: *Provided,* That no compromise settlement shall be made by the employer or insurance carrier in the exercise of such right of subrogation without the approval of the compensation commissioner and the injured employee or the personal representative or dependents of the deceased employee being first had and obtained.

Where any employer is insured against liability for compensation with any insurance carrier, and such insurance carrier shall have paid any compensation for which the employer is liable or shall have assumed the liability of the employer therefor, it shall be subrogated to all the rights and duties of the employer, and may enforce any such rights in its own name or in the name of the injured employee or his or her personal representative: *Provided, however,* That nothing herein shall be construed as conferring upon insurance carriers any other or further rights than those existing in the employer at the time of the injury to his employee, anything in the policy of insurance to the contrary notwithstanding.

An employer, insurance carrier, firm, association, or corporation knowingly misappropriating any moneys collected, received, or held under the foregoing provisions of this section shall be guilty of a felony and punished by imprisonment for not exceeding five years or by fine not exceeding $5,000, or by both.

SEC. 16. (a) That where any person (in this section referred to as principal contractor) undertakes to execute any work, which is a part of his trade, business, or occupation or which he has contracted to perform, and contracts with any other person (in this section referred to as subcontractor) for the execution by or under the subcontractor of the whole or any part of the work undertaken by such principal contractor, the principal contractor shall be liable to pay to any employee employed in the work any compensation under this act which he would have been liable to pay if the employee had been immediately employed by him; and where compensation is claimed from or proceedings are taken against the principal contractor, then, in the application of this act, reference to the principal contractor shall be substituted for reference to the subcontractor, except that the amount of compensation shall be calculated with reference to the earnings of the employee under the subcontractor by whom he is immediately employed.

(b) Where the principal contractor is liable to pay compensation under this section, he shall be entitled to indemnity from any person who would have been liable to pay compensation to the employee independently of this section or from any intermediate contractor, and shall have a cause of action therefor.

(c) Nothing in this section shall be construed as preventing an employee from recovering compensation under this act from a subcontractor instead of from the principal contractor, but he shall not collect from both.

(d) A principal contractor, when sued by an employee of a subcontractor, shall have the right to call in that subcontractor or any intermediate contractor or contractors as defendant or codefendant.

SEC. 17. (a) That no employer or employee who is subject to the provisions of this act shall exempt himself from the burden or waive the benefit of this act by any contract, agreement, rule, or regulation, and any such contract, agreement, rule, or regulation shall be pro tanto void. No agreement by such employee to pay any portion of the insurance premium paid by such employer shall be valid, and any employer who deducts any portion of such premium from the wages or salary of any employee entitled to the benefits of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $200 for each offense.

(b) Nothing herein shall affect any existing contract or policy of employer's liability insurance or the liability of any mutual insurance association, or any arrangement now existing between employers and employees, providing for the payment to such employees, their families, dependents, or representatives of sick, accident, or death benefits in addition to the compensation provided for by this act; but liability for the compensation specified in this act shall not be reduced or affected by any insurance, contribution, or other benefit whatsoever due to or received by the person entitled to such compensation, and the person so entitled shall, irrespective of any such insurance or other contract, have the right to recover the compensation directly from the employer.

SEC. 18. That no claim for compensation under this act shall be assignable, and all compensation and claims therefor shall be exempt from all claims of creditors.

SEC. 19. That all rights of compensation granted by this act shall have the same preference or priority for the whole thereof against the assets of the employer as is allowed by law for any unpaid wages for labor.

SEC. 20. That in addition to the compensation hereinafter provided for the employer shall promptly provide for an injured employee such medical, surgical, or other attendance or treatment, nurse and hospital services, medicines, crutches, apparatus, artificial hands, arms, feet, and legs as may be required by the compensation commissioner in an amount not to exceed $300. If an employer neglects to provide the same, the injured employee may do so at the expense of the employer. All fees and other charges for such treatment and services shall be subject to regulation by the compensation commissioner and shall be limited to such charges as prevail in the same community for similar treatment of injured persons of a like standard of living. In case death ensues from the injury within three years, reasonable funeral expenses shall also be allowed, not to exceed the sum of $150. The compensation commissioner shall have full power to adopt rules and regulations with respect to furnishing medical, nurse, and hospital services and medicine to injured employees entitled thereto and for the payment therefor.

SEC. 21. That no compensation shall be allowed for the first ——— calendar days of disability resulting from an injury, except the benefits provided in section 20; but if disability extends beyond that period, compensation shall commence with the eighth day of disability. If, however, such disability shall continue for more than four weeks, then compensation shall be payable for the first ——— days of disability.

SEC. 22. That each employee (or in case of death his dependents entitled to receive compensation under this act) shall receive the same in accordance with the following schedule, and except as in this act otherwise provided such payment shall be in lieu of any and all rights of action whatsoever against any person whomsoever.

1. Permanent total disability: In case of total disability adjudged to be permanent, 66⅔ per cent of the average weekly wages shall be paid to the employee during the continuance of such total disability, not to exceed a maximum of $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation in an amount equal to his average weekly wages, but not to exceed a total of $5,000. Loss or loss of use of both hands or both arms or both feet or both legs or both eyes, or of any two thereof, shall, in the absence of conclusive proof to the contrary, constitute permanent total disability. In all other cases permanent total disability shall be determined in accordance with the facts.

2. Temporary total disability: In case of temporary total disability, 66⅔ per cent of the average weekly wages shall be paid to the employee during the continuance thereof, but not to exceed a maximum of $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation equal to his full wages; but in no case to continue more than six years from the date of the injury or to exceed $3,750 in the aggregate.

3. Permanent partial disability: In case of disability partial in character but permanent in quality the compensation shall be 66⅔ per cent of the average weekly wages, in no case to exceed $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation equal to his full wages,

but in no case to exceed $3,750 in the aggregate, and shall be paid to the employees for the period named in the schedule as follows:

Thumb: For the loss of a thumb, 50 weeks.

First finger: For the loss of a first finger, commonly called the index finger, 30 weeks.

Second finger: For the loss of a second finger, 25 weeks.

Third finger: For the loss of a third finger, 20 weeks.

Fourth finger: For the loss of a fourth finger, commonly called the little finger, 15 weeks.

The loss of the second, or distal, phalange of the thumb shall be considered to be equal to the loss of one-half of such thumb; the loss of more than one-half of such thumb shall be considered to be equal to the loss of the whole thumb; the loss of the third, or distal, phalange of any finger shall be considered to be equal to the loss of one-third of such finger. The loss of the middle, or second, phalange of any finger shall be considered to be equal to the loss of two-thirds of such finger. The loss of more than the middle and distal phalange of any finger shall be considered to be equal to the loss of the whole of such finger: *Provided, however,* That in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

Great toe: For the loss of a great toe, 25 weeks.

Other toes: For the loss of one of the toes, other than the great toe, 10 weeks.

Hand: For the loss of a hand, 150 weeks.

Arm: For the loss of an arm, 200 weeks.

Foot: For the loss of a foot, 150 weeks.

Leg: For the loss of a leg, 175 weeks.

Eye: For the loss of an eye, 100 weeks.

Hearing: For the total loss of hearing of one ear, 50 weeks; for the total loss of hearing of both ears, 100 weeks.

Loss of use: Permanent loss of use of a hand, arm, foot, leg, or eye shall be considered as the equivalent of the loss of such hand, arm, foot, leg, or eye, and for the loss of the fractional part of the vision of either one or both eyes the injured employee shall be compensated in like proportion to the compensation for total loss of vision, and in arriving at the fractional part of vision lost regard shall not be had for the effect that correcting lens or lenses may have upon the eye or eyes.

Amputations: Amputation between the elbow and the wrist shall be considered as the equivalent of the loss of a hand. Amputation between the knee and the ankle shall be considered as the equivalent of the loss of a foot. Amputation at or above the elbow shall be considered as the loss of an arm. Amputation at or above the knee shall be considered as the loss of the leg.

The compensation for the foregoing specific injuries shall be paid in addition to, and consecutively with, the compensation hereinbefore provided in subsection 2 of this section.

If an employee dies the right to any compensation payable under this subsection unpaid at the date of his death shall survive to and vest in his personal representatives.

Other cases: In all other cases in this class of disability the compensation shall be 50 per cent of the difference between his average weekly wages and his wage-earning capacity thereafter in the same employment or otherwise, if less than before the accident—but not to exceed $25 per week—payable during the continuance of such partial disability, but not to exceed $3,000, and subject to reconsideration of the degree of such impairment by the compensation commissioner on his own motion or upon application of any party in interest.

In all cases where there has been an amputation of a part of any member of the body herein specified, or the loss of the use of any part thereof, for which compensation is not specifically provided herein, the commissioner shall allow compensation for such proportion of the total number of weeks allowed for the amputation or the loss of the use of the entire member as the affected or amputated portion thereof bears to the whole.

Disfigurements: For other mutilations and disfigurements, not hereinbefore provided for, compensation shall be allowed, in the discretion of the commissioner, for not less than 10 weeks nor more than 100 weeks, as the commissioner may fix, in each case having due regard to the character of the mutilation and disfigurement as compared with mutilation and injury hereinbefore specifically provided for.

4. Temporary partial disability: In case of temporary partial disability, except the particular cases mentioned in subdivision 3 of this section, an injured employee shall receive 50 per cent of the difference between his average weekly wages and his wage-earning capacity thereafter in the same employment or otherwise, if less than before the accident, but not to exceed $25 per week during the continuance of such partial disability, but not in excess of $3,500, except as otherwise provided in this article.

5. Fatal cases: In case the injury causes death within the period of three years, the benefits shall be in the amounts and to the persons following:

If there be no dependents, the disbursements shall be limited to the expense provided for in section 20 hereof.

If there are wholly dependent persons at the time of death, the payment shall be 66⅔ per cent of the average weekly wages, not to exceed, however, a maximum of $25 per week and not less than a minimum of $7 per week, unless the deceased employee's established weekly wages were less than $7 per week at the time of injury, in which event the compensation shall be an amount equal to the average weekly wages, and to continue for the remainder of the period between the date of death and 416 weeks after the date of injury, and not to amount to more than a maximum of $5,000, nor less than a minimum of $1,000.

If there are no wholly dependent persons at the time of the death, but are partly dependent persons, those partly dependent shall receive compensation as follows: The weekly payments to such dependents shall be in an amount not exceeding 66⅔ per cent of the average weekly wages or $25 per week, but may in the discretion of the commissioner be for a less amount per week and to continue for all or such portion of 416 weeks after the date of the injury, as the commissioner in each case may determine, and not to amount to more than a maximum of $3,000.

The following persons shall be presumed to be wholly dependent for support upon a deceased employee: A wife or invalid husband ("invalid" meaning one physically or mentally incapacitated from earning), a child or children under the age of 16 years (or over said age if physically or mentally incapacitated from earning) living with or dependent upon the parent at the time of the injury or death. But a husband or wife of an injured employee who has deserted said employee for more than one year prior to the time of the injury or subsequently shall not be a beneficiary under this act.

In all other cases questions of dependency, in whole or in part, shall be determined in accordance with the facts in each particular case existing at the time of the injury resulting in death of such employee, but no person shall be considered as dependent unless such person be a father, mother, grandfather, grandmother, stepchild, or grandchild, or brother or sister of the deceased employee, including those otherwise specified in this section.

The term "child" and "children" shall include posthumous children and adopted children, whether members of the deceased employee's household at the time of his accident or death or not, and shall also include stepchildren, illegitimate children, and other children, if such stepchildren, illegitimate children, and other children were members of the household of the decedent at the time of the accident or death and had received contributions toward their support from such deceased employee during any part of the six months immediately preceding the accident or death.

The right to any compensation payable to any dependent and unpaid at the date of death of any such dependent shall survive to and be vested in the surviving dependents, as the commissioner may determine, if there be such surviving dependents, and if there be none such, then the compensation shall cease.

Compensation under this article to alien dependent widows, children, and parents, not residents of the United States, shall be the same in amount as is provided in each case for residents, except that at any time within one year after an accident resulting in death the commissioner may, in his discretion, convert any payments thereafter to become due to such beneficiaries into a lump-sum payment, not in any case to exceed $2,400, by paying a sum equal to three-fourths of the then value of such payments.

Nonresident alien dependents may be officially represented by the consular officers of the nation of which such alien or aliens may be citizens or subjects, and in such cases the consular officers shall have the right to receive for distribution to such nonresident alien dependents all compensation awarded hereunder, and the receipt of such consular officers shall be a full discharge of all sums paid to and received by them.

In case of the remarriage of a dependent widow of a deceased employee, without dependent children at the time of the remarriage, she shall receive compensation for one year after the date of her remarriage, provided there is so much of the compensation previously awarded her outstanding. No widow or widower shall receive any benefits under this act where the marriage shall have taken place after the person entitled to benefits hereunder shall have been injured, provided there are no dependent children.

6. Where an injury to an employee is caused by the intentional failure of the employer to comply with any statute or lawful public ordinance, rule, regulation, or order relating to the safety of employees, the compensation for which the employer would otherwise be liable under this act shall be increased 15 per cent in the amount of each payment. Where the injury is caused by the intentional failure or the injured employee to use any safety appliance furnished by the employer or to obey any lawful public ordinance, rule, regulation, or order relating to the safety of employees, the compensation for which the employer would otherwise be liable for under this act shall be decreased 15 per cent in the amount of each payment.

SEC. 23. That the benefits in case of death shall be paid to such one or more of the dependents of the decedent for the benefit of all the dependents as may be determined by the compensation commissioner, who may apportion the benefits among the dependents in such manner as he may deem just and equitable. The dependent or person to whom benefits are paid shall apply the same to the use of the several dependents according to their respective claims upon the decedent for support, in compliance with the findings and direction of the commissioner.

SEC. 24. That the fact that an employee has suffered previous disability or received compensation therefor shall not preclude him from compensation for a later injury nor preclude compensation for death resulting therefrom; but in determining compensation for the later injury or death his average weekly wages shall be such sum as will reasonably represent his earning capacity at the time of the later injury: *Provided,* That an employee who is suffering from a previous disability shall not receive compensation for a later injury in excess of the compensation allowed for such injury when considered by itself and not in conjunction with the previous disability: *Provided further,* That if an employee who has previously incurred permanent partial disability through the loss of one hand, one arm, one foot, one leg, or one eye incurs permanent total disability through the loss of another such member or organ, he shall be paid, in addition to the compensation for permanent partial disability provided in this section and after the cessation of the payments for the prescribed period of weeks, special additional compensation for the remainder of his life to the amount of 66⅔ per cent of the average weekly wage earned by him at the time the total permanent disability was incurred. Such additional compensation shall be paid out of a special fund created for such purpose in the following manner: The employer or insurance carrier shall pay to the superintendent of insurance of the District of Columbia for every case of injury causing death in which there are no persons entitled to compensation the sum of $100. The superintendent of insurance shall be the custodian of this special fund and the compensation commissioner shall direct the distribution thereof.

SEC. 25. That the compensation in this act provided for shall be payable weekly; but the compensation commissioner, upon application of either party, may, in his discretion, having regard to the welfare of the employee and the convenience of the employer or insurer, authorize compensation to be paid monthly or quarterly instead of weekly.

SEC. 26. That whenever any periodical payment has been continued for not less than 26 weeks, the liability therefor may, in unusual cases, where the parties agree and the compensation commissioner deems it to be to the best interests of the employee or his dependents, or where it will prevent undue hardships on the employer or his insurance carrier, without prejudicing the interests of the employee or his dependents, be redeemed, in whole or in part, by the payment by the employer or insurance carrier of a lump sum which shall be fixed by the commissioner, but in no case to exceed the commutable value of the future installments which may be due under this act. The commissioner, however, in his discretion, may at any time in the case of a minor who has received permanently disabling injuries, either partial or total, provide that he be compensated in whole or in part by the payment of a lump sum, the amount of which shall be fixed by the commissioner, but in no case to exceed the commutable value of the future installments which may be due under this act.

SEC. 27. That whenever the compensation commissioner deems it expedient any lump sum, subject to the provision of the foregoing section, shall be paid by the employer or insurance carrier to some suit-

able person or corporation appointed by the Supreme Court of the District of Columbia as trustee, to administer the same for the benefit of the person entitled thereto in the manner ordered by the commissioner. The receipt of such trustee for the amount so paid shall discharge the employer or anyone else who is liable therefor.

SEC. 28. That if a dependent shall reside or remove out of the United States and shall have been such nonresident for a period of one year the commissioner may, in his discretion, convert any payments thereafter to become due to such dependent into a lump-sum payment, not in any case to exceed $2,400, by paying a sum equal to three-fourths of the then value of such payments.

SEC. 29. (a) That whenever payment of compensation is made to a widow or widower for her or his use, or for her or his use and the use of the child or children, the written receipt thereof of such widow or widower shall acquit the employer.

(b) Whenever payment is made to any person 18 years of age or over the written receipt of such person shall acquit the employer. In case where an infant or minor under the age of 18 years shall be entitled to receive a sum amounting to not more than $300 as compensation for injuries, or as a distributive share by virtue of this act, the father, mother, or natural guardian upon whom such infant or minor shall be dependent for support shall be authorized and empowered to receive and receipt for such moneys to the same extent as a guardian of the person and property of such infant or minor duly appointed by proper court, and the release or discharge of such father, mother, or natural guardian shall be full and complete discharge of all claims or demands of such infant or minor thereunder.

(c) Whenever any payment of over $300 is made to a minor under 18 years of age, or to a dependent child over the age of 18 years, the same shall be made to some suitable person or corporation appointed by the Supreme Court of the District of Columbia as a trustee, and the receipt of such trustee shall acquit the employer.

(d) Payment of death benefits by an employer in good faith to a dependent subsequent in right to another or other dependents shall protect and discharge the employer, unless and until such dependent or dependents prior in right shall have given him notice of his or their claim. In case the employer is in doubt as to the respective rights of rival claimants he may apply to the compensation commissioner to decide between them.

SEC. 30. That if an injured employee is mentally incompetent or is under 18 years of age at the time when any right or privilege accrues to him under this act, his guardian, trustee, or committee may in his behalf claim and exercise such right or privilege. And no limitation of time provided in this act for the giving of notice or making claim under this act shall run against any person who is mentally incompetent, or a minor dependent, so long as he has no guardian, trustee, or committee.

SEC. 31. That a minor working at an age legally permitted under the laws of the District of Columbia shall be deemed sui juris for the purposes of this act, and no other person shall have any cause of action or right to compensation for any injury to such minor employee unless otherwise herein provided.

SEC. 32. That the employer shall secure compensation to his employees in one of the following ways:

(1) By insuring and keeping insured the payment of such compensation with any stock or mutual corporation authorized to transact the business of workmen's compensation insurance in the District of Columbia.

(2) By furnishing satisfactory proof to the compensation commissioner of his financial ability to pay such compensation himself, in which case the commissioner may, at any time and from time to time, in his discretion, require the deposit with the commissioner of securities such as are accepted by the equity courts of the District of Columbia for the investment of trust funds, and in an amount or amounts to be determined by the commissioner, to secure the liability of the employer to pay the compensation specified in this act; and in order to be informed as to the continued financial responsibility of any such employer the commissioner may require reports from him annually, or at any such other times as the commissioner may deem necessary or advisable, and may examine such employer under oath or make such other examination of his business as the commissioner may determine. If he should fail to furnish such satisfactory proof, or give bond, or deposit such securities, as required by the commissioner, or if he should at any time fail to render satisfactory reports to the commissioner or otherwise satisfy the commissioner of his continued financial ability to pay the compensation himself, he shall be subject to the provisions of the first paragraph of this section.

SEC. 33. (a) That every employer subject to the provisions of this act shall, within 30 days after this act takes effect, file with the compensation commissioner, in form prescribed by him, and thereafter annually or as often as may be necessary, evidence of his compliance with the provisions of section 32 and all others relating thereto. If any such employer refuses or neglects to comply with the provisions of this paragraph, he shall be punished by a fine of 10 cents for each employee at the time of the insurance becoming due, but not less than $1 nor more than $50 for each day of such refusal or neglect, and until the same ceases, and he shall be liable during continuance of such refusal or neglect to an employee either for compensation under this act or at law, in the same manner as if he were not subject to this act, except that in such action at law he shall not be permitted to defend upon any or all of the following grounds: (1) That the employee was negligent, (2) that the injury was caused by the negligence of a fellow employee, (3) that the employee had assumed the risk of injury.

(b) Every employer who has complied with the provisions of section 32 shall post and maintain in a conspicuous place in and about each of his places of business or other places where his employees subject to this act are employed a typewritten or printed notice in such form as the compensation commissioner may prescribe, stating the facts of compliance with such provisions and giving the name and address of his insurer if he be insured. If any employer neglects or refuses to comply with the provisions of this paragraph, he shall be liable to a penalty of 10 cents per day for each employee affected, but not less than $1 in any event: *Provided, however*, That the compensation commissioner, for good cause shown, may remit such penalty in whole or in part.

SEC. 34. That whenever an employer has complied with the provisions of section 32, relating to self-insurance, the compensation commissioner shall issue to such employer a certificate which shall remain in force for a period fixed by the commissioner, but the commissioner may upon at least 30 days' notice and hearing to the employer revoke the certificate upon satisfactory evidence for such revocation having been presented. At any time after such revocation the commissioner may grant a new certificate to the employer upon his petition.

SEC. 35. (a) That all policies or contracts insuring the payment of compensation under this act must contain a clause to the effect that as between the employer and the insurer notice to or knowledge of the occurrence of the injury on the part of the insured employer shall be deemed notice or knowledge, as the case may be, on the part of the insurer; that jurisdiction of the insured for the purposes of this act shall be jurisdiction of the insurer; and that the insurer shall in all things be bound by and subject to the awards, judgments, or decrees rendered against such insured employer.

(b) No policy or contract of insurance against liability arising under this act shall be issued unless it contains the agreement of the insurer that it will promptly pay to the person entitled to same all benefits conferred by this act, and all installments of the compensation that may be awarded or agreed upon, and that the obligation shall not be affected by any default of the insured after the injury or by any default in giving notice required by such policy, or otherwise. Such agreement shall be construed to be a direct promise by the insurer to the person entitled to compensation enforceable in his name.

(c) Every policy or contract for the insurance of the compensation herein provided, or against liability therefor, shall be deemed to be made subject to the provisions of this act. No corporation, association, or organization shall enter into any such policy of insurance unless its form shall have been approved by the superintendent of insurance.

(d) This act shall not apply to policies of insurance against loss from explosion of boilers, or flywheels or other similar single catastrophe hazards.

SEC. 36. That no policy or contract of insurance against liability arising under this act shall be canceled within the time limited in such policy or contract for its expiration until at least 10 days after notice of intention to cancel such policy or contract, on a date specified in such notice, shall be filed in the office of the compensation commissioner and also served on the employer. Such notice shall be served on the employer by delivering it to him or by sending it by mail, by registered letter, addressed to the employer at his or its last known place of residence: *Provided*, That if the employer be a partnership, then such notice may be so given to any one of the partners, and if the employer be a corporation, then the notice may be given to any agent or officer of the corporation upon whom legal process may be served.

SEC. 37 (a). That the rates charged by all carriers of insurance writing insurance against the liability for compensation under this act shall be fair, reasonable, and adequate, and all risks of the same kind and degree of hazard shall be written at the same rate by the same carrier, subject to such rules as the superintendent of insurance may prescribe. The basic rates may be modified in accordance with a plan of merit or schedule rating. No policy of insurance against liability for compensation under this act shall be valid until the rate thereof has been approved by the superintendent of insurance, nor shall any such carrier of insurance write any such policy or contract until its basic and merit rating schedules have been filed with, approved, and not subsequently disapproved by the superintendent of insurance.

(b) Each such insurance carrier shall report to the superintendent of insurance, in accordance with such reasonable rules as the superintendent of insurance may at any time prescribe, for the purpose of determining the solvency of the carrier and the adequacy of its rates; for such purpose the superintendent of insurance may inspect the books and records of such insurance carrier and examine its agents, officers, and directors under oath.

(c) Any person or persons who shall in the District of Columbia act or assume to act as agent for any insurance carrier whose authority to do business in such District has been suspended while such suspension remains in force, or who shall willfully make a false or fraudulent statement of the business or condition of any such insurance carrier, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than $100 nor more than $1,000, or by imprisonment for not more than one year, or both such fine and imprisonment, in the discretion of the jury.

(d) Whenever by this act or the terms of any policy contract any officer is required to give any notice to an insurance carrier, the same may be given by delivery or by mailing by registered letter, properly addressed and stamped, to the principal office or chief agent of such insurance carrier within the District of Columbia, or to its home office, or to the secretary, general agent, or chief officer thereof in the United States.

SEC. 38. That notice of an injury for which compensation is payable under this article shall be given to the employer within 10 days after the accident, and also in case of the death of the employee resulting from such injury within 30 days after such death. Such notice may be in writing and contain the name and address of the employee and state in ordinary language the time, place, nature, and cause of the injury, and be signed by him or by a person on his behalf or in case of death by any one or more of his dependents or by a person on their behalf. The failure to give such notice, unless excused by the compensation commissioner either on the ground that notice for some sufficient reason could not have been given or on the ground that the insurance carrier or employer, as the case may be, has not been prejudiced thereby, shall be a bar to any claim under this act.

Whenever an accident occurs to any employee it shall be the duty of the employer to at once report such accident and the injury resulting therefrom to the compensation commissioner. Such report shall state (a) the time, cause, and nature of the accident and injuries, and the probable duration of the injury resulting therefrom; (b) whether the accident arose out of or in the course of the injured person's employment; (c) any other matters the rules and regulations of the commissioner may prescribe.

SEC. 39. After an injury and so long as he claims compensation, the employee, if so requested by his employer or ordered by the compensation commissioner, shall submit himself to examination, at reasonable times and places, by a duly qualified physician or surgeon designated and paid by the employer or the compensation commissioner. The employee shall have the right to have present at such examination any duly qualified physician or surgeon provided and paid by him. No fact communicated to, or otherwise learned by any physician or surgeon who may have attended or examined the employee, or who may have been present at any examination, shall be privileged, either in hearings provided for by this act or in any action at law brought to recover damages against an employer for an injury subject to the provisions of this act. If the employee refuses to submit himself to or in any way obstructs such examination requested by and provided for by the employer, his right to compensation and his right to take or prosecute any proceedings under this act shall be suspended until such refusal or obstruction ceases, and no compensation shall at any time

be payable for the period of suspension, unless in the opinion of the compensation commissioner the circumstances justify the refusal or obstruction. The employer, or the compensation commissioner, shall have the right in any case of death to require an autopsy at the expense of the party requesting the same.

SEC. 40. That all questions arising under this act, if not settled by agreement of the parties interested therein, with the approval of the compensation commissioner, shall be determined by the commissioner except as otherwise herein provided.

SEC. 41. That if, after seven days from the date of the injury, or at any time in case of death, the employer and the injured employee or his dependents reach an agreement in regard to compensation under this act, a memorandum of the agreement in the form prescribed by the compensation commissioner shall be filed with the commissioner; otherwise such agreement shall be voidable by the employee or his dependents.

If approved by the commissioner, thereupon the memorandum shall for all purposes be treated as an award by the commissioner and shall be enforceable by the court's decree, as hereinafter specified.

SEC. 42. That if the employer and the injured employee or his dependents fail to reach an agreement in regard to compensation under this act, or if they have reached such an agreement which has been signed and filed with the compensation commissioner and compensation has been paid or is due in accordance therewith, and the parties thereto then disagree as to the continuance of any payment under such agreement, either party may make application to the compensation commissioner for a hearing in regard to the matters at issue and for a ruling thereon.

Immediately after such application has been received the commissioner shall set the date for a hearing, which shall be held as soon as practicable, and shall notify the parties at issue of the time and place of such hearing.

The compensation commissioner or a deputy commissioner shall hear the parties at issue and their representatives and witnesses, and shall determine the dispute in a summary manner. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue, shall be filed with the record of the proceedings, and a copy of the award shall immediately be sent to the parties in dispute.

SEC. 43. That upon his own motion, before judicial determination or upon the application of any party in interest on the ground of change in condition, the compensation commissioner may at any time review any award, and on such review may make an award ending, diminishing, or increasing the compensation previously awarded, or awarding compensation where no compensation was previously awarded, subject to the maximum and minimum provided in this act, and shall immediately send to the parties a copy of the award. No such review shall affect such award as regards any moneys paid.

SEC. 44. That any employer, employee, dependent, or person feeling aggrieved by any decision or award of the compensation commissioner affecting his interests under this act may have the same reviewed by a proceeding in the nature of an appeal and initiated in the Supreme Court of the District of Columbia, and the court shall determine whether the commissioner has justly considered all the facts concerning injury, whether he has exceeded the powers granted him by the act, and whether he has misconstrued the law and facts applicable in the case decided. If the court shall determine that the commissioner has acted within his powers and has correctly construed the law and facts, the decision of the commissioner shall be confirmed, otherwise it shall be reversed or modified. Upon the hearing of such an appeal the court shall, upon motion of either party filed with the clerk of the court according to the practice in civil cases, submit to a jury any question of fact involved in such case. The proceedings in every such an appeal shall be informal and summary, but full opportunity to be heard shall be had before judgment is pronounced. No such appeal shall be entertained unless notice of appeal shall have been served personally upon the commissioner within 30 days following the rendition of the decision or award appealed from. An appeal shall not be a stay. If the decision or award of the commissioner shall be changed or modified, the practice prevailing in civil cases as to the payment of costs and the fees of medical and other witnesses shall apply. Appeal shall lie from the judgment of the Supreme Court to the Court of Appeals of the District of Columbia, as in other civil cases, and such appeal shall have precedence over all cases except criminal cases.

The corporation counsel for the District of Columbia shall be the legal adviser of the commissioner and shall represent him in all proceedings whenever so requested by the commissioner. In all court proceedings under or pursuant to this act the decision of the commissioner shall be prima facie correct and the burden of proof shall be upon the party attacking the same.

SEC. 45. That any party in interest may file in the Supreme Court of the District of Columbia a certified copy of an agreement approved by the compensation commissioner, or of an order or decision of the commissioner, or of an award of the commissioner unappealed from, or of an award of the commissioner affirmed upon appeal, whereupon said court, upon proof of default in payment or that the security for payment is doubtful, shall render a decree in accordance therewith and notify the parties. Such decree shall have the same effect, and all proceedings in relation thereto shall thereafter be the same, as though said decree had been rendered in a suit duly heard and determined by said court.

SEC. 46. That if the compensation commissioner or the court before which any proceedings for compensation or concerning an award of compensation have been brought, under this act, determines that such proceedings have not been so brought upon reasonable ground, it shall assess the whole cost of the proceeding upon the party who has so brought them.

Claims for legal services in connection with any claims arising under this act and claims for services or treatment rendered or supplies furnished pursuant to section 20 of this act, shall not be enforceable unless approved by the compensation commissioner.

If so approved, such claim or claims shall become a lien upon the compensation awarded, but shall be paid therefrom only in the manner fixed by the commissioner.

SEC. 47. That any person who shall knowingly secure or attempt to secure larger compensation or compensation for a longer term than he is entitled to, or knowingly secure or attempt to secure compensation when he is not entitled to any, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $500 or imprisoned not exceeding 12 months, or both, in the discretion of the court, and shall from and after such conviction cease to receive any compensation.

SEC. 48. That in this act, unless the context otherwise requires—

(a) "Employer" shall include any individual, firm, association, or corporation, or the receiver or trustee of the same, or the legal representative of a deceased employer, using the service of another for pay. If the employer is insured, it shall include his insurer so far as applicable.

(b) "Employee" shall include every person, including a minor, who is employed by another under any lawful contract of service or apprenticeship, written or implied. Any reference to an employee who has been injured shall, where such employee is dead, include a reference to his dependents and other persons to whom compensation may be payable, or, where the employee is a minor or incompetent, to his committee or guardian or next friend.

(c) "Average weekly wages" shall mean the earnings of the injured employee, including "overtime," in the employment in which he was working at the time of the accident during the period of 52 weeks immediately preceding the date of the accident, dividend of 52; but if the injured employee lost more than seven consecutive calendar days during such period, although not in the same week, then the earnings for the remainder of such 52 weeks shall be divided by the number of weeks remaining after the time so lost has been deducted. Where the employment prior to the injury extended over a period of less than 52 weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed: *Provided*, That results fair and just to both parties will be thereby obtained. Where by reason of a shortness of time during which the employee has been in the employment of his employer or the casual nature or terms of his employment it is impracticable to compute the average weekly wages as above defined, regard shall be had to the average weekly amount which during 52 weeks previous to the accident was being earned by a person of the same grade and character employed in the same class of employment in the same locality or community.

If the injured employee at the time of the injury is regularly employed at higher wages than formerly during the preceding 52 weeks, only such higher wages shall be taken into consideration in computing his average weekly wages. If the injured employee was of such age and experience when injured that under natural conditions his wages would be expected to increase, that fact may be taken into consideration in determining his average weekly wages.

But where for exceptional reasons the foregoing would be unfair either to the employer or employee, such other method of computing average weekly wages may be resorted to as will most nearly approximate the amount which the injured employee would be earning were it not for the injury.

"Earnings" shall include the reasonable value of board, lodging, housing, fuel, and similar advantages which the employee receives from the employer as part of his remuneration, but shall not include payments by the employer to cover special expenses entailed on the employee by his employment.

(d) "Injury" and "personal injury" shall mean only injury by accident arising out of and in the course of the employment, and shall not include a disease in any form, except where it results naturally and unavoidably from the accident.

(e) Hernia shall not be deemed an injury by accident arising out of and in the course of the employee's employment, unless it be proven to the satisfaction of the compensation commissioner—first, that there was an injury resulting in hernia; second, that the hernia appeared suddenly; third, that it was accompanied by pain; fourth, that the hernia immediately followed an accident; fifth, that the hernia did not exist prior to the accident for which compensation is claimed.

SEC. 49. That the rule that statutes in derogation of the common law are to be strictly construed shall have no application to this act; but this act shall be so interpreted and construed as to effectuate its general purpose.

SEC. 50. That if the provisions of this act relative to compensation for injuries to or death of employees become invalid because of any final adjudication, the period intervening between the occurrence of an injury or death, not previously compensated for under this act by lump-sum payment or completed periodical payment, shall not be computed as a part of the time limited by law for the commencement of any action relating to such injury or death: *Provided*, That such action be commenced within one year after such final adjudication, but in any such action any sum paid to the employee on account of injury for which the action is prosecuted shall be taken into account.

SEC. 51. That the provisions of this act shall not apply to injuries or death, nor to accidents which occurred prior to the taking effect of this act.

SEC. 52. That the sum of $20,000 annually for the years 1922 and 1923, or so much thereof as may be necessary annually for the maintenance of the office of the compensation commissioner for the District of Columbia and the payment of the salaries and expenses of the commissioner and his employees, is hereby appropriated, and shall be payable to the order or orders of the said commissioner from time to time, as in this law provided, and the auditor of the District of Columbia shall draw his warrant or warrants therefor upon the United States Treasury, as in law provided for the annual appropriations in the District of Columbia. And a further appropriation is hereby made of the sum of $5,000 for the year 1922 for the necessary expenses of the aforesaid compensation commissioner to cover printing, office fixtures, and such other legitimate expenses as the commissioner may incur in establishing his office as in this act contemplated, and the auditor of the District of Columbia shall draw his warrant upon the United States Treasury for the said sum of $5,000, or any part thereof, upon the order or orders presented to the auditor of the District of Columbia by the said commissioner.

SEC. 53. That all acts or parts of acts in conflict with this act are hereby repealed to the extent that they conflict with this act and no further.

SEC. 54. That this act shall take effect from the date of its passage, but that its application as between employers and employees shall date from and include the 1st day of July, 1922.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend and revise his remarks in the RECORD. Is there objection?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, I yield five minutes to the gentleman from Delaware [Mr. LAYTON].

Mr. LAYTON. Mr. Chairman, I have not asked for the privilege of the floor for the purpose of making any extended speech upon the bill. However, I have interposed questions here and there to such an extent that I feel in justice to myself I ought

to explain my position. In the first place, I am absolutely in favor of the humane, general principle of an employees' liability act. We have one in my own State. It has been on the statute books there for some years. I am in hearty sympathy with that legislation, especially when it comes by the will of the people within their respective Commonwealths. The objection, and the only objection, I have to this bill is that it establishes one of the most vicious propositions that could be enacted into law which has ever been presented upon the floor of this House. That proposition is that the Federal Congress shall assume the right within the territory where this Government exists to say to any legitimate organized business, "You shall not enter in." Cut that out and I am in favor of this bill. [Applause.]

Mr. FOCHT. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. GERNERD].

Mr. GERNERD. Mr. Chairman, we in Pennsylvania pride ourselves upon the splendid operation of our workmen's compensation act. I remember distinctly when that measure was before the legislature there was great propaganda extant hostile to its adoption, but the spirit of human progress prevailed, and we enacted such a law. We have a dual system in Pennsylvania, permitting private companies to compete with the State. The one stirs up the other, with the result, I am satisfied, that the efficiency with which the workmen's compensation act operates is largely due to the alert competition which the State receives from private companies. I am pleased to say that I myself carry all of my insurance with the State. I have found it more preferable than to do it with private companies. I have been getting the best kind of service, and I know a lot of my clients before I came here did the same thing, but I believe the competition of the private companies is the incentive that has made for real efficiency in its operation.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. COLTON. It has been stated here that in the District of Columbia we can not have that dual service, that we must choose as between the Government service and the private service.

Mr. GERNERD. I know that that has been suggested, but I really question the wisdom of such a statement. I do not say that it is not accurate.

Mr. COLTON. If the gentleman will permit further, some of us are driven, in view of the statement made by the author of each of these bills, to choose between either the Government service or the private service, and many of us would prefer, if we could, to have the dual service.

Mr. GERNERD. Yes. I am for the dual system, and I hope before the bill is finally enacted into law we will have an opportunity to vote for an amendment that will give us the same rights that the Pennsylvania law gives to the citizens of Pennsylvania. I shall vote for that; but if we lose out on that I shall vote for the compensation bill as it now stands. I am for the dual system, but rather than not have a workmen's compensation act in the District, I am willing, under great reluctance, to accept the bill as presented.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. LAYTON. While some gentlemen seem much alarmed over the fact of the dual system existing in the District of Columbia, yet if the Government insurance, as proposed in the bill, is going to be so very much more economical than private insurance, then no private insurance business can come in.

Mr. GERNERD. I want to say that since I have been here the great scare that is brought about by propaganda has lost its effect, so far as I am concerned. I find that in practical legislation a lot of this stuff is overdrawn, and when the contest is over and the bill is enacted into law, we usually have gotten down to the natural bearings of things and were able to work out things along practical lines.

Mr. LAYTON. In other words, private companies will not come in unless they come in on a competitive basis.

Mr. GERNERD. I believe that in this country everybody should have a right to compete, but I recognize the modern doctrine that is growing, that Government supervision and operation is helpful and should not be entirely excluded.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FOCHT. Mr. Chairman, I yield the gentleman five minutes more.

Mr. LAYTON. Will the gentleman yield?

Mr. GERNERD. Yes.

Mr. LAYTON. I am a little confused. The beautiful golden statement was made that this administration stood for less interference on the part of the Government with business. I do not see why we should not stick to that and go on with it.

Mr. GERNERD. That, too, is overdrawn. I have heard a lot about that since I have been here, but I have learned that it is a convenient excuse to oppose salutary legislation.

Every time you get before committees there is opposition and talk about the Government that it should not do this or that. We are here and recognize the fact that it is a lot of propaganda. What we ought to do is to get at the merit of a proposition impartially, patriotically, and then act.

Mr. LAYTON. Provided we have got the right to do it.

Mr. GERNERD. Oh, I agree with the gentleman. That is why we have a Supreme Court to determine whether a thing is right or not. But let me read you from the report made by Hon. Harry N. Mackey, of Pennsylvania, who has been administering the workmen's compensation law in Pennsylvania in a very able, salutary manner. He has humanized the law and inspired absolute confidence. When we originally started it the legislature gave to the State fund the sum of $500,000 with which to create a fund to do business. All of that has been paid back to the State out of surplus earnings. It costs 10.5 per cent to do business. That represents the annual operating expense of putting the workmen's compensation act in operation in Pennsylvania, while the claims were but 42.6 per cent, showing almost 40 per cent profit coming back to the State fund, where it has been accumulating and taking the place of the fund that was originally created.

I want to say, in conclusion, I am for a workmen's compensation act, first, with a dual system; but if I can not vote for that, then I am for the workmen's compensation bill as presented by Mr. FITZGERALD.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GERNERD. I would like permission to revise and extend my remarks?

The CHAIRMAN. Is there objection to the gentleman from Pennsylvania's request? [After a pause.] The Chair hears none.

Mr. FITZGERALD. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LITTLE. Mr. Chairman, there is one outstanding radical difference between these bills, and that is about all of the distinctive difference I have been able to catch yet. The first bill is drawn for the special purpose of providing compensation to injured laborers. The second bill is brought out on the distinct theory that somebody must make some money out of it. That is the only real difference that I have been able to catch out of them, except, of course, that the Fitzgerald bill has less restriction and more liberal compensation. A great Frenchman once said that private interest in public affairs was the greatest difficulty in government. For many years 70,000 people have gone to work every Monday morning in this town without any protection of this kind, although 5,000 of them were injured every year and 40 of them were killed every year. The Fitzgerald bill comes in and provides a system by which they claim that for about 3 per cent overhead they can provide suitable insurance protection for them. Somebody else comes along and says, "Good God, only making 3 per cent! That is an economic failure. Let me have a crack at it and I can make 35 per cent." Now, if there is any other difference between the bills in particular, I do not know what it is. Gentlemen, get up here and say that we must not save the 32 per cent because the Government will be "going into business." As the gentleman from Pennsylvania just suggested in effect, that is simply a lot of bunk. The Government went into business when it took over the schools; the Government went into business when it took over the post offices; the Government goes into business all the time, and has been getting into it more and more as the growth and development of national life and civilization goes on. Where they are to stop I do not know. Time will tell. Whenever private enterprise does the work better and more economically the Government should not compete. This will be a brand new business in the District of Columbia only. The Government is compelling employers to insure. The Government must give the cheapest insurance possible. Private enterprise will require an overhead of 35 per cent or more. The Government will carry on this compensation with a 3 per cent overhead. It will save the employers 32 per cent. Now, anything that you do not like you call socialism, and anything you do like you call progress. [Laughter and applause.]

Do not let us quibble about words. This is all bunk about socialism and the Government being in business. It is all just child's talk. The practical question before us is whether the Government can do it better in this particular instance, and each

business and every transaction in which the Government does or does not engage should be determined by which can do it the better. The Government can do this, according to everybody interested, for 32 per cent less than the other people do it. Now, the Government has started a new business. Here are 70,000 people. There is the basis for an entirely new development of insurance. Here is a new field which is open. The gentleman says, my friends say, enemies perhaps, that the big insurance companies should have a chance at this. For the love of Heaven, why should they? Nobody in the world makes as much money as they do. Why should we interfere with this work of protecting the people for the aid of insurance companies? The insurance money is piled mountain high and hell deep in New York City vaults. The sums that have been accumulated there stagger one's intelligence to conceive. Probably the greatest menaces to this Republic right now are these accumulations, practically uncontrollable, ready to interest themselves and interesting themselves in every feature of business, governing, determining everything, the railroads, the factories, the banks.

Mr. WYANT. Will the gentleman yield?

Mr. LITTLE. When I get a little further along. Right now they have their funds in everything. Why should they come in here just because they want to get their hands on the 108,000 people here? They say if you do not allow these big companies to come here you will have a monopoly. Why these great companies are monopolies, dangerous menaces. Right down here at the head of a little bureau is a woman equipped and prepared, they say, to take care of this business, and it will cost the people who insure, they say, about 3 per cent. The gentleman from Maryland said it would not cost the Government anything because the fellows who pay for the insurance are going to pay enough to meet all the expenses of this self-supporting enterprise.

It appears that unless we allow this bill to go as it is the competition of the big companies will be such that the dual feature will be driven out of this business. There is only a limited supply of possible insurance business in the District. There are only 70,000 people as the basis of this whole industry. It will come that these silver-tongued orators who represent these big companies will get hold of the business and drive the bureau people out. There is no chance for a great dual business here. In the great State of Pennsylvania, that sweeps from the biggest river that we have, except the Mississippi, to the seacoast, there, with wealth that is almost beyond the dreams of avarice, with more money than they know what to do with, the tremendous business will supply competition between any number of people. But in this little widow's garden——

Mr. GERNERD. I want to thank the gentleman for the unusual compliment to the State of Pennsylvania.

Mr. LITTLE. The gentleman is entirely welcome. My grandfather came from there. [Laughter and applause.]

Mr. MOORE of Virginia. I think we must agree that Pennsylvania is rapidly becoming a very "Progressive" State, must we not? [Laughter.]

Mr. GERNERD. I agree with the gentleman from Virginia.

Mr. LITTLE. Everything is very satisfactory so far. Why should you attempt to create this competition that these gentlemen insist upon here? To help somebody that needs help? No. Just to pile up so much more money for those who do not need it. This bureau can do business much more cheaply than these companies can. This bureau is on the ground. There will be no competition if the fellows outside get their hands into this sack. The companies who hustle for it will drive out the bureau which can not. You all know that. Everybody practically concedes it on both sides. And what on earth would be the sense or the use of providing for this bureau and this public insurance if you immediately stick a bomb under it and blow it up before it starts?

The thing for you to do is to take this ewe lamb you propose for this District and let it grow, and shear it later after its growth. It is the first time in the history of this Government that we ever tried to do anything of this kind for these laboring people. It is the first time the mantle of this Congress has ever been thrown across them.

Now, do not let us figure out how somebody can skin them and make money out of them. There is enough for these great insurance companies to do without coming down here. My friends, I think of the old Frenchman's statement that the greatest difficulty in government is private interests in public affairs, and I see that sticking out every day here and everywhere else wherever government exists. Somebody wants to make money, and he can not see anything going by without wanting to snatch his dollar off of it. [Laughter.] Let us legislate once primarily in the interest of the people we are legislating for. Let us forget whether or not some millionaire is going to make another million out of it. Do not let us raise the cry-baby talk about this being socialism. "A rose by any other name would smell as sweet." Is the Post Office Department socialism? It is true that we tend more and more toward what some folks call socialism, but as we use it so far it is just the application of good common sense. The fight is between cooperation and corporation. The great corporations are organized purely for private and individual gain. They have no conscience and no soul. The men they employ have got to make money for them or get out. Cooperation is the development of friendship between men in life, private and public, so that they can help each other instead of trying to climb up on other backs all the time and take all the money away from fellows they climb over. [Applause.]

Let us provide a law for once that furnishes a good, sensible way to give these Columbians insurance. Are you not ever going to learn to differentiate between cooperation and corporation? Cooperation represents the soul of the people. That entity has to be taken into consideration. Now, let us take a commonsense, practical view. I think perhaps there is a good deal in the suggestion of the gentleman from Pennsylvania; but it is not practical here. You can not run them both together. They will just drive out the better one of the two, the one that you favor—the State insurance the gentleman from Pennsylvania favors at home. Let us go ahead now and pass this bill the way the gentleman from Ohio [Mr. FITZGERALD] has presented it. Let the insurance bureau get a good start before the big companies begin to throttle it. It is the first attempt that has been made to accomplish anything of the kind in the District. Give it a fair trial.

Mr. ELLIS. Will the gentleman yield?

Mr. LITTLE. I will.

Mr. ELLIS. I simply want to say to the gentleman that I am enjoying his speech, and I am as glad to hear it as he is to make it. I have not heard it before since the Populists carried Kansas.

Mr. LITTLE. Was it a good speech then?

Mr. ELLIS. Yes; it carried Kansas.

Mr. LITTLE. Oh, the gentleman overestimates.

Mr. WYANT. In view of the fact that the Government lost more than $2,000,000 by operating the railroads for a period of 18 months, and then got out, and in view of the fact that we are attempting to operate ships and losing $4,000,000 a month thereby, does the gentleman still insist on the Government going into private business with the hope of saving money for the people?

Mr. LITTLE. We know now that private enterprise is not competent to run the railroads successfully, and the Government failed to manage them successfully. Every plan tried so far has failed since the railroads became so essential a feature. Is there, then, somebody who knows what to do with them? There has been no real Government control of any railroad. There has been a Government administration, in an indirect way, of railroads, tempered by the selfish interests of the men who did not propose there should be any success in it. Neither private enterprise nor public administration has shown ability to manage these arteries of commerce.

Mr. LAYTON. Will the gentleman yield a minute?

Mr. LITTLE. Yes. The gentleman has shown a commendable curiosity on the bill.

Mr. LAYTON. You were here when the Esch-Cummins bill was passed?

Mr. LITTLE. Yes.

Mr. LAYTON. You would not run anything, no matter how small, how ordinary, it was, if you had all of the folks and all the labor employed in it, and you had the credit employed in it, and the price of things you had to sell fixed by some other authority. You would not run any other business like that if you were a sensible man.

Mr. LITTLE. They seem as able to run it that way as any other way. The job appears to be too big for anybody. People who could not succeed with all that Government aid could not handle the business in any way. All railroad management has failed in recent years. But what has that to do with it? The American soldiers were insured by the Government without any competition. By the United States employers' compensation act the Federal employees are automatically insured by the Federal Government without any competition from private companies. The establishment of this Government bureau in the District of Columbia only should follow the former precedents, and there is no reason why the United States Government should go into competition with anybody for the business it creates, any more than they did for that of the soldiers or Federal employees. The private interests did not create this business, but the Government does and should protect it at

reasonable rates. Many States have successfully adopted similar laws. Is it possible these people want the Government to compete with them for all business? Be sensible, gentlemen; you are doing very well now. We succeed with schools and post offices. State after State has done well in this insurance. That cry of "Railroads! Railroads!" is just another lighted candle in a pumpkin. Do not jump, my friend. That is just for kids on Halloween. I would run it as we run the post office and as we run the schools, and they seem to get along very well. What has carrying insurance for 70,000 laborers to do with $20,000,000,000 worth of railroads? One thing is demonstrated, and that is that private owners and the Government did not work together. Yet you want them to in insurance in this District. Give this proposition a chance to begin. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FOCHT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LONDON].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. LONDON. Mr. Chairman and gentlemen of the committee, I would not address the committee if the gentlemen in charge of the bill were ready to proceed with the reading of it.

Mr. LAYTON. Would the gentleman prefer to have a quorum here just now?

Mr. LONDON. No; not even to hear the questions which the gentleman may have in mind to propound. [Laughter.]

Mr. LAYTON. Very well. We will get along without my making the point that there is no quorum here.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. ELLIS. I would like very much to ask for a quorum if the gentleman would like to have it, because I know he is going to make a socialistic speech, and the gentleman is the only man who admits that he is a Socialist.

Mr. LONDON. Some of those who are not Socialists are anarchists, of which there are two varieties, one at the bottom, poor, helpless, despondent. Then there is another group of anarchists, dangerous to democracy, a group that does not recognize the power of the soul in human affairs. That is the group that would subordinate to cash, to money, every human consideration, and that is really the dangerous group of anarchists.

Mr. LAYTON. Mr. Chairman, I like this talk so much that I will make the point of no quorum.

The CHAIRMAN (Mr. RAMSEYER). The gentleman from Delaware makes the point that there is no quorum present. The Chair will count.

Mr. LONDON. That is unfair.

Mr. LAYTON. I will withdraw it, Mr. Chairman.

The CHAIRMAN. The gentleman from Delaware withdraws the point.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LONDON. No; I can not yield.

Mr. ELLIS. The gentleman did not understand my attitude. I was not speaking in criticism of the gentleman. I was speaking in congratulation.

Mr. LONDON. Whenever anybody refers to a Socialist in my presence it is a compliment, because he must have me in mind. [Laughter.]

Now, let us come to the point: Insurance should never have been a private function or business. It is interesting that when the first insurance case came up in France after the French Revolution it was thrown out of court on the ground that it was against public policy; that it was below the dignity of a Frenchman to place a money price upon his life. That was the sentiment of the French Revolution—that a Frenchman was too noble a being for his life to be estimated in francs, in dollars and cents, and the first case was thrown out.

Death is a certainty. Other things may be uncertain in life, but death is certain to come; and life insurance—the richest part in the insurance business, the most prosperous part—proceeds upon a mathematical law, an inescapable law. There is no reason in the world why any group of private individuals should benefit by the death of their fellow men. There is no reason in the world why in this particular branch of human endeavor—the insurance business—the municipality or such other governmental agency as the case may require should not be the agency which should collect the premiums upon an actual cost basis and pay the insurance. There is no reason why any profit should be attached to it. There is no reason in the world why insurance should be a source of private profit making.

The early history of life insurance is a history of piracy. The fraudulency of the insurance companies knew no limit. The policies contained so many exceptions that the insured could never recover on a policy. The law compelled the companies to write the exceptions in red ink. The result of it was that almost the entire policy was in red ink. Year after year the legislatures struggled to protect the policyholders from the schemes of the insurance companies, with the result that ultimately in almost every State in the Union the right of making a contract of insurance has been taken away from the insurance companies and the law prescribes a standard policy of insurance. The law has taken away from the insurance company the power of making a private contract.

Mr. ELLIS. Oh, no. The gentleman surely does not mean that. The gentleman is entirely right in saying that the statutes of the several States, nearly all of them, prescribe a form of contract, but the statutes do not prohibit the insurance company from making the contract.

Mr. LONDON. I said, or at least intended to say, that the terms of the contract are made by the States, and no company can make a modification of those terms without getting the consent of the superintendent of insurance.

Mr. ELLIS. That is true.

Mr. LONDON. In other words, the life and fire insurance companies are not trusted with the power of making the terms of the contract. We have introduced that degree of socialism into the insurance business. But we have not taken away the profit-making power from them. The insurance companies are now the principal depositories of the people's savings. Their financial power is almost unlimited. Their funds—the savings of the people—are at the disposal of the moneyed aristocracy.

What is the situation so far as this little bill is concerned? There are not many hazardous occupations in the District of Columbia. We have no factories worth mentioning here. We have no mines. We have no dangerous employments. The field is limited. This bill does not permit private companies to compete with the State funds. To permit private companies to compete with the State funds would make the operation of the State funds almost impossible. The State can not go into advertising to present the benefits of insurance to the individual as the private companies can. The companies are interested in preventing the State from looking into the question of insurance, in preventing the State from coming near it, from approaching it.

Why do the insurance companies fight this little bill? Is it on account of the business involved? No. It is because they do not want the States to take up the subject of insurance. Because when the States do approach the subject of insurance it will become clear to every thinking man that this particular field of human endeavor belongs solely to organized society and should not be a field of private exploitation. That is their principal objection to this bill.

Mr. WYANT. Will the gentleman yield?

Mr. LONDON. Yes.

Mr. WYANT. Is it not true that in almost all lines of business under Government control such business can not compete with private enterprise?

Mr. LONDON. Oh, well now, is that true?

Mr. WYANT. Is it not true?

Mr. LONDON. That is too big a question to discuss in this limited time; but let me tell the gentleman that I know of a company that competes with the post office. I will not mention its name. It competes with the United States Government in transporting little packages and circulars, and such things. How does it do it? While the Government pays a man a regular salary with reasonable hours, and employs him every day in the year and pays him for his vacation, and pays him now a certain pension, that private company works its men 12 or 14 hours a day and pays one-half the salary that is paid by the Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. I should like five minutes more.

Mr. UNDERHILL. I have no time unpromised.

Mr. FITZGERALD. I yield to the gentleman five minutes.

Mr. LONDON. The post office furnishes the cheapest and most reliable method of communication in spite of the fact that we have to pay too much to private railroad companies for transportation.

Take the socialist institution, the public schools. The greatest philosopher of his day, Herbert Spencer, not a fool or an ignoramus, not a man who used the word "socialism" as a term of abuse, in his book The Coming Slavery, argued that the establishment of the public schools would enslave society.

There is an element of truth in that, because the molding of the child's mind by a governmental institution may result in establishing a certain uniform and rigid standard; but while there is that germ of truth in it, it will be agreed by all that the foundation of democracy is the common school.

Mr. ELLIS. Does the gentleman from New York agree with the gentleman from Kansas [Mr. LITTLE] that there is a parallelism between the public schools and governmental insurance?

Mr. LONDON. Yes. You see, as I pointed out, insurance should not be the sphere of the private individual. If a calamity occurs, it is a public affair. If somebody dies, it is a public loss; and because death is a certainty, why should private interests benefit by it? Why should somebody be accumulating profit and benefit because everybody must die? Why should not the State, that collective agency which is the government, see to it that when somebody dies the family should be protected from distress? The basis should be the payment of a premium at actual cost. It is conceded that one-third of the premiums paid to the private insurance companies goes for expenses and that the State funds are conducted at an almost nominal expense. If we can get insurance for one-third less, I would rather have the family of the insured benefit by receiving a larger benefit when the breadwinner dies. That is how I would utilize the difference in cost of insurance.

There can be no serious objection to the State-fund feature of the Fitzgerald bill except the old, old objection, the fear of the extension of the power of Government. Gentlemen, whether you want it or not, it is absolutely true—although the gentleman from Kansas said it—[laughter] that the problem to-day is between unrestrained individualism and cooperation. He employed the phrase, "between corporations and cooperation." Modern industry is cooperative at least so far as production is concerned. It is because of the cooperative production that we are coming to have cooperative thinking and cooperative action.

Mr. GERNERD. Does the gentleman believe in any competition?

Mr. LONDON. I believe that the law of civilized society to-day will tend toward inducing cooperation wherever and whenever competition is injurious to society. That is the inevitable tendency; and the mission of thinking men is to make the process of transition less bitter and less cruel.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONDON. I would like 2 minutes more.

Mr. FITZGERALD. I yield to the gentleman 2 minutes more.

Mr. GERNERD. Is it not true that without competition there is no incentive in life?

Mr. LONDON. Competition in what?

Mr. GERNERD. Competition in any endeavor.

Mr. LONDON. Now, let us see about that. I have only two minutes, but let me answer the gentleman. The principle of competition and the struggle for the survival of the fittest—which some people believe to be the same thing—have been splendidly explained by Mr. Wallace, one of the best students of Darwinism, in a very concise way.

Mr. GERNERD. Darwinism is a subject that is rather beyond me.

Mr. LONDON. He said that the survival of the fittest is supposed to represent the triumph of individualism. In the polar regions the white bear and the black bear are engaged in competition. The white bear, white as snow, has a better chance to approach its victim without being discovered than the black bear. The white bear will survive, but it does not follow at all that the white bear is a gentleman. [Laughter.] Under competitive conditions, where greed and selfishness are rewarded, the meanest scoundrel will survive.

Mr. LAYTON. Will the gentleman yield?

Mr. LONDON. Yes.

Mr. LAYTON. The gentleman is a student of abstruse subjects, but he would not call that a scientific answer to the gentleman from Pennsylvania?

Mr. LONDON. Whether it is a scientific answer or not, it is mathematically correct. [Laughter.]

Mr. UNDERHILL. Mr. Chairman, I yield to myself sufficient time to tell a story on Colonel LITTLE. We are members of the same committee before which come numerous claims for damage, many of which are backed up by lawyers of this city who are more or less acute. I do not care to give any names, and I do not wish to reflect on the legal profession. The suggestion was made by me in one case of a poor workman as to whether or not an attorney was being paid out of the pocket of this workman for presenting the case to Congress when the Committee on Claims was supposed to do all the work. Colonel LITTLE came to the defense of his colleague and said, "What of it; if we are entitled to it, are they not?" As he stood here and told us that there should be no competition between business and the insurance companies, that they should not be allowed to make any profit, I wondered where his consistency lay in the defense of the attorney who, according to my experience down here, acts as a bloodsucker on these individuals who have an honest claim against the Government, and when we endeavor to do justice to a citizen and give him some relief, the attorney takes the most of it.

Mr. LITTLE. Mr. Chairman——

Mr. UNDERHILL. I yield to the gentleman two minutes.

Mr. LITTLE. I want to say that I did not say anything of the kind. [Laughter.] I said "What of it? They are as much entitled to hire a lawyer and come here as the biggest millionaire in the country, and your claim is going to be decided upon its merits by the committee, whether you hire a lawyer or not." I did not say the lawyer ought to have all he could get out of it. [Laughter.]

Mr. UNDERHILL. I say that the insurance companies are entitled to come here in Washington and make a profit as much as a man has to hire a lawyer. Why should you oppose a law that would permit a legitimate business to do business in Washington?

Mr. LAYTON. Mr. Chairman, I have been a Member of the House for three years, and I never had the privilege of rising and making the point of no quorum, but I am going to do it now, and I make the point of no quorum.

The CHAIRMAN. The gentleman from Delaware makes the point of no quorum. The Chair will count.

Mr. LAYTON. Mr. Chairman, I would like to ask the gentleman from Pennsylvania, the chairman of the committee, if he intends to finish general debate this afternoon?

Mr. FOCHT. I did intend to finish general debate and then will move that the committee rise.

Mr. LAYTON. Mr. Chairman, I withdraw the point of no quorum.

Mr. UNDERHILL. Mr. Chairman, I wish to say that I make no agreement to that effect. I believe I have used about half of my time.

The CHAIRMAN. The gentleman from Massachusetts has 32 minutes remaining, and the gentleman from Pennsylvania has 18 minutes remaining.

Mr. UNDERHILL. There are some gentlemen who are away and who want to speak on the bill, and I do not care to close general debate until they have been heard.

Mr. FOCHT. Does the gentleman mean to keep us here? The time for general debate will expire about 5 o'clock.

Mr. UNDERHILL. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. UNDERHILL) there were 20 ayes and 34 noes.

So the motion was lost.

Mr. LAYTON. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Delaware makes the point of no quorum. The Chair will count. [After counting.] Sixty-two Members present, not a quorum.

Mr. GARRETT of Tennessee. Mr. Chairman, I move that the committee do now rise.

Mr. RAMSEYER. Mr. Chairman, I make the point of order that that motion is dilatory.

The CHAIRMAN. The point of order is overruled. The question is on the motion of the gentleman from Tennessee that the committee do now rise.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 18 ayes and 32 noes.

So the motion was lost.

Mr. FOCHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, 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. 10034, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to—

Mr. BUCHANAN, at the request of Mr. GARNER, indefinitely, on account of important business.

Mr. MORGAN, for five days, on account of illness in his family.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 9981. An act making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

ADJOURNMENT.

Mr. FOCHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to, and accordingly (at 4 o'clock and 23 minutes p. m.) the House adjourned until to-morrow, Tuesday, June 13, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

634. Under clause 2 of Rule XXIV, 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 Justice for the fiscal years ending June 30, 1922, and June 30, 1923, in the amount of $39,000 (H. Doc. No. 338), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 11040. A bill to amend an act entitled "An act authorizing the sale of the marine hospital reservation in Cleveland, Ohio," approved July 26, 1916; with an amendment (Rept. No. 1089). 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. CHINDBLOM: Committee on Public Buildings and Grounds. H. R. 11579. A bill to amend section 1 of an act approved January 11, 1922, entitled "An act to permit the city of Chicago to acquire real estate of the United States of America"; with an amendment (Rept. No. 1090). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDMONDS: A bill (H. R. 11985) to amend and reenact subdivisions (a) and (b) of section 209 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. PORTER (by request): A bill (H. R. 11986) for the relief of the Royal Italian Government; to the Committee on Foreign Affairs.

By Mr. DEMPSEY: A bill (H. R. 11987) to authorize the purchase of a site and the construction of a public building at Tonawanda, Erie County, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. LAYTON: Joint resolution (H. J. Res. 346) proposing an amendment to the Constitution of the United States; to the Committee on Ways and Means.

By Mr. FOCHT: Joint resolution (H. J. Res. 347) authorizing the transfer to the jurisdiction of the Commissioners of the District of Columbia of a certain portion of the Anacostia Park for tree nursery purposes; to the Committee on Public Buildings and Grounds.

By Mr. TINCHER: Resolution (H. Res. 364) for the immediate consideration of House bill 11843; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 11988) for the relief of Lucy L. Wheeler; to the Committee on Claims.

By Mr. ANTHONY: A bill (H. R. 11989) to place Col. Ezra B. Fuller, retired by operation of law, on the retired list of the Army as a brigadier general; to the Committee on Military Affairs.

Also, a bill (H. R. 11990) for the relief of Stanton & Jones, contractors, of Leavenworth, Kans.; to the Committee on Claims.

By Mr. BURROUGHS: A bill (H. R. 11991) granting a pension of Charles B. French; to the Committee on Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 11992) granting a pension to James Donnelly; to the Committee on Pensions.

Also, a bill (H. R. 11993) granting an increase of pension to Eloise Wilkinson; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 11994) granting a pension to Malvina Cost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11995) granting a pension to Lovinia A. Griswold; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11996) granting a pension to Mary E. Few; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 11997) granting an increase of pension to Rosamond Barker; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 11998) granting a pension to Julia I. Foster Stuart; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 11999) granting a pension to Ardella M. Farnsworth; to the Committee on Invalid Pensions.

By Mr. RAINEY of Illinois: A bill (H. R. 12000) for the relief of Pietro Lococo; to the Committee on Claims.

By Mr. ROBSION: A bill (H. R. 12001) granting an increase of pension to Mary A. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12002) granting an increase of pension to Elizabeth Stinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12003) granting a pension to Z. B. Blanton; to the Committee on Pensions.

By Mr. SHAW: A bill (H. R. 12004) granting an increase of pension to Margaret D. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12005) granting an increase of pension to Melissa D. Ellis; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12006) granting an increase of pension to Bradford R. Sartin; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5975. By the SPEAKER (by request): Resolution of the Maui Chamber of Commerce, Territory of Hawaii, relative to the control of telephone and telegraph companies within the Territory; to the Committee on Territories.

5976. By Mr. ANSORGE: Petition of Capt. George L. Darte, a member of the American Legion, protesting against the reduction of the officer and enlisted personnel of the Regular Army below 150,000 men and that the Reserve Officers' Training Corps and the National Guard and the Organized Reserves be maintained on a basis of real national defense; to the Committee on Appropriations.

5977. By Mr. KISSEL: Petition of Chamber of Commerce of the United States of America, Washington, D. C., relative to various matters of present national importance; to the Committee on Rules.

5978. Also, petition of American Paper and Pulp Association, New York City, N. Y., relative to paragraph 17a of House bill 7456; to the Committee on Ways and Means.

5979. By Mr. LYON: Petition of Churches of Duke, N. C., asking that Congress take some action for the relief of the Armenian people from the persecutions and cruelties of the Turks; to the Committee on Foreign Affairs.

5980. By Mr. A. P. NELSON: Petition of Eddy G. Lund Post of American Legion together with people of community of Siren, Wis., protesting against any treaty looking toward entrusting the Armenians to the sovereignty of the Turk; to the Committee on Foreign Affairs.

5981. Also, petition of county board of supervisors of Manitowoc County indorsing the St. Lawrence Deep Waterway Project; to the Committee on Interstate and Foreign Commerce.

5982. By Mr. NEWTON of Minnesota: Petition of Mrs. G. Oakvik and other residents of Minneapolis, Minn., petitioning the Congress not to pass House bills 9753 and 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5983. By Mr. RAKER: Petition of George H. Morrill Co. of California, San Francisco, Calif., urging support of House bill 10159, a bill to further support interstate and foreign commerce against bribery and other corrupt practices; to the Committee on Interstate and Foreign Commerce.

5984. Also, petition of American Paper and Pulp Association, of New York City, relative to the proposed tariff duty on casein; to the Committee on Ways and Means.

5985. Also, petition of the California Bankers' Association, at annual meeting held at Del Monte, Calif., urging immediate aid and assistance relative to control of the Colorado River; to the Committee on Irrigation of Arid Lands.

5986. By Mr. YOUNG: Petition of members of the Ebenezer Danish Evangelical Lutheran Congregation of Flaxton, N. Dak., declaring their opposition to having the Armenian people under the sovereignty of the Turkish Empire; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *June 13, 1922.*

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

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

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Ball	France	McKinley	Rawson
Borah	Frelinghuysen	McLean	Sheppard
Brandegee	Gerry	McNary	Shortridge
Calder	Glass	Nelson	Simmons
Cameron	Hale	Newberry	Smoot
Capper	Harris	Nicholson	Spencer
Caraway	Johnson	Norbeck	Sterling
Culberson	Jones, Wash.	Oddie	Sutherland
Cummins	Kendrick	Overman	Underwood
Curtis	King	Pepper	Wadsworth
Dial	Ladd	Phipps	Warren
Dillingham	La Follette	Pittman	Watson, Ind.
Edge	Lenroot	Poindexter	Willis
Elkins	McCormick	Pomerene	
Fernald	McCumber	Ransdell	

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. KENDRICK. I desire to announce the absence of the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Alabama [Mr. HEFLIN], who are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

PROHIBITION ENFORCEMENT.

Mr. STERLING. Mr. President, on last Saturday I submitted for printing in the RECORD a digest of a survey made by the Manufacturers' Record with reference to the value of prohibition. I was asked at the time by the Senator from Alabama [Mr. UNDERWOOD] who made the digest, and I was unable to inform the Senator. It is proper to say that I have since been informed that the digest, as well as the survey, was made by the Manufacturers' Record.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. PHIPPS. Mr. President, I desire to give notice that when the Senate convenes to-morrow morning I shall ask unanimous consent to take up for consideration the amendment reported by me from the Committee on Appropriations to the amendment of the House of Representatives to the amendment of the Senate numbered 1 to House bill 10101, the District of Columbia appropriation bill.

PETITIONS AND MEMORIALS.

Mr. BALL presented a memorial of the president of the Delaware State Federation of Women's Clubs, protesting against the food, tableware, and women's wear schedules of the pending tariff bill, which was referred to the Committee on Finance.

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.

He also presented a resolution of the North Washington Citizens' Association, of Washington, D. C., indorsing the Capper bill for reorganizing the District of Columbia public-school system, but suggesting that under this proposed bill the estimates for school funds be submitted by the Board of Education through the District Commissioners, to be transmitted by them to the Bureau of the Budget, and so forth, which was referred to the Committee on the District of Columbia.

HOSPITAL FACILITIES FOR DISCHARGED SICK AND DISABLED SOLDIERS.

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines," reported it without amendment.

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. HALE:

A bill (S. 3703) for the relief of William Sands; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 3704) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes"; to the Committee on Military Affairs.

By Mr. SUTHERLAND:

A bill (S. 3705) granting a pension to Mary E. Cline; to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 3706) to place on the retired list of the United States Army George B. Sharon, former lieutenant colonel of Infantry; to the Committee on Military Affairs.

By Mr. RANSDELL:

A joint resolution (S. J. Res. 209) to establish a national hydraulic laboratory; to the Committee on Commerce.

CLAIMS OF HOBOKEN, N. J.

Mr. FRELINGHUYSEN. I ask unanimous consent to have the Committee on Commerce relieved from the further consideration of the resolution (S. Res. 254) to investigate the claim of the city of Hoboken, N. J., for losses as result of the occupation by the United States of certain docks, etc., on the Hudson River, formerly the property of the North German Lloyd Dock Co. and Hamburg-American Line Terminal & Navigation Co., and that the resolution be referred to the Committee on Claims. I make this request at the suggestion of the Senator from Washington [Mr. JONES], the chairman of the Committee on Commerce, who feels that this claim is of a character that should be considered by the Committee on Claims.

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

TARIFF BILL AMENDMENT.

Mr. LADD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. LADD submitted an amendment 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 ordered to lie on the table and to be printed.

TREATMENT OF LEONARD KAPLAN AT THE NAVAL ACADEMY.

Mr. SUTHERLAND. Mr. President, I would like to have read by the Secretary an editorial which appeared in the News of last evening, June 12, entitled "The cruelty of youth." I then wish to submit a few remarks.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

[From the Washington Daily News, Monday, June 12.]

THE CRUELTY OF YOUTH.

An amazing instance of the heartlessness of youth has come to the attention of the News.

It comes in the 1922 issue of The Lucky Bag, a handsome, leather-bound, 600-page book, prepared by members of the graduating class at the United States Naval Academy, Annapolis. The Lucky Bag is always the souvenir most cherished by students and graduates. Filled, as it is, with the wit and humor of school life, tales of athletic prowess, personal quips, attractive pictures, and complete records of every member's activities during the four years, it will remain a part of the graduate's library as long as he lives.

But in the 1922 Lucky Bag class members and their friends will find a page that is a blot on the class record. How serious a blot it is they will appreciate more and more as later years serve to balance their present youthful judgment.

Three hundred pages of the book are devoted to biographies of the individual members—two members to a page. Beneath each photograph is a humorous characterization of the embryo naval officer, the sort of affectionate razzing dear to the heart of the one who is razzed.

The last of these pages is devoted to Leonard Kaplan. Opposite his photograph is a crude caricature of a fictitious member of the class. The effect is as follows: