

Also, petitions of Farmers' Feed Co., of New York; Penn Grain & Feed Co., of Philadelphia, Pa.; and Milwaukee (Wis.) Grain & Feed Co., against prohibition as a war measure; to the Committee on the Judiciary.

Also, petitions of A. Dougherty and Russell Playing Card Co., of New York, relative to tax on playing cards; to the Committee on Ways and Means.

SENATE.

MONDAY, May 21, 1917.

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

Almighty God, we thank Thee for a faith that is clear, strong, and all-conquering, our faith in God. In the midst of times that test, that put us to the utmost trial, times that are dark and uncertain, times that are wringing the hearts of mothers, times that try the courage of our boys, amid the darkening cloud along the pathway of our national life, we bless Thee for the supremacy and power of our faith in God. Grant that our hearts may be true to Thee, that there shall be no forgetfulness of God on the part of any of the leaders of this people. May we not by any personal sin add to the weight of anxiety and care which rests upon any home, but with our hearts cleansed from sin and true lives, under the guidance of God may we go forward to accomplish Thy great purpose in this time of trial. To this end do Thou lead us in the discharge of the duties of this day. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, May 17, 1917, when, on request of Mr. Smoot and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PRESENTATION OF FLAG.

The VICE PRESIDENT. The flag which is just back of the chair of the Vice President has been presented to the Senate of the United States in a letter which the Secretary will read.

The Secretary read as follows:

To the President, the Hon. WOODROW WILSON,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: I am taking the liberty of expressing a flag made throughout by my own hands, which I would like to have presented through you to the Senate.

With my kindest wishes, I beg to remain,
Sincerely, yours,

Mrs. J. M. TARELLE,
Savannah, Ga.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a concurrent resolution (H. Con. Res. 9) providing for the printing as a House document of 1,250,000 copies, in one document, of the act to increase temporarily the Military Establishment, approved May 18, 1917, etc., in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 3330) to temporarily increase the commissioned and warrant and enlisted strength of the Navy and Marine Corps, and for other purposes, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution of the Legislature of the Territory of Hawaii, which will be incorporated in the RECORD and referred to the Committee on Territories.

The concurrent resolution is as follows:

THE NINTH LEGISLATURE OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 26, 1917.

The honorable the PRESIDENT OF THE SENATE
OF THE UNITED STATES,
Washington, D. C.

SIR: In conformity with the terms thereof, I have the honor to transmit herewith senate concurrent resolution No. 9, introduced in the Senate of the Ninth Legislature of the Territory of Hawaii by the Hon. Robert W. Shingle, senator from the third senatorial district, which was unanimously adopted by the senate and concurred in by the house of representatives.

Most respectfully, yours,
O. P. SOARES,
Clerk of the Senate.

Concurrent resolution 9.

Whereas the several political parties of the Territory of Hawaii have pledged themselves to support a change in the organic act to the end that the female citizens of the Territory shall be empowered to vote at elections held under the laws of the Territory of Hawaii; and

Whereas the Hon. J. K. KALANIANA'OLE, Delegate from Hawaii, has introduced in the House of Representatives of the United States of America a bill granting the Legislature of the Territory of Hawaii the power to submit to the voters of the Territory of Hawaii the question of whether or not the female citizens of the Territory shall be empowered to vote at elections held under the laws of the Territory of Hawaii: Therefore be it

Resolved by the Senate of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States is hereby requested and respectfully petitioned to pass the bill introduced by the Hon. J. K. KALANIANA'OLE, Delegate from Hawaii, on the 22d day of December, 1916, granting to the Legislature of the Territory of Hawaii additional powers relative to elections and qualifications of electors; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Delegate to Congress from Hawaii.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 2, 1917.

We hereby certify that the foregoing concurrent resolution was this day adopted in the Senate of the Territory of Hawaii.

CHAS. F. CHILLINGWORTH,
President of the Senate.
O. P. SOARES,
Clerk of the Senate.

THE HOUSE OF REPRESENTATIVES,
OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 11, 1917.

We hereby certify that the foregoing resolution was this day adopted in the House of Representatives of the Territory of Hawaii.

H. L. HOLSTEIN,
Speaker House of Representatives.
EDWARD WOODWARD,
Clerk House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution of the Legislature of the Territory of Hawaii, which will be incorporated in the RECORD and referred to the Committee on Territories.

The concurrent resolution is as follows:

THE NINTH LEGISLATURE OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 26, 1917.

The honorable the PRESIDENT OF THE SENATE
OF THE UNITED STATES,
Washington, D. C.

SIR: In conformity with the terms thereof, I have the honor to transmit herewith senate concurrent resolution No. 8, introduced in the Senate of the Ninth Legislature of the Territory of Hawaii by the Hon. Robert W. Shingle, senator from the third senatorial district, which was unanimously adopted by the senate and concurred in by the house of representatives.

Most respectfully, yours,
O. P. SOARES,
Clerk of the Senate.

Concurrent resolution 8.

Whereas the people of the Territory of Hawaii had, previous to the annexation of the islands to the United States, maintained and upheld an independent government, the principles of which were based upon and in accord with the Constitution of the United States, and had thereby demonstrated not only their capacity for self-government, belief in, understanding of, and attachment to the principles which should govern a free people; and

Whereas the voters of the Territory of Hawaii have naturally ample knowledge of the qualities, abilities, and attributes which should be required of a person called upon to act as their chief executive, and have intelligence sufficient to guide them in the making of such a choice and would be better satisfied with a chief executive chosen by themselves: Now, therefore, be it

Resolved by the Senate of the Territory of Hawaii, regular session of 1917 (the House of Representatives concurring), That the Congress of the United States is hereby requested and respectfully petitioned to pass the bill introduced by the Hon. J. K. KALANIANA'OLE, Delegate from Hawaii, on the 18th day of December, 1916, to provide for the election of the governor and secretary of the Territory of Hawaii; and be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Delegate to Congress from Hawaii.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 2, 1917.

We hereby certify that the foregoing concurrent resolution was this day adopted in the Senate of Territory of Hawaii.

CHAS. F. CHILLINGWORTH,
President of the Senate.
O. P. SOARES,
Clerk of the Senate.

THE HOUSE OF REPRESENTATIVES
OF THE TERRITORY OF HAWAII,
Honolulu, Hawaii, April 3, 1917.

We hereby certify that the foregoing concurrent resolution was this day adopted in the House of Representatives of the Territory of Hawaii.

H. L. HOLSTEIN,
Speaker House of Representatives.
EDWARD WOODWARD,
Clerk House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate a joint memorial of the Legislature of the Territory of Alaska, which will be incorporated in the RECORD and referred to the Committee on Public Lands.

The joint memorial is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY FOR THE TERRITORY OF ALASKA,
Juneau, Alaska, May 9, 1917.

THE HON. PRESIDENT,
United States Senate, Washington, D. C.

SIR: By direction of the Alaska Territorial Legislature, the session of which has just been completed, I am sending you herewith a certified copy of Senate joint memorial No. 16.
Yours, very truly,

CHARLES E. DAVIDSON,
Secretary of Alaska.

Senate joint memorial 16. (By Senator Sundback.)

To the President of the United States, the United States Senate, and the United States House of Representatives:

Your memorialists, the Senate and House of Representatives of the Territory of Alaska most respectfully represent that—

Whereas the construction of wagon roads and trails is vitally essential to the development of Alaska; and

Whereas this has been recognized both by Congress and the Territorial Legislature in large appropriations made for road purposes in order that rich mineral districts in all parts of Alaska be afforded a base of supplies, without which their development is retarded and often prevented; and

Whereas the laws of the United States require the owners of mining claims in Alaska, as well as elsewhere, to perform at least \$100 worth of labor or improvements during each calendar year on each mining claim; and

Whereas it is a well and long-established fact that a very large proportion of the labor and improvements performed to hold mining claims is absolutely wasted and thrown away; and

Whereas in a multitude of instances mining claims are so distant from the base of supplies that the cost of travel and transportation for the purpose of performing annual labor far exceeds the sum of \$100: Now, therefore,

We, your memorialists, the legislature of the Territory, most respectfully urge that the laws of Congress relating to the performance of annual labor on mining claims in Alaska be so amended as to permit the owner of such claim, at his option, to pay in lieu of the work required by law, the sum of \$100 into the road fund of the divisional road commission in which such claim is located; said money so paid to be expended as far as practicable on roads in the vicinity of the claim.

Passed the senate May 3, 1917.

O. P. HUBBARD,
President of the Senate.

Attest:

W. M. EDDY,
Secretary of the Senate.

Passed the house May 3, 1917.

LUTHER C. HESS,
Speaker of the House.

Attest:

A. H. ZIEGLER,
Chief Clerk of the House.

UNITED STATES OF AMERICA,
Territory of Alaska, ss.:

I, Charles E. Davidson, Secretary of Alaska, do hereby certify that the foregoing is a full, true, and correct copy of Senate joint memorial No. 16 of the Alaska Territorial Legislature, passed at the 3d session thereof.

Witness my hand and the seal of the Territory of Alaska, affixed at Juneau, the capital, this ninth day of May A. D., 1917.

[SEAL.]

CHARLES E. DAVIDSON,
Secretary of Alaska.

The VICE PRESIDENT. The Chair lays before the Senate a telegram from the international executive board, United Mine Workers of America, of Indianapolis, Ind., which will be incorporated in the RECORD and referred to the Committee on Finance.

The telegram is as follows:

INDIANAPOLIS, IND., May 18, 1917.

HON. THOMAS R. MARSHALL,
Vice President of the United States, Washington, D. C.:

The international executive board, United Mine Workers of America, representing 500,000 miner workers, directs the undersigned to protest against the increase upon second-class postage from 1 to 6 cents per pound, as proposed in the pending war-revenue bill. Such an increase in second-class postage is confiscatory. We could not publish the official magazine of our union and pay this increase in second-class postage. Our official publication, as well as many other labor-organization magazines, must cease publication under such unreasonable increase in second-class postage rates. This would strike at a free press, because only magazines and newspapers whose income would justify could pay this proposed increase. Also we appeal to you to actively and vigorously oppose this proposed increase.

JOHN F. WHITE, President.
FRANK J. HAYES, Vice President.
WM. GREEN, Secretary and Treasurer.

The VICE PRESIDENT presented a petition of the Luxemburger Brotherhood of America in annual convention at Chicago, Ill., pledging support to the President, which was ordered to lie on the table.

He also presented a petition of the Friends of Irish Freedom, of Youngstown, Ohio, praying for the freedom of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Wisconsin State Council of Defense, praying for Federal control of explosives, which was referred to the Committee on Military Affairs.

He also presented a telegram in the nature of a petition from the West Side Business Men's and Taxpayers' Association, of Buffalo, N. Y., praying for the enactment of legislation to pro-

hibit speculation in food products, which was referred to the Committee on Agriculture and Forestry.

Mr. POMERENE. I present a resolution in the nature of a petition from the Pennsylvania Conference of the Primitive Methodist Church in America, sent to me by Rev. W. C. Hall, President of the conference. I ask that it be printed in the RECORD.

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

The Pennsylvania Conference of Primitive Methodist Churches in the United States of America, convening in Youngstown, Ohio, this 2d day of May, 1917, unanimously adopts the following resolutions:

"Whereas after two and one-half years of unparalleled patience and long suffering, under divine Providence the President and Congress of these United States, expressing the will of the people, have been led to declare a war existing between these United States and Germany; and

"Whereas the moment calls for the dedication of the life of the Nation to the task of safeguarding the sacred rights of liberty and humanity; and

"Whereas the supreme call of the hour is for that poise of mind, that sanity of spirit, that charity of judgment that will unite all elements and solidify citizenship and best help to preserve those principles that gave to our country her birth, her happiness, and peace, which she has long treasured; and

"Whereas our Nation enters the great war with open eyes, knowing and counting the cost, with no illusion of glory and no dream of conquest, but because the issue has been drawn between autocracy and the democracy for which we stand and because of the necessity for sharing with democratic peoples of the world in the endeavor to save for our children the heritage won by our fathers: Be it therefore

"Resolved, That we heartily indorse the action of our most illustrious President, Woodrow Wilson, and the Congress of these United States as the action of those who have at heart the safeguarding of the sacred principles of democracy, viz, liberty, equality, freedom of the seas, justice, intelligence, and integrity. And be it further

"Resolved, That we assure the President of our loyalty as individuals and also as a collective body. We feel that this is the solemn hour of the Nation's history; and since the President, in language worthy of the man, the hour, and the country, has challenged us to our task, we pledge ourselves to heartiest cooperation, assuring the President of our whole-hearted devoutness to the great task of establishing the principles of liberty and democracy. And be it further

"Resolved, That we assure our President of our sympathy and our prayers for his well-being and strength in this hour of trial. We have recognized in him a man of indomitable zeal, whose unexampled labors have been expended for the glory of God and the blessing of the Nation, and with his hand directing the affairs of the hour we feel assured of the glorious victory of the Government 'for the people, by the people, and of the people.' And be it finally

"Resolved, That copies of these resolutions be forwarded to the President of these United States, the senior Senators of the States of Pennsylvania and Ohio, and the governors of the States of Pennsylvania and Ohio, and that a copy be also printed in the Conference Yearbook."

WILLIAM CHARLES HALL,
President of the Conference.

WESLEY BOYD,
Secretary for Foreign Missions.

Attest:

N. WHITE,
Secretary of the Conference.

Amendment: Resolved, That we also express ourselves as unanimously in favor of national prohibition as absolutely essential to the life of the Nation.

Mr. POMERENE. I present a preamble and resolution in the nature of a petition passed by the City Council of the City of Cleveland, Ohio, relating to the subject of the income tax, which I move be referred to the Committee on Finance.

The motion was agreed to.

Mr. FLETCHER. I present a resolution adopted by the Board of Trade of Tampa, Fla., which I ask may be printed in the RECORD and referred to the Committee on Interstate Commerce.

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

Resolution adopted by Board of Trade of Tampa, Fla.

Whereas there are pending before the Senate Committee on Interstate Commerce certain bills intended to regulate the matter of car service, including exchange, interchange, and return of cars used in the transportation of property by common carriers; and

Whereas that known as the Esch bill (H. R. 328, 65th Cong., 1st sess.), entitled "A bill to amend an act entitled 'An act to regulate commerce,' as amended, in respect of car service, and for other purposes," already passed the House, having the indorsement of the individual members of the Interstate Commerce Commission as embodying their official recommendations to the Congress in their thirtieth annual report, would seem fully to cover the requirements from shippers' standpoint; and

Whereas shippers of this State are vitally interested in effectual control of car supply: Now, therefore, be it

Resolved by the Tampa Board of Trade in regular meeting assembled, That we indorse the said Esch bill (H. R. 328) and respectfully call upon our Senators, Hons. DUNCAN U. FLETCHER and PARK TRAMMELL, to use their influence in having the said bill promptly reported favorably by the committee, and thereafter to work for its enactment into law; and be it further

Resolved, That this action be communicated to the said Hons. DUNCAN U. FLETCHER and PARK TRAMMELL by telegram and confirmed by a formal copy of this resolution under seal of this organization.

Passed this the 16th day of May, 1917.

W. G. BROREIN, President.

Attest:
[SEAL.]

L. P. DICKIE, Secretary.

Mr. BRADY. I present a telegram from the pastor and congregation of First Congregational Church, at Mountain Home, Idaho, praying for the passage of a prohibitory law to have effect during the war. I ask that it be printed in the RECORD without reading.

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

MOUNTAIN HOME, IDAHO, May 13, 1917.

Senator JAMES H. BRADY,
Washington, D. C.:

Please convey to President Wilson and to Congress the fact that by unanimous vote the congregation of the First Congregational Church here took action urging national prohibition as a war measure, in the interest of food conservation, increased production, and general efficiency at home and in the field.

CHAS. E. MASON, Pastor.

Mr. BRADY. I also present resolutions adopted by the Burke Miners' Union, No. 10, of Burke, Idaho, relative to taxation. I ask that they may be read at the desk.

There being no objection, the resolutions were read, as follows:

Whereas the United States is at war with Germany; and
Whereas immense war appropriations must be made immediately to supply the Government with funds necessary to carry on the war; and
Whereas it is of paramount importance in this crisis that the financial burden of the war should be distributed among the citizens of the United States in accordance with their ability to bear it; and
Whereas in the interest of national unity and a spirit of harmonious cooperation between all classes it is necessary that every citizen should know that the cost of the war will be paid promptly and not remain as a future burden upon those who have fought and their children: Therefore be it

Resolved, That all bonds, certificates, of indebtedness, and other obligations issued by the Government for war purposes shall be paid by a tax levied on all net incomes in excess of \$2,000 for unmarried persons and in excess of \$3,000 for all married persons, beginning at 2 per cent, and increasing on a sliding scale to a point which will permit of no individual retaining an annual net income in excess of \$100,000, such war tax to continue until said bonds, certificates of indebtedness, and other obligations issued for war purposes are paid; and be it further

Resolved, That all war supplies or war service, including transportation, shall be furnished to the Government at a reasonable profit, to be fixed by Congress; that Congress shall enact legislation preventing the sale of necessities of life during the war at excessive profits; and that intentional failure to supply the Government with correct figures as to income or as to profits on such sales and service and that furnishing the Government with defective war supplies shall be a felony, punishable by imprisonment.

Adopted by Burke Miners' Union, No. 10, I. U. of M. M. and S. W., this 4th day of May, 1917.

PHILIP RYAN, President.
M. P. VILLENEUVE, Secretary-Treasurer.

[SEAL.]

Mr. KENYON. In the nature of a petition I ask to have read a letter, as it is so unusual, in relation to taxes.

There being no objection, the letter was read, as follows:

FARMERS' SAVINGS BANK,
Ruthven, Iowa, May 15, 1917.

Senator W. S. KENYON,
Washington, D. C.

DEAR SIR: Whenever we find anything to kick about in regard to the national legislation we do not hesitate to write you and advise you of our feelings. At this time when so many are objecting to the large taxes that must be assessed to raise the necessary revenue we wish to state that we will gladly pay what is found necessary to assess to us, and that we will have no objection whatever, and we are with you in every way that we possibly can be.

Those of us who can not go to the front should certainly be willing to do what little we can to help in a financial way.

Very respectfully,

JOHN H. BALE.

Mr. SMITH of South Carolina. On Saturday we had a discussion here in reference to transportation and distribution through our car service. In the nature of a petition I send the following telegram to the desk and ask that it may be read and referred to the Committee on Interstate Commerce.

There being no objection, the telegram was read and referred to the Committee on Interstate Commerce, as follows:

PORT ROYAL, S. C., May 20, 1917.

Hon. E. D. SMITH,
United States Senate, Washington, D. C.:

Gentlemen, our attention has just been called to an embargo that has been placed by the Pennsylvania Railroad on all shipments of fruits and vegetables consigned to Jersey City and New York. We, the undersigned shippers, feel that this is a great injustice to us as well as the consumer, and ask that you insist that the Government take action in this matter at once, so as to prevent the possibility of the great loss that a condition of this nature will bring us. We suggest that the Government, if necessary, take charge of the situation temporarily while investigation is being made, and if it is on account of longshoremen strike, unload all shipments of fruits and vegetables with recruits of the Army or Navy or any contingent of either that may be available.

BEAUFORT TRUCK GROWERS' ASSOCIATION,
PAT WALL,
W. H. HULL, Secretary.
S. M. RICE,
I. M. GREGORIE,
C. BURCKMYER & Co.
H. B. ATTAWAY.

Mr. PENROSE. In connection with the telegram just read at the request of the Senator from South Carolina I should like

to ask him whether any effort has been made to secure information from the Pennsylvania Railroad as to the complaint referred to in the telegram?

Mr. SMITH of South Carolina. My reference will develop that. I asked to have the telegram referred to the Committee on Interstate Commerce, and that committee doubtless will take such steps as are necessary to ascertain just what is the condition.

Mr. PENROSE. Sometimes it is not amiss to find out as an individual what the trouble is before appealing to a governmental bureau, and whether there is any valid reason for delay.

Mr. SMITH of South Carolina. I take it for granted that the committee having charge of interstate commerce will be the proper agency to investigate the question and do justice to all parties. Hence I had the telegram referred to that committee.

Mr. CALDER. I have here a letter from the chairman of the committee on resolutions of the National City Planning Conference recently held in Kansas City, Mo. I should like to have it read.

There being no objection, the letter was read, as follows:

NEW YORK, May 12, 1917.

Hon. WILLIAM M. CALDER,
United States Senate, Washington, D. C.

My DEAR SENATOR CALDER: As chairman of the committee on resolutions of the National City Planning Conference which has just been held in Kansas City, I presented on the behalf of the committee the following resolution:

"Whereas the United States Government proposes to establish certain plants for the manufacture of armor plate and of other materials which may be required for the effective prosecution of the war, which plants will require the services of a large number of workers:

"*Resolved*, That the National Conference on City Planning strongly urges the President, the Secretary of War, and any other officers of the Government who may be charged with the location, planning, and construction of such plants to profit by the examples of our allies in providing for the proper housing of the workers in such plants to the end that their efficiency may be increased to the highest possible degree and that these servants of the country may not be exploited by land speculators and builders but that decent and sanitary homes may be provided for them at reasonable cost."

This resolution met with unanimous approval and will be forwarded to the authorities named. I venture, however, to add my personal appeal to you, as this is a matter which will probably require action by the Congress. I have been informed, and I think that the information is probably trustworthy, that at Charleston, W. Va., where the armor-plate plant is to be located, land speculators and builders are already very busy, while the Government has secured only the land needed for the actual plant. Great Britain and Canada appear to have been confronted with this same problem of protecting the employees of their munition and other plants from exploitation by those who expect a rich harvest from the concentration of large numbers of operatives and to have taken steps to see that proper homes as well as suitable workshops are provided for them. The additional cost of doing this would probably be slight in comparison with the higher degree of efficiency which would result from insuring wholesome and sanitary surroundings. I hope that this is a matter which will appeal to you and will have your support.

Let me assure you that the position which you have taken upon matters of vital importance which the Congress has thus far considered is a source of much gratification to those whom you represent in the Senate.

With best wishes, I am yours, very truly,

NELSON P. LEWIS.

Mr. POINDEXTER. I present a memorial of the Legislature of the State of Washington, and I ask that it may be printed in the RECORD.

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

UNITED STATES OF AMERICA,
THE STATE OF WASHINGTON,
DEPARTMENT OF STATE.

To all to whom these presents shall come:

I, I. M. Howell, secretary of state of the State of Washington and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of house joint memorial No. 8, of the fifteenth session of the Legislature of the State of Washington, with the original copy of said memorial as enrolled, now on file in this office, and find the same to be a full, true, and correct copy of said original, and of the whole thereof, together with all official indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Washington. Done at the capitol, at Olympia, this 15th day of May, A. D. 1917.

I. M. HOWELL,

Secretary of State.

[SEAL.]

By J. GRANT HINKLE,
Assistant Secretary of State.

House joint memorial 8.

To the honorable Senate and House of Representatives of the United States in Congress assembled:

Your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, do most respectfully state, represent, and petition as follows:

Whereas as a result of senate joint memorial No. 6, introduced by Senator Troy at the 1911 session of the Legislature of the State of Washington, H. R. 18651 was introduced into the Sixty-second

Congress of the United States, second session, which was in words and figures as follows:

"IN THE HOUSE OF REPRESENTATIVES,
January 24, 1912.

"Mr. Warburton introduced the following bill, which was referred to the Committee on Railways and Canals and ordered to be printed: "A bill making an appropriation of \$62,500 for the construction of a canal between Port Townsend Bay and Oak Bay.

"Be it enacted, etc., That the sum of \$62,500 be, and is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the construction of a canal between Port Townsend Bay and Oak Bay, only when land and right of way for deposit of dredged material is furnished free of cost to the Government"; and

Whereas as a result of action taken by the said United States Congress on said H. R. 18651, the Government of the United States did appropriate the sum of \$62,500 therein called for, to be expended and which was expended upon the construction of a ship canal between Port Townsend Bay and Oak Bay in Jefferson County, Wash., by which expenditure and subsequent additional advancement there was constructed and now exists for commercial use and is used a canal of 75 feet width on the bottom and of 15 feet depth at mean lower low tide; and

Whereas the use of said canal for the approximate period of two years last past has demonstrated the commercial necessity of this improvement and the requirements for further development in commercialism and as a strategical channel in the general development of preparedness in the northwest country in connection with Forts Flager, Worden, and Casey, located in the immediate vicinity of said canal; and

Whereas it has been further conclusively demonstrated by tests and use that, in order to render said canal most desirable and efficient for the purposes for which it was constructed, and for the greater probable uses in the general preparedness program, its depth should be increased to 25 feet, at least, at mean lower low tide and its width made 150 feet, at least, on the bottom: Therefore be it

Resolved, That the Senate and House of Representatives of Washington, in legislative session assembled, do hereby respectfully request and petition the Congress of the United States to pass an act referring the matter of widening and deepening said canal for the purposes above enumerated and toward attaining the measurements above stated to the Chief of Engineers of the United States of America for reference by him in due course and through proper channels to the local corps of engineers stationed at Seattle, Wash., for survey, estimates, report, and further proceedings necessary to effectuate the improvement; and be it further

Resolved, That the chief clerk of the house and the secretary of senate be instructed to transmit a copy of this memorial to the Senate and House of Representatives of the United States, and to each Member thereof from the State of Washington for their use in endeavoring to secure the passage of such legislation.

Passed the house, February 27, 1917.

GUY E. KELLY,
Speaker of the House.

Passed the senate, March 1, 1917.

LOUIS F. HART,
President of the Senate.

Mr. PHELAN. I present several telegrams in the nature of protests from labor organizations in California against a modification of the Chinese-exclusion law. I ask to have them printed in the RECORD.

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

HON. JAMES D. PHELAN,

United States Senate, Washington, D. C.

SIR: The Sacramento Federated Trades Council vigorously protests against any attempt to temporarily repeal the Chinese exclusion act or to otherwise weaken the immigration laws for the purpose of permitting the importation of oriental labor.

SACRAMENTO FEDERATED TRADES,
WM. C. EDDY, Secretary.

SAN PEDRO, CAL., May 18, 1917.

HON. JAMES D. PHELAN,
Senate, Washington, D. C.:

The Central Labor Council protests against any attempt to set aside present Asiatic exclusion laws in order to flood California with coolie labor. We urge upon you the vital necessity of protecting California workers by uncompromising opposition to these vicious measures. Keep California white.

HARRY POTHOFF, Secretary.

LOS ANGELES, CAL., May 17, 1917.

HON. JAMES D. PHELAN,

United States Senate, Washington, D. C.:

The Los Angeles County Building Trades Council urges you to offer vigorous and uncompromising opposition to any attempts to flood our State with cheap labor by the importation of Asiatics under the false and hysterical cry of shortage of labor. Let us save California from the yellow peril confronting it.

TOM BARKER, Secretary.

RICHMOND, CAL., May 17, 1917.

HON. JAMES D. PHELAN,
Washington, D. C.

DEAR SIR: There has been information received by the Contra Costa Central Labor Council that a determined effort is now being made to temporarily repeal the Chinese exclusion act and weaken other immigration laws in order to bring in cheap labor. This council vigorously protest such a move and urges that you do all in your power to defeat such a move.

Respectfully submitted.

J. C. LEBER,
Secretary-Treasurer Contra Costa Central Labor Council.

Mr. GALLINGER presented a petition of New Durham Quarterly Meeting of Free Baptists, of Rochester, N. H., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented the petition of Gilbert A. A. Pevey, of Boston, Mass., praying that mutual insurance companies be put on the same basis as stock insurance companies in the matter of taxation, which was referred to the Committee on Finance.

Mr. HUSTING. I present patriotic resolutions adopted by the Council of Defense of Polk County, Wis., which I ask may be printed in the RECORD.

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

Resolutions adopted at the organization of the Polk County (Wis.) Council of Defense, at Balsam Lake, Wis.

Whereas the autocracy of Germany, in its endeavor to extend its power over peoples enjoying representative government, has committed acts of barbarism heretofore unknown to enlightened peoples, and our Nation has long and patiently suffered indignities and the murder of its citizens rather than resort to arms; and

Whereas continued endurance has proved only the invitation of further barbarities and the sacrifice of the great purpose of democracy to enjoy in peace, according to the laws of civilization, the right to life, liberty, and the pursuit of happiness; and

Whereas our President and Congress have, in obedience to the conscience of the people of the United States, declared that a state of war exists with the Government of Germany, and the President by proclamation has appealed to all our citizens to meet the ultimate test of democracy to prove that a government by the people is worthy to exist: Now, therefore, be it

Resolved by the citizens of Polk County in public assembled, That we respond to the President's appeal as becomes free men who love our institutions and the happiness and general welfare of future generations; that we adhere to the principle of universal responsibility, and therefore assume our full share of the strife for the future peace and security of the world; that we do this by the encouragement of enlistments; and that we strive by careful economy and simple living to control and economize in the use of our material resources; that we approve the movement to prevent cereals needed to satisfy hunger from being used in distilleries and breweries;

Resolved, That we strive to the utmost to increase the productivity of our industries, to grow more on our farms, to feed the hungry, and lend succor to our Government; that we urge our representatives in Congress to help prevent, as far as possible the unwarranted manipulation of the Nation's food supply by those who handle it on the way to the consumer, so that soulless greed may not thrive at the expense of those who bear the burden;

Resolved, That we urge our representatives in the various lawmaking bodies to see that the wealthy and rich bear their just share of the burdens of warfare, and that we consider it just as fair to draft into use and service the hoarded wealth of the rich as it is to draft our young men into the trenches; and further be it

Resolved, That we stand ready to uphold wisely and in no uncertain spirit the cause in which our country is engaged, and to help further the means that the experience of our allies have shown to be effective in the common cause; that we pledge our lives and our substance to the preservation of democracy and its extension throughout the world to the end that the terrible blight of war may cease to curse mankind; and further be it

Resolved, That it is the sense of this meeting that if it can be practically arranged by our Government that ships carrying provisions and munitions to our allies across the Atlantic should carry back from our allies able-bodied prisoners of war, under reasonable restrictions, to be fed and employed on the farms and in the factories of this country, in order to save carrying provisions for these people at great hazard across the Atlantic, as well as to relieve the labor situation in this country; and that a copy of this resolution be sent to the governor of this State, our United States Senators and our Congressman, as well as to the State Council of Defense.

Mr. HUSTING. I present resolutions adopted by citizens of Washburn, Wis., pledging faith and support to the Government, which I ask may be printed in the RECORD.

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

Patriotic resolutions adopted by citizens of Washburn, Wis.

Whereas the United States is now in a state of war with foreign powers in accordance with the edicts of the President and the Congress of this country; and

Whereas the people of the city of Washburn are loyal Americans and have faith in their Executive and Congress: Therefore be it

Resolved, That we, the people of this city and neighborhood in mass meeting assembled, knowing that "in union there is strength," do hereby pledge our faith, support, and fealty to the flag of our country, to the cause of liberty, and to the arms of the Nation; and we are also

Resolved, To abstain from incendiary remarks that may bring reproach upon the Stars and Stripes or which may arouse internecine strife among our neighbors, and that we will now and hereafter, so long as this war shall continue, do our utmost as good citizens to support the Constitution of the United States and its defenders at home and abroad.

NELS M. OSCAR,
Presiding Officer.

Mr. HARDING. I present resolutions of the Slavic-American Patriotic League of the Mahoning Valley, Ohio, which I ask may be printed in the RECORD.

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

Whereas we, Slavs of the Mahoning Valley, fully appreciate the liberties and the privileges enjoyed by us in these United States of America; and

Whereas we, Slavs of the Mahoning Valley, fully approve and indorse the decision of these United States of America to war not only for humanity and civilization but also for the liberation of the smaller European States from tyranny, despotism, and oppression, which instills our hearts with the new hope that at last our long-cherished dreams and aspirations—the national independence of the subjugated and downtrodden Slavic Nations—will again become a reality; and Whereas in this hour of great national crisis we, Slavs of the Mahoning Valley, believe it the duty of each and every one of us to bear his full burden in upholding and supporting the President of the United States and the National Government in the step they have taken: Therefore be it

Resolved, By the Slavs of the Mahoning Valley, numbering over 25,000 souls, that we pledge our continued and unconditional support of the President and the Congress of this Nation in their determination to protect its honor and its ideals of right and humanity; and to this great cause we dedicate our lives and our fortunes; and be it further

Resolved, That a copy of this resolution be sent to the President and to the House of Representatives and to the Senate of the United States of America.

JNO. A. WILLO, *Chairman.*

PRODUCTION OF POTASH.

Mr. PITTMAN. On May 5 I introduced a bill for the purpose of increasing the production of potash in the United States. I sent a letter to the Council of National Defense in regard to the bill asking for their opinion upon it as an emergency war measure. In the letter I set forth certain facts showing the necessity for potash and the effect of the bill. I ask unanimous consent that the letter may be printed in the RECORD together with the bill for the information of the Senate.

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

UNITED STATES SENATE,
COMMITTEE ON TERRITORIES,
May 19, 1917.

HON. NEWTON D. BAKER,

Chairman Council of National Defense, Washington, D. C.

DEAR SIR: I herewith inclose you Senate bill 2156, introduced by me on the 5th day of May of this year, and referred to the Public Lands Committee, which committee now has it under consideration. The purpose of the bill is to increase the production of potash in the United States and to reduce its cost to such an extent that it may be practically used as a fertilizer. It provides a method for utilizing a large potash deposit in the United States that is now, and for several years has been, permitted to lie idle and be unproductive because no law exists under which such deposit can be utilized. I refer to the potash supply in Searles Lake, Cal. This lake, according to the estimates of the Geological Survey and the Bureau of Mines, contains at least 20,000,000 tons of chloride of potassium in solution. It is the only concentration or deposit of potash yet discovered in the United States that is sufficiently extensive and so constituted as to permit the production of potash salts at a price sufficiently reasonable to justify their extensive use in fertilization. This concentration is in every respect similar to the great concentrations that have been developed for many years in Germany, and upon which not only Germany, but England, France, and the United States have depended almost entirely for such fertilizer. Experts, who have made a study of the production of potash, give it as their opinion that potash may be produced from the Searles Lake concentration in competition with the German supply.

A grave doubt exists as to whether or not the existing mining law applies to the location and acquisition of a deposit such as that at Searles Lake. However, even if it be conceded that such liquid concentration could be acquired and utilized under the existing mining laws, it would not avail in the present case as the area embracing the lake has been withdrawn by the Government from the operation of the mining laws. While I am personally opposed to many of the withdrawals made by the Government, I am satisfied that this withdrawal was justifiable. A syndicate or corporation controlled by foreigners, who are prohibited under our mining laws from acquiring lands by location, have attempted to acquire practically the entire lake through what I believe to be fraudulent dummy entries and through the subterfuge of dummy corporations.

Again, it is difficult to conceive how the fluids in the lake could be equitably and satisfactorily mined under the existing mining laws even if they applied. It is my opinion, and I believe the opinion of the Secretary of the Interior, that this deposit can be satisfactorily worked and made to produce large quantities of commercial potash without the danger of monopoly and with equal protection to the Government and the operators under the plan submitted in my bill. The substance of this bill was included in the general leasing bill, which passed both the Senate and House in the Sixty-third Congress. The bill, however, died in conference. The same bill containing the same provision with regard to potash passed the House in the Sixty-fourth Congress and was favorably reported by the Public Lands Committee of the Senate. While there was considerable opposition to other provisions of the general leasing bill, I believe that it was generally conceded that the same objections did not exist with regard to the provisions concerning potash, which are now incorporated in this separate bill which I have introduced.

The absolute necessity for potash as a fertilizer in this country is fully realized by all who have given the subject any consideration. It is the chief ingredient of nearly all fertilizers and is essential to the commercial production of many of our most important foodstuffs. The following enormous loss in production by reason of the lack of potash is given as a sample by a statistician:

In Indiana the yield of corn per acre fertilized with potash, 75.7 bushels; without fertilizer, 32.1 bushels.

Pears fertilized with potash, 205.8 bushels; without fertilizer, 58.8 bushels.

In Michigan, pears fertilized with potash, 22.7 bushels per acre; without fertilizer, 5 bushels.

The same comparison in production of fertilized and unfertilized land equally applies to many other grains, fruits, and vegetables.

I am informed that potash as a fertilizer is almost essential to the successful raising of cotton. In the report of the statistics committee of the National Fertilizer Association it is said: "The absence of a

sufficient amount of potash in the soil has caused the appearance of a disease commonly called 'rust,' but it is too early at this time to forecast to what extent this trouble will obtain."

It is unnecessary to test the accuracy of these figures. It is well known that the proper use of fertilizers will increase the production of most crops from 50 to 100 per cent.

The United States has got to produce foodstuffs to the maximum capacity of its lands. The farms of England and France are going to ruin by reason of the withdrawal of men for military purposes and the lack of essential fertilizers. A large portion of our own production, which we are attempting to supply to those unfortunate people, is being wiped out of existence by the submarine warfare of the enemy. These misfortunes place a duty and obligation upon us that we must meet with expedition and energy. They can not be met except through the most intensive production, and this production can not be obtained except through the maximum use of fertilizers. The successful termination of the world war depends upon it. It is as vital and pressing as any problem that we now have to consider. This production can not be obtained without an ample supply of potash. Where can we obtain it? Prior to the war practically all of the potash used in the United States, Holland, Great Britain, and France came from Germany. In 1911 the consumption of potash in the principal countries of the world was as follows:

Germany, 422,341 metric tons, or 49.8 per cent of the total production.

United States, 237,453 metric tons, or 28 per cent of the total production.

Holland, 34,375 metric tons.

Great Britain, 21,217 metric tons.

To-day, while Germany is producing enough foodstuffs for its 80,000,000 people on an area not as great as that of the State of Texas by reason of an ample supply of potash, England and France are finding it impossible to produce half enough to supply their own people by reason of a lack of such fertilizer.

The production of crops in the United States is steadily decreasing for the same reason at a time when the greatest production is required. To-day the United States is only producing and has available about 16,000 tons of potash per annum. Prior to the war potash was selling for \$39 per ton. It is now selling for about \$400 per ton.

The following table discloses the amount of potash that is required in this country for fertilizer each year and the amount that we have available:

In 1913 we imported 529,000 tons; the domestic production was 400 tons.

In 1915 we imported 93,000 tons; the domestic production was 1,800 tons.

In 1916 we imported about 10,000 tons; the domestic production was 16,000 tons.

In 1913 about 20,000 tons of potassium chloride were used in the industries and about 500,000 tons were used in agriculture.

I contend that this bill should be treated as a war measure. Unless it is so considered by Congress it will not receive consideration at this session.

I have written you fully with regard to this matter, as I hope that you will assist me in impressing upon Congress the necessity for the immediate passage of this bill or a measure of similar purport. I would appreciate receiving an early reply to this letter, so that I may present it to the Senate in support of the immediate consideration and passage of the bill.

Very truly, yours,

KEY PITTMAN.

A bill (S. 2156) to authorize exploration for and disposition of potassium or sodium.

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any applicant qualified under this act a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium, or borates, carbonates, or nitrates of sodium, or borates of calcium, or associated similar salts, on public lands belonging to the United States for a period of not exceeding two years: *Provided*, That the area to be included in such permit shall not exceed 2,560 acres of land in reasonably compact form.

SEC. 2. That upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substances enumerated in section 1 hereof have been discovered by the permittee within the area covered by his permit, the permittee shall be entitled to a patent for 640 acres of the land embraced in the prospecting permit, to be taken in compact form and described by legal subdivisions of the public-land surveys, or if the land be not surveyed, then in tracts which shall not exceed 2 miles in length, by survey executed at the cost of the permittee, in accordance with rules and regulations prescribed by the Secretary of the Interior. All other lands described and embraced in such a prospecting permit from and after the exercise of the right to patent accorded to the discoverer, and all other lands known to contain such valuable deposits as are enumerated in section 1 hereof and not covered by permits or leases, may be leased by the Secretary of the Interior, through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, and in such areas as he shall fix, not exceeding 2,560 acres, all leases to be conditioned upon the payment by the lessee of such royalty as may be specified in the lease and which shall be fixed by the Secretary of the Interior in advance of offering the same, and which shall not be less than 2 per cent on the gross value of the output at the point of shipment, which royalty, on demand of the Secretary of the Interior, shall be paid in the product of such lease, and the payment in advance of a rental, which shall be not less than 25 cents per acre for the first year thereafter; not less than 50 cents per acre for the second, third, fourth, and fifth years, respectively; and not less than \$1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate periods, upon condition that at the end of each 50-year period succeeding the date of any lease such readjustment of terms and conditions may be made as the Secretary of the Interior may determine, unless otherwise provided by law at the time of the expiration of such periods, and a patentee under this section may also be a lessee.

SEC. 3. That in addition to areas of mineral land to be included in prospecting permits or leases the Secretary of the Interior, in his discretion, may grant to a permittee or lessee under this act the exclusive right to use, during the life of the permit or lease, a tract of unoccupied nonmineral public land not exceeding 40 acres in area for

camp sites, refining works, and other purposes connected with and necessary to the proper development and use of the deposits covered by the permit or lease.

SEC. 4. That the Secretary of the Interior shall reserve the authority and shall insert in any preliminary permit issued under section 1 hereof appropriate provisions for its cancellation by him upon failure by the permittee or licensee to exercise due diligence in the prosecution of the prospecting work in accordance with the terms and conditions stated in the permit.

SEC. 5. That no person shall take or hold any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof which, together with the area embraced in any direct holding of a lease under this act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, exceeds in the aggregate in any area 50 miles square an amount equivalent to the maximum number of acres allowed to any one lessee under this act; that no person, association, or corporation holding a lease under the provisions of this act shall hold more than a tenth interest, direct or indirect, in any agency, corporate or otherwise, engaged in the sale or resale of the products obtained from such lease; and any violation of the provisions of this section shall be ground for the forfeiture of the lease or interest so held; and the interests held in violation of this provision shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership or interest hereby forbidden which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition.

SEC. 6. That said Secretary, in his discretion, in making any lease under this act may reserve to the United States the right to dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided further*, That if such reservation is made it shall be so determined before the offering of such lease; that the said Secretary, during the life of the lease, is authorized to issue such permits for easements herein provided to be reserved.

SEC. 7. That each lease shall contain provisions deemed necessary for the protection of the interests of the United States, and for the prevention of monopoly, and for the safeguarding of the public welfare.

SEC. 8. That any lease issued under the provisions of this act may be forfeited and canceled by an appropriate proceeding in a court of competent jurisdiction whenever the lessee fails to comply with any of the provisions of this act, of the lease, and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof: *Provided*, That no provision or limitation shall be inserted or included in any lease waiving or requiring the waiver of the right of the lessee or of the United States to resort to the courts.

SEC. 9. That the provisions of this act shall apply to all lands of the United States which may have been or may be disposed of under laws reserving to the United States the phosphate, oil, gas, potassium, or sodium with the right to prospect for, drill, mine, and remove the same, subject to such conditions as to the use and occupancy of the surface as are or may hereafter be provided by law.

SEC. 10. That 50 per cent of all moneys received from royalties and rentals under the provisions of this act, excepting those from Alaska, shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State wherein the leased premises are situated. The remaining 50 per cent shall be paid into, reserved, and appropriated as a part of the reclamation fund created by act of Congress approved June 17, 1902, known as the reclamation act.

SEC. 11. That the Secretary of the Interior is authorized to prescribe necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this act.

SEC. 12. That the deposits herein referred to shall be subject to disposition only in the form and manner provided in this act, and except as herein otherwise provided all laws or portions of laws in conflict herewith are hereby repealed, except as to valid claims existent at date of the passage of this act and thereafter maintained in compliance with the laws under which initiated.

REPORTS OF COMMITTEE ON THE JUDICIARY.

Mr. WALSH, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment:

S. 70. A bill providing for an additional judge for the district of Montana; and

S. 1484. A bill ratifying the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with regulating, protecting, and preserving fish.

CAR-SERVICE SHORTAGE.

Mr. POMERENE. From the Committee on Interstate Commerce I report back favorably with an amendment the bill (H. R. 328) to amend an act entitled "An act to regulate commerce," as amended, in respect of car service, and for other purposes; and I submit a report (No. 43) thereon.

I desire to state in presenting the report that the purpose of the committee is to confer fuller authority upon the Interstate Commerce Commission in connection with the distribution of cars. I can not under the rule ask for the consideration of the bill to-day, but I shall hope to call it up at the earliest moment possible.

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

Mr. SMITH of Michigan subsequently said: Mr. President, in reference to the report which was made a moment ago from the Committee on Interstate Commerce by the Senator from Ohio [Mr. POMERENE], and which he gave notice of his intention to

press before the Senate, I desire to ask the Senator from Ohio if the bill is to be pressed for consideration to-day?

Mr. POMERENE. I understand that there is another bill pending, being the unfinished business, and if there is any objection to the consideration of the car-shortage bill, of course, I can not bring it up to-day.

Mr. SMITH of Michigan. If the Senator will allow me, I desire to ask is his report from the committee on that bill a unanimous one?

Mr. POMERENE. It was a unanimous report of the quorum present. I think there were, perhaps, eight members present.

Mr. SMITH of Michigan. And the bill deals with the question of the distribution of freight cars?

Mr. POMERENE. It does.

I may say to the Senator from Michigan that in January last the Interstate Commerce Commission, by a divided vote of 4 to 3, held that under the interstate-commerce act they had the power to deal with this subject; but I think it is only fair to say that there is room for an honest difference of opinion. The bill known as the Esch bill was introduced in the other House and recently passed that body. The report which I have made is upon that bill, which reenacts several sections of the law and is 15 or 18 pages in length. The committee thought it would be wise to redraft the bill and to incorporate in a substitute therefor just the new matter which it was sought to add to the interstate-commerce act.

Mr. SMITH of Michigan. Mr. President, I think if the Senator from Ohio should give notice that he is going to call up the bill to-morrow it would advise Senators as to his intention. I regard the bill as very important legislation. I want to say to the Senator that I listened with much interest to the speech of the Senator from Georgia [Mr. SMITH] last week, and, according to my information, there are 2,500,000 freight cars in this country which because of the lack of systematic distribution work only two hours a day, and that, too, at a time when it is so essential that they should be properly and economically used in handling the congested business of the country and with which our welfare is so intimately related. If it is true—and I think I am well within the facts—that 2,500,000 freight cars are used only two hours a day, the situation calls for some prompt legislation in order that our crops may be moved at the appropriate time with facility and dispatch.

Mr. POMERENE. Mr. President, there is much truth in what the Senator from Michigan has said on that subject, and I think every member of our committee felt that the Interstate Commerce Commission should have fuller authority to deal with the situation.

I now give notice that I shall call up the bill to-morrow, and shall ask the Senate to consider it, assuming, of course, that there is no unfinished business in the way.

Mr. FLETCHER. Before the Senator from Ohio takes his seat may I ask him a question with regard to this report?

Mr. POMERENE. Certainly.

Mr. FLETCHER. I have been receiving a great many telegrams, letters, and resolutions indorsing heartily what is known as the Esch bill, and evidently that bill meets with very considerable favor. I inquire of the Senator from Ohio whether the report which he has made on the Esch bill will correspond and agree with the provisions of that bill as it passed the other House, or whether there will be any divergence?

Mr. POMERENE. Mr. President, without attempting to answer completely the Senator's inquiry, I may say that the purpose of both bills is one and the same. At the last session of Congress I introduced in the Senate a duplicate of the Esch bill, and I have also introduced it at the present session. I think that if this bill is passed, assuming that there are differences—and there are a few differences—they can be readily worked out in conference.

Mr. ROBINSON. Mr. President, will the Senator permit me to make a brief statement?

Mr. POMERENE. I yield to the Senator.

Mr. ROBINSON. Touching the inquiry of the Senator from Florida the authority of the Interstate Commerce Commission under the so-called Pomerene amendment, which the Interstate Commerce Committee of the Senate has ordered reported, is broader and more general, in my opinion, than that which is contained in the Esch bill. As an illustration of that fact, the Esch bill authorized the commission in case of emergency to make orders for the distribution and movement of cars, while the Pomerene amendment, which the Senate committee has reported, gives the commission the general authority to exercise that power regardless of any emergency. The word "emergency" is vital in the Esch bill. There are other differences, but that is the one material difference.

Mr. POMERENE. Yes; and I may say to the Senator from Florida that another important difference between the two bills is this, that the Esch bill defines car service as meaning "exchange, interchange, and return of cars," while the substitute defines car shortage as including the movement, distribution, exchange, interchange, and return of cars. I think that when we take the matter up for fuller consideration the Senator will see the necessity of that change.

Mr. FLETCHER. I look upon it as a very important matter, and I hope the Senator will be able to get it up as early as possible and complete its consideration.

Mr. TOWNSEND. Mr. President, I was not in the Chamber when the Senator from Ohio made his request. Did the Senator ask for immediate consideration of the bill?

Mr. POMERENE. I did not. There is another bill which has the right of way; but I gave notice that I would call it up to-morrow for consideration.

Mr. TOWNSEND. I had hoped the bill might be disposed of to-day.

Mr. POMERENE. If an opportunity presents itself, I would be glad to have it disposed of to-day.

Mr. GALLINGER. Mr. President, I ask for the regular order. If this matter ever comes before the Senate, it will be properly debated; it is not before the Senate now.

The VICE PRESIDENT. The regular order is demanded. The introduction of bills and joint resolutions is next in order.

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. THOMPSON:

A bill (S. 2327) further to provide for the support of the Army by the prevention of the waste of the food products of the United States during the period of war and to prohibit their manufacture into alcoholic liquors, except in certain cases, to provide for the distillation of liquors in bond or heretofore manufactured, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:

A bill (S. 2328) to provide for the settlement, registration, transfer, and assurance of titles to land, and to designate a court of land registration, with jurisdiction for said purposes, in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 2329) to establish a landschaft system of rural credit in the United States; to the Committee on Banking and Currency.

By Mr. PENROSE:

A bill (S. 2330) granting an increase of pension to George Bessor; and

A bill (S. 2331) granting a pension to Jeanette Jenkins; to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 2332) for the naturalization of Francois Wilhelm Hiddinga; to the Committee on Immigration.

By Mr. WEEKS:

A bill (S. 2333) authorizing the Postmaster General to increase prices for certain supplies to conform to abnormal market conditions; to the Committee on Post Offices and Post Roads.

By Mr. MYERS:

A bill (S. 2334) to authorize absence by homestead settlers and entrymen, and for other purposes; to the Committee on Public Lands.

By Mr. SUTHERLAND:

A bill (S. 2335) to promote on the retired list of the United States Army Brig. Gen. David S. Gordon, United States Army, retired; to the Committee on Military Affairs.

A bill (S. 2336) granting a pension to James Chaffin; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 2337) granting an increase of pension to John H. Denny (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2338) granting a pension to John Aldrich (with accompanying papers);

A bill (S. 2339) granting an increase of pension to George A. Stanhope (with accompanying papers);

A bill (S. 2340) granting a pension to Flora Hopkins Devereux (with accompanying papers);

A bill (S. 2341) granting a pension to Melinda A. Smiley (with accompanying papers); and

A bill (S. 2342) granting an increase of pension to William M. Somers (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 2343) authorizing the President to recommission in the Regular Army as additional number Brice P. Disque; to the Committee on Military Affairs.

By Mr. RANSELL:

A joint resolution (S. J. Res. 67) to fix the status and rights of officers of the Public Health Service when serving with the Coast Guard, the Army, or the Navy; to the Committee on Public Health and National Quarantine.

PNEUMATIC MAIL-TUBE SERVICE.

Mr. BANKHEAD. Mr. President, I introduce a joint resolution and ask unanimous consent for its present consideration.

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

The joint resolution (S. J. Res. 66) making immediately available moneys appropriated for the investigation of the pneumatic mail-tube service in the act approved March 3, 1917, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That the appropriation for the investigation of the pneumatic mail-tube service, under the provision of the act approved March 3, 1917, be, and the same is hereby, made immediately available.

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

Mr. SMOOT. Mr. President, I ask that the joint resolution may again be read.

The Secretary again read the joint resolution.

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

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

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

AMENDMENTS TO THE PENDING BILL.

Mr. WADSWORTH submitted an amendment intended to be proposed by him to the bill (S. 2263) to provide further for the national security and defense, to conserve foods, feeds, and fuels, and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill (S. 2263) to provide further for the national security and defense, to conserve foods, feeds, and fuels, and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. CUMMINS submitted an amendment intended to be proposed by him to the bill (S. 2263) to provide further for the national security and defense, to conserve foods, feeds, and fuels, and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 2263) to provide further for the national security and defense; to conserve foods, feeds, and fuels; and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. HUSTING submitted an amendment intended to be proposed by him to the bill (S. 2263) to provide further for the national security and defense; to conserve foods, feeds, and fuels; and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. JONES of Washington. Mr. President, I submit two amendments which I intend to propose to the bill which is now the unfinished business. These amendments relate substantially to the same matter covered by the bill introduced to-day by the Senator from Kansas [Mr. THOMPSON], if I caught the reading of that bill correctly. I ask that the amendments may be printed in the Record and referred to the Committee on Agriculture and Forestry, with the hope that the committee may have a meeting to consider the subject. I desire to give notice to Senators who complained when this matter was presented during the consideration of the bill which was passed here a few days

ago that ample time for consideration of the subject could not then be had, that these amendments will be pressed on the pending bill, and that it is to be hoped that a vote will be had upon them or upon some other measure embodying the proposition before any agreement is made fixing a 5 or 10 minute debate.

Mr. STONE. Mr. President, I inquire to what the amendments relate that have just been offered by the Senator from Washington?

Mr. JONES of Washington. I thought I had announced to what they relate.

Mr. STONE. No doubt the Senator did, but I was engaged at the moment.

Mr. JONES of Washington. I beg the Senator's pardon.

In brief, the amendments authorize and direct the President to commandeer such intoxicating liquors as may be now on hand as he may deem to be necessary for munition purposes, and to prohibit the use of food products in the further manufacture of intoxicating liquors except for munition purposes, and under a permit to be issued by the Secretary of the Treasury. That is, in brief, the purpose of the amendments. I ask that the amendments be printed in the Record and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, that action will be taken.

The amendments are as follows:

Sec. —. That for the purpose of conserving the man power and resources of the Nation and to increase the efficiency and safety of the Army, Navy, and the people throughout the country during such war, the manufacture, sale, gift, importation, or transportation in interstate commerce of any alcohol or alcoholic liquors for beverage purposes is hereby prohibited.

Sec. —. That in the judgment of Congress it is necessary and proper for the successful prosecution of the war with the Imperial German Government to prevent the wasteful use of food products, to promote the health and efficiency of and to amply support the men of the Army and Navy and to conserve in the highest degree the resources and power of the Nation, and to these ends it is enacted:

First. That the President of the United States is hereby authorized and directed, during the period of such war, to requisition and commandeer such part of or all of the intoxicating liquors now in existence as he may deem necessary for the purpose of supplying the needs of the Government in the prosecution of said war, together with any or all distilling plants deemed by him necessary for the redistillation of the same, and to pay the owner thereof just compensation therefor to be determined by him, and if the compensation so determined shall be unsatisfactory to the person, firm, corporation, partnership, or association entitled to receive the same such person, firm, corporation, partnership, or association shall be paid 75 per cent of the sum so determined by the President and shall be entitled to sue the United States to recover such further sum as added to the amount so paid will be just compensation for such liquor, in the manner provided by section 24, paragraph 20, and section 143 of the Judicial Code.

Second. That during the period of such war it shall be unlawful to manufacture alcohol from food products for beverage purposes or at all, except upon a permit from the Secretary of the Treasury, who is authorized to issue a permit to any reputable and properly qualified person, firm, corporation, partnership, or association to manufacture alcohol from food products for munitions or for any other purpose necessary to carry on the war or to manufacture intoxicating liquors for industrial, scientific, or medicinal purposes under such rules or regulations as he may prescribe.

Third. That during the period of such war any person, firm, corporation, partnership, or association may use in, manufacture, or redistill into alcohol for the manufacture of explosives or other military, industrial, or scientific purposes any or all intoxicating liquors now in existence or which may be manufactured or distilled within 30 days after the passage and approval of this act, and when such liquor is so used, manufactured, or redistilled the tax thereon for beverage purposes as now provided by law shall be waived, refunded, or credited on the amount of tax due on such liquor from the owner thereof under such rules and regulations as the Secretary of the Treasury may prescribe.

Fourth. That during the period of such war the importation of any alcohol or any alcoholic liquors for beverage purposes shall be unlawful.

Fifth. That any person, firm, corporation, partnership, or association doing anything declared unlawful by this section or in willful violation of any rule or regulation prescribed thereunder shall be punished by a fine of not exceeding \$5,000 or by imprisonment at hard labor not exceeding one year or by both such fine and imprisonment.

WAR REVENUE.

Mr. KENYON submitted an amendment intended to be proposed by him to the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

WITHDRAWAL OF PAPERS—REBECCA J. ABEL.

On motion of Mr. BRADY it was

Ordered, That the papers accompanying the bill (S. 3640) granting a pension to Rebecca J. Abel, Sixty-fourth Congress, be withdrawn from the files of the Senate, no adverse report having been made.

SOCIALIZATION OF THE LAW.

Mr. POMERENE. Mr. President, I have here a very interesting article, written by Mr. James Harrington Boyd, of the Toledo (Ohio) bar, on the subject of "Socialization of the law." It is printed in the Case and Comment, the lawyers' magazine. I suggest that it be referred to the Committee on Printing for a report as to the advisability of having it printed.

The VICE PRESIDENT. It will be so referred.

INCREASE OF MILITARY ESTABLISHMENT.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (H. Con. Res. 9) of the House of Representatives, which was read:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document 1,250,000 copies, in one document, of the act to increase temporarily the Military Establishment, approved May 18, 1917; registration regulations prescribed by the President under the authority of said act, approved May 18, 1917; and the proclamation of the President of same date fixing June 5, 1917, as the date of registration; \$75,000 for the use of the House and 375 for use of the Senate, the same to be distributed through the folding room of the House and Senate, respectively.

Mr. CHAMBERLAIN. Mr. President, I ask that the Senate concur in the resolution of the House. I may state with reference to the matter, Mr. President, that I am receiving hundreds of requests from all over the country for copies of the registration regulations prescribed by the President and the proclamation of the President in reference thereto.

The VICE PRESIDENT. The concurrent resolution only provides for the printing of 375 copies for the use of the Senate, so many requests could not well be supplied.

Mr. BRANDEGEE. I was going to suggest that the word "thousand" be inserted in the resolution after the numerals "375."

Mr. SMOOT. I suggest that the concurrent resolution be referred to the Committee on Printing.

Mr. CHAMBERLAIN. I did not note that the resolution only provided for 375 copies for the Senate. As it passed the House, it provided for 375,000 for the use of this body. I therefore ask that it be referred to the Committee on Printing.

The VICE PRESIDENT. The concurrent resolution will be referred to the Committee on Printing.

FOOD CONTROL.

The VICE PRESIDENT. If there be no concurrent or other resolutions, morning business is closed.

Mr. GORE. I ask unanimous consent that the unfinished business be laid before the Senate.

The VICE PRESIDENT. Is there any objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2263) to provide further for the national security and defense, to conserve foods, feeds, and fuels, and to prevent monopolies, conspiracies, and other evil practices respecting the same, and for other purposes.

Mr. FLETCHER. Mr. President—

Mr. GALLINGER. Mr. President, I inquire if the bill has been read?

The PRESIDENT pro tempore. The bill has been read as far as section 6.

Mr. GALLINGER. Let reading of the bill be continued then, Mr. President.

The PRESIDENT pro tempore. The Secretary will continue the reading of the bill.

Mr. BRANDEGEE. I ask that the previous sections be printed in the Record in connection with what the Secretary is about to read, so that the whole bill will appear in the Record.

The PRESIDENT pro tempore. Without objection, it will be so ordered. The Chair hears none.

The Secretary resumed and concluded the reading of the bill, which in full is as follows:

Be it enacted, etc., That by reason of the existence of the state of war there is a national emergency, and it is essential for the national security and defense further to assure an adequate supply and equitable distribution and to facilitate the movement of foods, feeds, and fuel, hereafter in this act called necessities, for the Government and people of the United States, and to protect them against injurious speculation, manipulations, and controls affecting such supply, distribution, and movement. For such purposes the powers, authorities, obligations, and prohibitions hereinafter set forth are conferred and prescribed.

SEC. 2. That the Secretary of Agriculture is authorized to investigate and ascertain the demand for, the supply, consumption, costs, and prices of, and the basic facts relating to the ownership, production, transportation, manufacture, storage, and distribution of foods, food materials, feeds, seeds, fertilizers, agricultural implements and machinery, and any article required in connection with the production, distribution, or utilization of food. It shall be the duty of any person, when requested by the Secretary of Agriculture, or any agent acting under his instructions, to produce books, letters, papers, documents, or reports, or to answer correctly, to the best of his knowledge, all questions necessary to carry into effect the provisions of this section. Any person who shall refuse or willfully neglect to produce such books, letters, papers, documents, or reports, or who shall refuse or willfully neglect to answer any such question, or who shall willfully give answers that are false, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000, or by imprisonment not exceeding one year, or both.

SEC. 3. That it is hereby made unlawful for any person to hoard, or to hold, or enter into any contract or arrangement for any necessities in excess of an amount reasonably needed to supply his individual or business requirements for a reasonable time; to monopolize or attempt to monopolize, either locally or generally, any such necessities; to engage in any discriminatory and unfair or any deceptive practice or device in handling or dealing in or with such necessities; to enter into any con-

tract, arrangement, or conspiracy to restrict the supply or, except as permitted by law, for preventing giuts and for effecting equitable apportionment of perishable products among markets, to restrict distribution, or to enhance the prices of any such necessities; to exact excessive prices for any such necessities; or to aid or abet the doing of any act made unlawful by this section: *Provided*, That this section shall not apply or extend to any accumulating or withholding by any farmer, gardener, or other person of the products of any farm, garden, or other land cultivated by him.

Sec. 4. That no person shall conspire, combine, agree, or arrange with any other person to limit the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any necessities, or to restrain or injure trade or commerce in relation to any necessities, or to prevent, limit, or lessen the manufacture or production of any necessities, or to enhance the price thereof, or to prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation, insurance, or supply of any necessities.

Sec. 5. That the Secretary of Agriculture may, from time to time, establish and promulgate standards for grade and other classification of foods, food materials, feeds, seeds, other agricultural products, and fertilizers, hereafter in this section called commodities, by which their quality and value may be judged or determined, and standards for receptacles for commodities, by which the capacity of such receptacles may be judged or determined, and may make regulations governing the marks, brands, and labels used or to be used upon receptacles for commodities, for the purpose of showing the name and address of the producer or packer and the quality, nature, or quantity of the contents, and for the purpose of preventing deception with reference thereto. Before promulgating any standard under this section the Secretary of Agriculture may make such investigation and hear such representatives of trade interests concerned as he deems essential. Whenever the Secretary of Agriculture deems it essential to establish a standard for any commodity or receptacle, and a standard therefor shall then be effective under any act of Congress, such standard shall be promulgated as the standard for such commodity or receptacle under this section. Whenever any standard for grade or other classification of any commodity becomes effective under this section, no person thereafter shall pack for sale, offer for sale, consign for sale, or sell any such commodity by any grade or other classification other than that of such standard: *Provided*, That any person who packs for sale, offers for sale, consigns for sale, or sells any such commodity without regard to grade or other classification shall specifically describe such commodity or plainly mark the receptacle thereof in accordance with the regulations of the Secretary of Agriculture, in such manner as to indicate that such commodity is ungraded or unclassified. Whenever any standard for a receptacle becomes effective under this section no person thereafter shall pack for sale, offer for sale, consign for sale, or sell, in a receptacle, any commodity to which such standard for a receptacle is applicable, unless the receptacle conform to the standard, subject to reasonable variations therefrom permitted in the regulations of the Secretary of Agriculture, or unless the receptacle be so different in form, shape, and capacity as upon ordinary observation clearly to be distinguishable from the standard: *Provided*, That such requirements and regulations shall not apply to highly perishable fruits and vegetables. Whenever any regulation governing the marking, branding, or labeling of a receptacle for a commodity becomes effective under this section, no person thereafter shall pack for sale, offer for sale, consign for sale, or sell any such commodity in a receptacle to which such regulation is applicable, except in accordance with such regulation. This section shall not apply to offers for sale, consignments for sale, or sales in the original package of foods or feeds imported from a foreign country. Any person who violates any provision of this section, or of the regulations of the Secretary of Agriculture thereunder, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding one year, or both.

Sec. 6. That whenever the Secretary of Agriculture shall find it necessary, in order to carry out the provisions of this act, he may license the manufacture, storage, or distribution of foods, food materials, feeds, and fuels, and, after having publicly announced such necessity, no person shall, after a date fixed in such announcement, engage in or carry on any business specified in such announcement of manufacture, storage, or distribution of such articles, or any of them, unless he shall secure and hold a license issued by the Secretary of Agriculture. For the purposes of this section the Secretary of Agriculture is authorized to prescribe such reasonable regulations governing the conduct of the business of licensees as he may find to be necessary. Such regulations may include requirements for systems and auditing of accounts to be kept by licensees, submission of reports by licensees, and the entry and inspection by the Secretary of Agriculture, or his duly authorized agents, of the places of business of licensees. Any person who, without a license issued by the Secretary of Agriculture, shall engage in or carry on any business for which a license is required under this section, or willfully violates any provision of this section or any regulation of the Secretary of Agriculture under this section, or willfully fails or refuses to comply with any order of the Secretary of Agriculture under this section, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof, be punished by a fine not exceeding \$1,000 and by imprisonment not exceeding one year.

Sec. 7. That whenever the Secretary of Agriculture shall ascertain and publicly announce that any specified mixture of wheat, wheat flour, or other wheat product with any other cereal or cereal flour or other material of vegetable origin is wholesome and economically fit for food, such mixture, if marked or labeled so as plainly to disclose the kinds and relative amounts of the ingredients of the mixture and prepared in accordance with regulations made by the Secretary of Agriculture, shall not be deemed to be adulterated or misbranded within the meaning of the act of June 30, 1906, as amended, commonly known as the food-and-drugs act, or to be subject to the provisions of the act of June 13, 1898, as amended, commonly known as the mixed-flour law.

Sec. 8. That any person who violates any of the provisions of this act, except as otherwise provided, shall, upon conviction thereof, be punished by a fine not exceeding \$5,000 or by imprisonment for not exceeding five years, or both.

Sec. 9. That words used in this act shall be construed to import the plural or the singular as the case demands. The word "person," wherever used in this act, shall include individuals, partnerships, associations, and corporations. When construing and enforcing the provisions of this act, the act, omission, or failure of any official, agent, or other person acting for or employed by any partnership, association, or corporation within the scope of his employment or office shall, in every case, also be deemed the act, omission, or failure of such partnership, association, or corporation as well as that of the person.

Sec. 10. That the sum of \$1,500,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available immediately and until expended, for the carrying out of the purposes of this act, including the payment of such rent, the expense of such printing and publications, and the employment of such agencies in the Department of Agriculture, such persons, and such means, in the city of Washington and elsewhere, as the Secretary of Agriculture may deem necessary.

Sec. 11. That this act shall cease to be in effect when the national emergency resulting from the existing state of war shall have passed, the date of which shall be determined and proclaimed by the President; but such date shall not be later than one year after the termination, as ascertained by the President, of the present war between the United States and Germany.

During the reading,

Mr. SMITH of Michigan. Mr. President, if I catch the meaning of section 6, it obliges, at the pleasure of the Secretary of Agriculture, every person engaged in the manufacture, storage, or distribution of food, food materials, and so forth, to procure a license to do business.

Mr. GALLINGER. Mr. President, I rise to a point of order. The reading of the bill was ordered by the Senate, and I think the reading ought to be completed.

Mr. SMITH of Michigan. I think so, too. I wanted to see if I caught this correctly. I think I have. If so, I want to say something about it.

The PRESIDENT pro tempore. The reading of the bill has been ordered.

Mr. GALLINGER. Let the reading of the bill be concluded. The PRESIDENT pro tempore. The Secretary will continue the reading of the bill.

The Secretary resumed and concluded the reading of the bill.

Mr. HARDWICK. Mr. President—

The PRESIDENT pro tempore. The Senator from Georgia.

Mr. HARDWICK. I suppose the general discussion of this bill is now in order?

Mr. GORE. Mr. President, I have prepared a series of amendments to the bill, and I should like to offer them first.

Mr. HARDWICK. I yield, of course, to the Senator from Oklahoma.

Mr. GORE. The amendments vary, and I may say that some of them are highly important and some of them less so. Any amendment of any serious consequences that any Senator desired to have passed over will, of course, be passed over for further consideration. Some of them, however, I can present, I think, and have adopted and clear the way for the more serious matters.

Mr. THOMAS. Mr. President, I have an amendment which I desire to offer, but will postpone it until the offer of the amendments by the chairman of the committee.

Mr. GORE. There is a series of these, Mr. President.

Mr. HARDWICK. If the Senator from Oklahoma desires to dispose of the committee amendments before the general discussion takes place—

Mr. GORE. These, I may say, are not committee amendments. The committee amendments have been agreed to. But they are amendments which I have discussed more or less with the members of the committee.

Mr. HARDWICK. If that is the situation, unless the Senator much prefers it, I will go on now with what I have to say.

Mr. GORE. I would much prefer it, because I think it would perhaps change, or at least modify, the character of the Senator's discussion.

Mr. HARDWICK. In deference to the Senator's wishes I yield to him for that purpose.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

The PRESIDENT pro tempore. The Senator from Oklahoma is recognized. Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. GORE. I yield to the Senator from Florida.

Mr. FLETCHER. I desire to offer an amendment, simply to have it printed, and will ask to take it up after the amendments submitted by the Senator from Oklahoma have been disposed of.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Utah?

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

Mr. SMOOT. I desire to ask the Senator whether he has had prepared a comparative print of the bill as reported to the Senate and the bill as it would be, including the amendments he proposes to offer?

Mr. GORE. No, sir; there is no comparative print. There is a comparative print of this bill in parallel-columns with bills pending in the House.

Mr. SMOOT. That is House bill 4125?

Mr. GORE. Yes, sir; and still another bill; I think it is House bill 4188.

Mr. SMITH of Michigan. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. GORE. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I should like to ask the Senator from Oklahoma, the chairman of the committee, if section 6 is intended to apply to canners of food products—whether they are to be licensed or not permitted to do business in interstate commerce?

Mr. GORE. I will say that I have here an amendment to section 6. Such an amendment is included among those to which I referred; and if it pleases the Senator, I should be glad to omit that discussion until we reach that amendment.

Mr. SMITH of Michigan. I will not interrupt the Senator. I simply want to remind him, however, of an experience which we had in Congress a few years ago when we undertook to establish what was known as the denatured-alcohol business in this country. We supervised it in the same general way that we are seeking to supervise this situation, and it failed, and failed utterly, although other countries demonstrated that it was a matter of very great value to them. To-day it stands the German Empire in very good stead that it is able to make denatured alcohol.

I do not want to see this legislation surrounded with so much of detail that the business man who seeks to engage in enterprises of this character or scope will be hampered and limited and restricted and discouraged from going on with his business. I hope the Senator's amendment may touch that very matter. It is very important.

Mr. GORE. I may say that I think the industry referred to was perhaps supervised out of existence. I hope we can arrange this bill so as not to strangle any business we handle.

I send to the desk the first amendment to which I wish to call the attention of the Senate.

Mr. BRANDEGEE. Mr. President—

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

The SECRETARY. On page 1, line 8, after the word "people," it is proposed to insert "and for the Army and Navy," so that it will read:

To assure an adequate supply and equitable distribution and to facilitate the movement of foods, feeds, and fuel, hereafter in this act called necessities, for the Government and people and for the Army and Navy of the United States.

Mr. SMITH of Michigan. If you say "Government," that covers the others.

Mr. BRANDEGEE. Mr. President—

The PRESIDENT pro tempore. The Senator from Connecticut.

Mr. BRANDEGEE. I want to ask the Senator in charge of the bill a question. I notice that this bill was introduced by the Senator from Oklahoma [Mr. GORE] by request on May 11, and has been reported practically as it was introduced. I should like to be informed whether this bill emanates from a department of the Government?

Mr. GORE. What was the Senator's inquiry?

Mr. BRANDEGEE. I should like to be informed whose product this bill is. Who drafted it?

Mr. GORE. I will say that the Department of Agriculture prepared two different bills, sending, as I am informed, copies to the chairman of the Committee on Agriculture of the House, and also sending copies to myself. I do not remember the number of the first bill as introduced in the House. I introduced a similar bill—an identical bill, I may say—in the Senate, by request. Later another bill was sent to the chairman of the House committee and to myself. The chairman of the House committee introduced that bill in the House. I did not introduce that measure in the Senate. I did, however, if I may use the expression, cut ribs out of its side, and prepared a separate bill, including certain sections.

I had several reasons for pursuing that course. I thought the bills as drawn had perhaps pooled the opposition instead of dividing the opposition, that some Senators might object to one section and favor all the rest, and so on, and that by marshaling too much opposition the bill might fail. That is one reason. Another reason for not introducing the last bill sent to me is the fact that it contained a taxing clause, and of course could not originate in the Senate. There were other reasons than that why I did not introduce that measure, which I need not detail at this time.

With regard to the separate bills including different sections which I introduced, the committee took them under considera-

tion, and consolidated a number of them into a measure which was then introduced by me as a distinct bill, referred to the committee, and reported back to the Senate. That is the pending measure, Senate 2263, varying in many important particulars from the drafts sent up by the department, and containing two or three sections which were not embodied in those drafts.

That is the history of the legislation up to date. I may say, however, that it was deemed necessary to have a food survey or census, and I requested the department to prepare a bill covering that subject, and suggesting the amount of money necessary for its execution. Afterwards I received the measure suggested, which of course covered a great deal more ground than that.

Mr. BRANDEGEE. Mr. President, the object of my inquiry is to ascertain whether this bill, introduced by the Senator by request and in the manner he has described, as at present reported has the approval of the Department of Agriculture?

Mr. GORE. Mr. President, I am unable to answer that question. I do not know whether the changes made by the department meet the approval of the Secretary of Agriculture or not. I am not prepared to say.

Mr. SMITH of Georgia. Mr. President, will the Senator pardon me?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. BRANDEGEE. I yield.

Mr. SMITH of Georgia. It is true, however, that the bill as reported is the bill suggested by the department in modified form. The present bill does not go to the extent that the bill suggested by the department went.

Mr. REED. Mr. President—

Mr. GORE. I yield to the Senator from Missouri.

Mr. REED. I was only going—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. REED. The Senator from Connecticut does not have the floor.

Mr. BRANDEGEE. I desired to have a matter read from the desk, but I will yield to the Senator.

The PRESIDING OFFICER. The Senator will suspend. The Senator from Missouri is mistaken. The Chair has recognized the Senator from Connecticut, and he asked a question of the Senator from Oklahoma. The Senator from Oklahoma was on the floor by courtesy of the Senator from Connecticut.

Mr. BRANDEGEE. If I control the floor, I do not want the Senator from Missouri to understand that I decline to yield to him at all. I am perfectly willing to yield to the Senator, but I do not wish to lose the floor.

Mr. REED. It is immaterial now.

Mr. BRANDEGEE. Then, Mr. President, I wish to ask the Senator from Oklahoma if there is a written report accompanying the bill?

Mr. GORE. There is not, Mr. President. I may say that it was my intention to prepare a report analyzing the bill, but I have not had an opportunity to do so. Being a member of the Committee on Finance, which holds meetings in the forenoon, I have been denied the opportunity. I will say to the Senator that there is a comparative print of this bill, which will be illuminating if he will obtain it.

Mr. BRANDEGEE. Of course, we are engaged now in the passage of the bill.

Mr. GORE. Yes, sir.

Mr. BRANDEGEE. And any report that the committee may make later on analyzing it will not be of service now in enlightening us as to how we shall vote upon the different amendments and sections of the bill.

Mr. GORE. That is true.

Mr. BRANDEGEE. Was the testimony taken before the committee printed, and is it obtainable?

Mr. GORE. It is obtainable; yes, sir.

Mr. BRANDEGEE. There are copies in the committee room?

Mr. GORE. Yes, sir.

Mr. BRANDEGEE. Can the Senator state in general what experts or witnesses appeared advocating the bill?

Mr. GORE. I will say that there seemed to be a consensus of opinion that the Government ought to take steps of some kind to meet the situation with reference to foods and feeds, and to anticipate, if practicable, a possible dearth or scarcity.

Mr. BRANDEGEE. But I wanted to know the names of the witnesses who advocate the bill.

Mr. GORE. Mr. President, I do not know that I can say off-hand, without consulting the Record; but a number of them were examined more particularly as to the price-fixing proposition. Some of them advocated that. Generally, they did advocate it. There were one or two that did not. I think Mr. Dillon, of New York, perhaps was opposed to the price-fixing

plan. I think Dr. King, of the University of Pennsylvania, favored it. I think Dr. Huebner, of the University of Pennsylvania, favored it; and I think probably George W. Perkins favored it.

Mr. BRANDEGEE. The Senator means, I assume, that they favored some plan of Government control of food products.

Mr. GORE. Yes, sir.

Mr. BRANDEGEE. Not necessarily favoring this particular bill in every respect?

Mr. GORE. Well, I may say to the Senator that this bill was drafted after the hearings had been concluded. The hearings were on the general situation, and on the bills introduced in the House, and the bill introduced by myself in the first instance. This bill is a sort of recast after the hearings were over.

Mr. BRANDEGEE. Mr. President, I send to the desk and ask to have read by the Secretary a printed article sent to me by a newspaper, the article being a reprint from the New York Globe of May 17, 1917, being an article by Alfred W. McCann, bearing upon the general proposition of having control by the Government through a director, or whatever they call him, of food products. I should like to have the Secretary read it before the amendments are acted upon.

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

The Secretary read as follows:

[From the New York Globe of May 17, 1917.]

HOOPER SAYS HIS FOOD FIGHT WILL BE FOR PLAIN PEOPLE—MAN WHO MAY BE DICTATOR WON'T ALLOW POLITICIANS OR THEORISTS TO INTERFERE, HE TELLS MCCANN—PREDICTS FLOUR AT \$6.60—BELIEVES IN 81 PER CENT MILLING.

[By Alfred W. McCann.]

WASHINGTON, May 17.

"As an economic aid to our shipping larger quantities of wheat to our allies I would be glad to see everyone in the United States eat 100 per cent bread, but I will never act the part of an engine to drive them to eat it."

This statement was made to me last evening by Herbert C. Hoover, prospective food dictator of the United States, in his apartments in the New Willard, Washington.

Hoover is a tired man, a depressed man, an impatient man, but a strong man. For two years he administered the work of feeding 10,000,000 ravished Belgians on food which has, as he himself says, left them so woefully underfed that they are now subject to every disease that scourges humanity.

HOOPER SHUDDERS AT MEMORY.

"We built our own flour mills in Belgium with American machinery and milled the wheat to 81 per cent. That 81 per cent of the wheat grain, with fats and soup, has been all that the broken Belgians have had to eat for two years," he said, with a faint suspicion of a shudder, as if he would have blotted from his memory a picture too horrible to contemplate.

"We tried at one time in desperation to squeeze more of the wheat into the flour, but the Belgian mortality increased immediately by a thousand deaths, and we did not after that dare to mill more than 81 per cent of the grain.

"If it falls to my lot to control the food supply of the United States," he said, "I shall begin at once to cut off every official and every theorist. There must be, above all, no professors on this job. The commercial interests of this country are the only people who know anything about food that is practical, and to them I shall look exclusively for aid in helping me to solve the big and complex problems which are involved in this work.

"I will not be shackled by anybody in the Department of Agriculture and will not allow a single job hunter or profit monger to help me.

"Patriotic and unselfish men, every one of them working without pay or compensation of any kind, will be my assistants."

He spoke with a finality that reflected the present state of mind of the President, who, as was freely rumored in the corridors of the Capitol during the day, no longer reposes full confidence in Secretary Houston or any of the old bureaucrats who for years have worked under cover in the Department of Agriculture.

HIS BIG JOB.

"My big job," he said in a manner that did much to convince me he had accepted the job, "will be to drop the outrageous price of flour to \$6.60 a barrel.

"I know of no more diabolic or wicked thing in all this hellish business than the crime committed against humanity by the damned robbers, for that is exactly what they are, who have shot up the price of flour to its present level.

"There are thousands of abandoned flour mills scattered all over this country which can be reopened to bring about the drop in price, which I hold to be the most important and most radical move now up to the American people. Local milling will establish direct lines between producer and consumer and cut off the grabbing hands between.

"Those mills will have to get at least 81 per cent out of the wheat, and there will be no flour milled under this standard. Those that want to mill a hundred per cent can do so, but there will be no regulations compelling them to go further than 81 per cent.

"There was down here a fellow named Johnson, who came from New York to tell us about his 100 per cent bread. We investigated it and found the flour which he thought was whole wheat was merely 75 per cent. He had been fooled by the millers and was fooling his customers in turn.

"The millers have been lobbying around Washington ever since I came here," he went on, "but they have made no impression upon me. What they actually want is no change at all."

I asked him if the Belgians were getting sufficient food in quantity to keep them in health, for it seemed that what he said was an indication that he did not believe in the wholesomeness of flour containing more than 81 per cent of the wheat.

NOT SUFFICIENT FOOD.

"No; they have not had sufficient food to keep anybody in health," he answered.

"But there seems to be in your mind the conviction that bread containing all or most of the wheat is not good food and that your single experience with whole-meal bread caused the death of a thousand Belgians. Is not the malnutrition of those people probably attributable to too little food of any kind rather than to the little whole meal which they received?" I asked.

"I saw people die when we increased the percentages of wheat in their bread, and I do not want to shoulder the responsibility of making the entire country eat whole wheat unless it wants to.

"Moreover, there are certain people who can not eat bran, and the keeping qualities of their flour must be considered. If we could mill flour within 30 days of its consumption, it might be a different thing, but I don't want the responsibility of deciding this issue," he repeated.

I reminded him that the reopening of the county mills, mills near the cities and in the cities, would bring the flour well within the 30-day period which he had in mind, and that the very millers who were lobbying for white flour were themselves advertising and selling in fancy packages, for its medicinal value, the bran which they had taken out of that white flour.

He said he knew that.

I told him about the making 100 per cent bread, 50,000 loaves of it a week, and the bakers of Chicago who were doing the same thing, and of our own little group of 75 undernourished boys who were restored to health on a diet of 100 per cent bread.

NEEDED WHOLE WHEAT, SAYS M'CANN.

I told him of the experiments of Moore, Eddy, and Simpson, of England, of Gautier, of France, of Vert, of Germany, of Sullivan, Towles, and Voegtlin, of the United States Public Health Service, and of numerous others who had demonstrated that in such a diet as he was forced to rely upon in feeding the Belgians nothing could save such people from malnutrition but the very elements which were lost in 81 per cent bread. He shook his head grimly, the act of an honest man who has suffered a dreadful and heartbreaking experience, and said:

"But I saw a thousand Belgians die on such bread."

"Mr. Hoover," I replied, "I believe in you. Patriotism, unselfishness, and great ability are written all over you, but your sad experience is incompatible and irreconcilable with the known and proved facts. There was some other factor behind the experience which has led you to your unshakable convictions, and if you will let me I will place myself at your convenience to bring another set of facts before you."

He was tired almost to exhaustion, and told me how heavy was his task and how few the hours in which he had to perform that task.

"Some time in the future I hope we may discuss this thing again," he said.

Before leaving his apartment I reminded him of the great army of clerks and other workers who were striving to support life on incomes averaging less than \$20 a week, and of their all too restricted diet, urging him to consider the meaning to them of adequate bread containing the salines which they could find in none of the modern processed foods, and without which their watery tissues and thin blood made them subject to the very plague of diseases, including tuberculosis, which he had seen overtake the half-starved Belgians.

HE'S FOR THE MASSES.

He stood straight up and cried with an earnestness that no politician has ever successfully simulated:

"It is for them, the great inarticulate and helpless masses, that I am thinking all the time. It is for them that I am working. It is for them, by God, that I am here."

Oh, what a service this strong, stubborn, unselfish man has attempted to render his fellows and what a service is within his power to render!

May God assist him. After such a talk with such a man one realizes the awfulness of the curse that has been visited upon this earth. Hoover has seen it, has felt it, has lived with it. He knows that Attila has been reincarnated and lives. He knows that Attila must die.

Would that I could make him believe that the surest and quickest way to destroy the still living destroyer of men, women, and children is by keeping our soldier and civilian population of our allied nations physically fortified with the food elements which all humanity, thanks to the American miller, now disregards.

Hoover speaks of the difficulty of changing national habits, of bringing about the popularization of whole meal bread. Humanity, realizing the dreadfulness of the task before it, would eagerly change its bread habits if those educational forces already in possession of the facts began at once to tell the truth.

Hoover himself needs to hear those truths again and again and again if only to make less vivid the impression which tragedy and barbarism have burned into his soul.

President Wilson, if your own scientists—Sullivan, Towles, and Voegtlin—have worked to any purpose at all, now is the hour to call them into conference with this man. What they informed the world through a public document, compiled at public expense and printed by the United States Government just one year ago, must be imparted to Hoover. Let them do it now. Across the street from the House they work. In five minutes they can reach Hoover. Send them. Send them now.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Oklahoma [Mr. GORE].

Mr. SMITH of Georgia. Mr. President, I believe I can be of some service to the Senate by very briefly calling attention to what each of these sections in a general way apply to.

Mr. NORRIS. Before the Senator proceeds, will he permit me to ask the chairman of the committee whether the testimony of Mr. Hoover and Dr. Taylor has been printed?

Mr. GORE. It has been printed, in part 4.

Mr. NORRIS. I did not catch the Senator's answer.

Mr. GALLINGER. It is in part 4.

Mr. KENYON. It has been printed, I will state to the Senator.

Mr. FALL obtained the floor.

Mr. McCUMBER. I wish to ask the chairman of the committee whether there will be any proposition coming from the

committee in the form of an amendment for fixing the prices of food products?

Mr. GORE. My judgment is that there will not be. That proposition, I assume, will come over to the Senate from the House and will then be considered by the Senate. I do not speak finally, however, as to what the committee might decide in order to facilitate the consideration of the bill, and that question might be submitted as an amendment to the pending measure.

Mr. McCUMBER. But at least no such proposition will come from the committee at this time upon the bill.

Mr. SMITH of Georgia. What proposition?

Mr. McCUMBER. The proposition for fixing either a minimum or a maximum food charge.

Mr. GORE. I can not answer that question finally, because in order to facilitate the consideration of the measure the committee may report such an amendment to the Senate after it has been introduced in the House in final form. I can not speak advisedly on that point. There is great contrariety of opinion among members of the committee on the subject. I think I speak within limits when I state that they have not brought out definitely any final conclusion on that subject.

Mr. McCUMBER. That is all I desired to know.

Mr. GORE. Nothing of that sort is immediately in prospect.

Mr. FALL. Mr. President, before we proceed to the discussion of the bill to occupy the time of the Senate at any length in discussion of it I should like to call the attention of the chairman of the committee to the statement of the President of the United States, followed by the statement of Mr. Hoover, as published in all the daily papers of yesterday. I have before me the Washington Post of Sunday, May 20. It seems to me that upon reading the statement of the President it will be seen that there is a very strong conflict between some of the provisions of the proposed bill and the ideas of the President as he proposes to insist upon them, and that, taking into consideration the recommendation of the President, it might be a good idea to ascertain further what he wants before we proceed with this bill.

I call the attention of the chairman of the committee to the fact that the bill provides for certain duties to be performed by the Secretary of Agriculture and that department, while the President announces that he proposes to impose the work upon a commissioner. I will ask that the article be read in full a little later:

All measures intended directly to extend the normal activities of the Department of Agriculture in reference to the production, conservation, and the marketing of farm crops will be administered as in normal times through that department, and the power asked for over distribution and consumption, over all imports, prices, purchase, and requisition of commodities, storing, and the like, which may require regulation during the war, will be placed in the hands of the commissioner of food administration appointed by the President and directly responsible to him.

The suggestion that I make is, first, that this statement be read now, and then I will ask the chairman whether he thinks it is advisable to proceed with this bill until after consultation.

Mr. SMITH of Georgia. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Georgia?

Mr. FALL. I yield.

Mr. SMITH of Georgia. I had the floor and I yielded it for a question by the Senator from Nebraska [Mr. NORRIS]. I did not intend to yield the floor. I believe that I could in five minutes call the attention of the Senate to what the bill covers and what is omitted, and thereby help the Senate, those who are not members of the committee in appreciating the situation as it is now presented to the Senate.

Mr. FALL. I had the floor under the recognition of the Chair. I did not intend to usurp the time of the Senator at all. The Chair recognized the Senator from New Mexico.

The PRESIDENT pro tempore. May the Chair interrupt the Senator for one moment, because the question has been raised once or twice this morning? The Senator from Georgia was recognized, but he resumed his seat, and before he again rose the Senator from New Mexico addressed the Chair and was recognized. The Senator from North Dakota [Mr. McCUMBER] did not notice that the Senator from New Mexico was recognized and proceeded to address an inquiry to the chairman of the committee. The Senator from New Mexico is properly now upon the floor.

Mr. FALL. The Senator from New Mexico had in view exactly the same idea that has just been announced by the Senator from Georgia—that it is possible the Senate, with full information before it, may proceed to legislate in accordance with the desire of the President of the United States in the conservation of time. I ask that this article be read. It appears on pages 1 and 4 of the Washington Post of yesterday.

The PRESIDENT pro tempore. Is there objection?

Mr. SMITH of Georgia. I object.

Mr. FALL. Then I will read it.

Mr. SMITH of Georgia. All right; let the Senator read it.

Mr. FALL. With very great pleasure.

Mr. GALLINGER. Mr. President, there is a rule of the Senate that when an objection is made to the reading of a paper the question shall be submitted to the Senate.

The PRESIDENT pro tempore. But the Chair thinks that the Senator from New Mexico was proceeding to read it as a part of his remarks, which, of course, he is entitled to do.

Mr. GALLINGER. Certainly; I have no objection to that.

Mr. FALL. I will proceed.

Mr. KENYON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. FALL. I do.

Mr. KENYON. I should like to suggest to the Senator as he reads the article to indicate what part of the statement of the President conflicts with any provisions of the bill.

Mr. FALL. I will read the statement first and then indicate the portions of the bill that I think conflict.

It is very desirable, in order to prevent misunderstandings or alarms and to assure cooperation in a vital matter, that the country should understand exactly the scope and purpose of the very great powers which I have thought it necessary in the circumstances to ask the Congress to put in my hands with regard to our food supplies.

Those powers are very great indeed, but they are no greater than it has proved necessary to lodge in the other governments which are conducting this momentous war, and their object is stimulation and conservation, not arbitrary restraint or injurious interference with the normal processes of production.

INTENDED TO BENEFIT FARMERS.

They are intended to benefit and assist the farmer and all those who play a legitimate part in the preparation, distribution, and marketing of foodstuffs.

It is proposed to draw a sharp line of distinction between the normal activities of the Government represented in the Department of Agriculture in reference to food production, conservation, and marketing on the one hand and the emergency activities necessitated by the war in reference to the regulation of food distribution and consumption on the other.

I will call the Senator's attention to the fact that section 4 of this bill does provide for the regulation of the distribution of food products and, indirectly, of consumption. There is something in each of the different sections with reference to it. Section 6 is the one which I have particularly in mind. The statement continues:

ANNOUNCES THE COMMISSIONER.

All measures intended directly to extend the normal activities of the Department of Agriculture in reference to the production, conservation, and the marketing of farm crops will be administered as in normal times through that department, and the power asked for over distribution and consumption, over all imports, prices, purchase, and requisition of commodities, storing, and the like, which may require regulation during the war will be placed in the hands of a commissioner of food administration appointed by the President and directly responsible to him.

The objects sought to be served by the legislation asked for are: Full inquiry into the existing available stocks of foodstuffs and into the costs and practices of the various food producing and distributing trades; the prevention of all unwarranted hoarding of every kind, and of the control of foodstuffs by persons who are not in any legitimate sense producers, dealers, or traders; the requisitioning when necessary for the public use of food supplies and of the equipment necessary for handling them properly; the licensing of wholesome and legitimate mixtures and milling percentages, and the prohibition of the unnecessary or wasteful use of foods.

WOULD ESTABLISH PRICES.

Authority is asked also to establish prices, but not in order to limit the profits of the farmers, but only to guarantee to them when necessary a minimum price which will insure them a profit where they are asked to attempt new crops, and to secure the consumer against extortion by breaking up corners and attempts at speculation when they occur by fixing temporarily a reasonable price at which middlemen must sell.

I have asked Mr. Herbert Hoover to undertake this all-important task of food administration. He has expressed his willingness to do so on condition that he is to receive no payment for his services and that the whole of the force under him, exclusive of clerical assistance, shall be employed so far as possible upon the same volunteer basis.

VOLUNTEER COOPERATION NEEDED.

He has expressed his confidence that this difficult matter of food administration can be successfully accomplished through the voluntary cooperation and direction of legitimate distributors of foodstuffs and with the help of the women of the country.

Although it is absolutely necessary that unquestionable powers shall be placed in my hands in order to insure the success of this administration of the food supplies of the country—

Mr. SMITH of Georgia. If the Senator from New Mexico would prefer that the article be read at the desk, I withdraw my objection.

Mr. FALL. No; I thank the Senator for his exceeding courtesy. As I have started, I shall proceed, so that the Senator can not offer any objection.

Mr. SMITH of Georgia. All right.

Mr. FALL. The President continues:

I am confident that the exercise of those powers will be necessary only in the few cases where some small and selfish minority proves unwilling to put the Nation's interests above personal advantage and that the whole country will heartily support Mr. Hoover's efforts by supplying the necessary volunteer agencies throughout the country for the intelligent control of food consumption and securing the cooperation of the most capable leaders of the very interests most directly affected, that the exercise of the powers deputed to him will rest very successfully upon the good will and cooperation of the people themselves, and that the ordinary economic machinery of the country will be left substantially undisturbed.

MEETS MANIFEST EMERGENCY.

The proposed food administration is intended, of course, only to meet a manifest emergency and to continue only while the war lasts.

Since it will be composed for the most part of volunteers, there need be no fear of the possibility of a permanent bureaucracy arising out of it.

May I pause here to congratulate the President upon his calling volunteers into the service, Mr. President, and assuring the country against bureaucracy by virtue of such measures? I resume the reading:

All control of consumption will disappear when the emergency has passed.

I digress again to remark that that is one of the benefits of volunteer democracy, Mr. President. The article proceeds:

It is with that object in view that the administration considers it to be of preeminent importance that the existing associations of producers and distributors of foodstuffs should be mobilized and made use of on a volunteer basis.

NO PRUSSIAN AUTOCRACY.

The successful conduct of the projected administration by such means will be the finest possible demonstration of the willingness, the ability, and the efficiency of democracy, and of its justified reliance upon the freedom of individual initiative.

The last thing that any American could contemplate with equanimity would be the introduction of anything resembling Prussian autocracy into the food control in this country.

It is of vital interest and importance to every man who produces food and to every man who takes part in its distribution that these policies thus liberally administered should succeed and succeed altogether.

It is only in that way that we can prove it to be absolutely unnecessary to resort to the rigorous and drastic measures which have proved to be necessary in some of the European countries—

I suppose he has reference to some selective-draft proposition.

HOOVER TELLS OF PLANS.

Mr. Hoover last night issued a statement saying he would accede to the request of the President upon the assumption that he grant the necessary authority for setting up a competent administrative system.

"I hold strongly to the view," he said, "that while large powers are necessary for minority cases, they will probably need but little application, for the vast majority of the producing and distributing elements of the country are only too willing to serve our national necessities.

RECOMMENDATIONS HE MAKES.

"I have recommended to the President five cardinal principles of food administration:

"First. That the food problem is one of wise administration and not expressed by the words 'dictator' and 'food controller,' but food administrator.

"Second. That the administration can be largely carried out through the coordination and regulation of the existing legitimate distributive agencies supplemented by certain emergency bodies composed of representatives of the producers, distributors, and consumers.

ASKS VOLUNTARY CONSERVATION.

"Third. The organization of the community for voluntary conservation of foodstuffs.

"Fourth. That all important positions, so far as they may be, shall be filled with volunteers.

"Fifth. The independent responsibility of the food administration directly under the President, with the cooperation of the great and admirable organization of the Department of Agriculture, the Department of Commerce, the Federal Trade Commission, and the railway executives."

NEEDS AID OF HOUSEWIVES.

Mr. Hoover also emphasized the necessity of cooperation on the part of the housewives of the country in the intelligent purchase and use of foodstuffs. He purposes to submit to them a scheme by which every woman at the head of a household will pledge herself to carry out the instructions she will be given from time to time.

"We do not ask," he said, "that the American people should starve themselves, but that they should eat plenty, wisely, and without waste."

ON VOLUNTEER BASIS ONLY.

"I have represented to the President," he added, "that I am confident that the whole of this service can be carried out by the men and women of this country on a volunteer basis, and that I can see no other means by which the problem can be adequately solved in the United States. If this can not be done, I shall certainly willingly surrender the task to some other method of emergency. I hold that democracy can yield to discipline and that we can solve the food problem for our own people and for our allies in this way, and that to have done so will have been greater service than our immediate objective, for we will have demonstrated the rightness of our faith and responsibility to defend ourselves without being Prussianized."

Mr. President, I had no intention of reading this entire article when I arose, but I have done so. I have not read it in personal opposition to this bill nor any of the provisions of the bill, but it appears to me that the suggestions contained in it are in entire opposition to the bill. The bill does provide for certain drastic regulations with reference to foods; it does undertake to vest large powers in the hands of the Secretary of Agriculture; and Mr. Hoover's theory appears to be that he can do

all that is necessary to carry out his object by voluntary cooperation between himself and the food producers and those who sell the foods and who handle the foods of the country.

It was with the best intention that I called the attention of the Senate to the fact that this statement had been given out, because if we are to be notified later, after proceeding at great length to discuss the present bill, that it does not meet with the executive approval, but that other measures will be insisted upon in conflict with it, necessarily then our work would have been useless. It was with that idea and that alone, sir, that I arose.

Mr. GORE. I desire to say to the Senate and to the Senator that I intend to offer certain amendments, some of which will meet the criticisms suggested by the Senator from New Mexico. I realize that the bill as it now stands is open to his criticisms.

Mr. POMERENE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. GORE. I do.

Mr. POMERENE. Have those amendments been printed?

Mr. GORE. They have not. I prepared them this morning and intend to offer them. I will say that if there is any amendment which any Senator desires to have passed over, it will be passed over, so that it may receive his and the Senate's fullest consideration.

Mr. POMERENE. I hope the Senator will consent to that.

Mr. GALLINGER. I will ask the Senator if the amendments might not be submitted and a "rush" order entered to have them printed? In that event they will be back here before we adjourn this evening probably and we will be able to examine them.

Mr. POMERENE. I was going to make that same request to the Senator.

Mr. GORE. I think I can arrange to do that in a few moments. Some of the amendments, I think, will provoke very little opposition. At the same time, they put a different aspect on the bill in many particulars. I was anxious to have those amendments considered, so that, if adopted, the bill could be considered on the basis suggested by the Senator from New Mexico. I will have them sent to the desk and read to the Senate, in order that Senators may have them in mind, and then try to have them printed on a rush order.

Mr. GALLINGER. There can be no objection to that, it seems to me. They will appear in the RECORD to-morrow morning at least, and the Senator in the meantime can have them printed; but I think that if there is any amendment that is contested the Senator ought not to insist upon a vote on that amendment this afternoon.

Mr. GORE. Not at all. I intend to pass them over if there is any objection and to have them printed, so that Senators may be fully advised as to them.

Mr. HARDWICK. Mr. President, if the Senator will allow me to interrupt him, suppose, then, that we proceed and, if there is any objection to an amendment, let it go over, but let those not objected to be adopted.

Mr. GORE. I will say to the Senator that that was the program that I had hoped to see carried out.

Mr. HARDWICK. I think that would be a proper procedure, because the bill might be changed so that some of us would not be quite so strongly opposed to it as we now are. There is certainly room for improvement.

Mr. GORE. I was anxious to do that before the discussion proceeded; but, of course, I have no control of that situation.

Mr. HARDWICK. Suppose the Senator offers the amendments now.

Mr. JONES of New Mexico. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. GORE. I do.

Mr. JONES of New Mexico. I should like to inquire whether or not the amendments referred to by the chairman of the committee have been considered by the committee or whether they have been prepared since the committee has had the bill under consideration?

Mr. GORE. I will say that they have not been considered by the committee, although I have conferred with several members of the committee in regard to them. As Senators know, we are all pretty busy at this time. I myself am a member of the Finance Committee, which occupies the entire forenoon in the consideration of the forthcoming revenue bill. That will have to serve as my apology, both to the committee and to the Senate, for not having taken these amendments up formally with the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. GALLINGER. I ask that all the amendments the Senator proposes to offer shall be read for the information of the Senate.

Mr. GORE. Does the Senator desire that done at once?

Mr. GALLINGER. I should like to have it done at once; otherwise, I shall object to their consideration.

Mr. GORE. I thought that would be more confusing than simply to offer the amendments separately. Then if any Senator asked that any particular amendment go over I should be glad to consent to let it go over.

Mr. GALLINGER. The Senate can take them up after they have been read.

The PRESIDENT pro tempore. Without objection, the amendments proposed by the Senator from Oklahoma will be read without action immediately.

The Secretary read as follows:

On page 1, line 8, after the word "people," insert "and for the Army and Navy."

On page 2, line 3, after the word "Agriculture," insert "or such other officer or agent of the Government as the President may direct."

On page 2, line 10, after the word "food," strike out the period and insert a colon and the following:

"Provided, That in ascertaining such cost or other facts herein required the Secretary of Agriculture, or such other officer or agent of the Government as the President may direct, shall avail himself of the result of any investigations into like subjects on the part of the Federal Trade Commission or any other department, bureau, or officer of the Federal Government, and it shall be the duty of such commission, department, bureau, or officer to cooperate with the Secretary of Agriculture, or other officer or agent, in carrying out the provisions of this section."

On page 2, line 23, after the word "person," insert "willfully to destroy or make away with, or."

On page 3, line 1, after the word "necessaries," insert "essential to the support of the Army or maintenance of the Navy of the United States, or which are involved in or constitute a part of commerce among the States or with foreign nations."

On page 3, line 18, after the word "shall," insert "monopolize, or attempt to monopolize, or."

On page 3, after line 26, insert:

The word "necessaries" as used in this section shall be construed to relate to such necessities as are essential to the support of the Army or the maintenance of the Navy of the United States, and the words "trade or commerce" shall be construed to mean trade or commerce among the States or with foreign nations.

"Any such necessities owned by any such person or combination, or any such monopoly, or conspiracy, being in course of transportation from one State to another, or to a foreign country, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law, and such forfeiture and condemnation shall be in addition to the other penalties imposed by this act."

On page 6, line 9, strike out the words "Secretary of Agriculture" and insert in lieu thereof the word "President."

On page 6, line 12, after the word "fuels," insert "which constitute a part of trade or commerce among the States, or with foreign nations."

On page 6, line 18, strike out the words "Secretary of Agriculture" and insert in lieu thereof the following: "President or such officer or agent of the Government as he may direct."

On page 6, line 19, strike out the words "Secretary of Agriculture" and insert in lieu thereof the word "President."

On page 6, line 21, strike out the word "licenses" and insert the word "licensees."

On page 6, line 24, strike out the words "the Secretary of," and on line 25 strike out the word "Agriculture" and insert in lieu thereof the following: "such officer or agent of the Government as the President may charge with the administration of this act."

On page 6, line 25, strike out the word "agents" and insert the word "representatives."

On page 7, line 2, strike out the words "by the Secretary of Agriculture" and insert in lieu thereof the following: "in accordance with this section."

On page 7, line 5, strike out the words "Secretary of Agriculture" and insert in lieu thereof the word "President."

On page 7, line 7, strike out the words "Secretary of Agriculture" and insert in lieu thereof the word "President."

After section 7, page 7:

"Sec. — That whenever the President finds it essential in order to prevent undue enhancement or fluctuation of prices of, or in order to prevent injurious speculation in, or in order to prevent unjust market manipulation or unfair and misleading market quotations of the prices of necessities, hereafter in this section called evil practices, he is authorized to prescribe such regulations governing operations, practices, and transactions at, on, in, or subject to the rules of any exchange, board of trade, or similar institution or place of business as he may find essential in order to prevent, correct, or remove such evil practices. Any person who willfully violates any regulation made pursuant to this section, or who knowingly engages in any operation, practice, or transaction prohibited by the President pursuant to this section, or who aids or abets any such violation or any such prohibited operation, practice, or transaction, shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding \$5,000 and by imprisonment for not exceeding two years."

"That the President is authorized, from time to time, to ascertain the needs of the country for preference movements by common carriers, in interstate commerce, in order to assure an adequate and continuous supply of necessities, and, whenever he shall find that any such preference movements are essential for the purpose, he is authorized to transmit his findings, so far as concerns preference movements by common carriers other than by water, to the Interstate Commerce Commission, and, so far as concerns preference movements by common carriers by water, to the United States Shipping Board. Upon receipt of any such findings, the Interstate Commerce Commission, or the United States Shipping Board, as the case may be, is authorized and required,

in so far as practicable, to make and enforce appropriate orders and regulations to carry into effect such findings. Every common carrier to which such an order or regulation is directed or applies shall comply with the same. In case of failure or refusal on the part of any common carrier to comply with the terms of any such order or regulation, such carrier shall be liable to a penalty of \$1,000 for each offense and \$100 for each and every day of the continuance of such offense, which shall accrue to the United States and may be recovered in a civil action brought by the United States. In addition, any person who willfully fails or refuses to comply with the terms of any such order or regulation shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding \$10,000, or by imprisonment for not more than two years, or both."

During the reading,

Mr. GORE. Mr. President, I observe from the reading of the new section proposed to be inserted after section 7 that it does not include a clause limiting those necessities to such as constitute a part of interstate and foreign commerce. I should like to modify that.

Mr. JONES of New Mexico. Mr. President, it seems to me the importance of this bill is generally recognized, and also the importance of the various amendments which have just been submitted by the chairman of the committee. I understand that they do not come here as committee amendments; but I wonder if it would not be possible to have the bill printed showing these amendments just as they would appear if they had been submitted as committee amendments?

Mr. GORE. I intended to make that request as soon as the reading of the amendments was finished, and I will make it at this time.

Mr. LODGE. I suggest that the reading of the amendments be completed.

Mr. JONES of New Mexico. I supposed that had been done.

The PRESIDENT pro tempore. That is the regular order, as suggested by the Senator.

The Secretary resumed and concluded the reading of the amendments submitted by Mr. GORE.

Mr. LODGE. Mr. President—

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. LODGE. I should like to ask the Senator from Oklahoma whether the amendments that have just been read have been offered with the authority of the committee? Are they committee amendments?

Mr. GORE. They have not been, Mr. President.

Mr. LODGE. Then they are offered by the Senator in his individual capacity?

Mr. GORE. They are; but I will say that they were contained in the drafts of the bill that were sent up from the department, with one or two changes. The one with reference to preferential shipments, as prepared by the department, related both to interstate shipments and to intrastate shipments. The phrase "interstate shipments" is not contained in the amendment that I offered. The amendment relating to boards of trade not only authorizes the President to prescribe rules and regulations governing the transactions of boards of trade, but it also gives him power to prohibit those transactions in whole or in part. Owing to certain proceedings in the committee with reference to this matter, that clause was omitted in the draft which I presented. These amendments were discussed more or less in the committee.

Mr. LODGE. If I may ask, why was not that bill, or these amendments, reported by the committee?

Mr. GORE. I can not answer that question, Mr. President. The committee did not see fit to report it.

Mr. BRANDEGEE. Mr. President, is not this the situation: The Senator says that most of these amendments were in the draft of the bill which the committee considered.

Mr. GORE. No; the last—

Mr. BRANDEGEE. So they really stand here as having been rejected by the committee and offered by the Senator from Oklahoma.

Mr. GORE. No; the Senator is mistaken. The last two were in the bills as sent up, and were introduced by me by request as separate bills. The one relating to boards of trade was considered and was not reported; but owing to the discussion in the Senate a few days ago on an amendment offered by the Senator from Colorado [Mr. THOMAS], it was decided by certain members of the committee with whom I conferred—we have not had a meeting of the committee since—that it might be well to present this proposition to the Senate.

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

Mr. LODGE. I think I have the floor.

The PRESIDENT pro tempore. The Senator from Massachusetts was recognized.

Mr. LODGE. I had the floor, and asked the Senator from Oklahoma to answer a question.

Mr. HARDWICK. I beg the Senator's pardon.

Mr. LODGE. I shall be through in one moment.

Mr. HARDWICK. I do not intend to go on until the Senator has finished.

Mr. LODGE. I was only seeking information. What I understand is that the bill that is upon our desks then is the only bill that comes here with the authority of the committee.

Mr. GORE. It is.

Mr. LODGE. I say that because the amendments that have just been read are most extreme. The bill itself is a pretty strong measure, but the amendments go much further and completely change the whole subject. I think we ought to have them before us in some comprehensive form. We can not act on amendments that are merely read from the desk.

Mr. HARDWICK. Mr. President, if the Senator will yield to me for just a moment. I agree thoroughly with the Senator from Massachusetts. The bill, as modified by the Senator's proposed amendments, is one that we can all consider, at least; it is undoubtedly within the constitutional power of Congress, whereas this other one is not, as I think I can demonstrate. Would it not be wiser, then, to recommit this bill to the committee and have the committee report this bill, or something like it, with the amendments suggested by the Senator, so that the Senate can give it some real consideration?

I do not want to interfere with the Senator's committee or with his bill, but it does look to me like the Senate itself would get a more intelligent view of this question and could make a more intelligent disposition of it if that were done.

Mr. GORE. Mr. President, at this point, before answering the Senator's question, I desire to ask unanimous consent to have the bill printed with the amendments just read shown as proposed amendments, whether they shall be agreed to or disagreed to during the day. I will say further to the Senator from Georgia that I apprehended that the present consideration of certain of these amendments would be objected to, very properly; and any amendment suggested to which any Senator objects will, of course, be passed over. I have no desire to rush the consideration of the measure. I appreciate the feeling of the Senator from Georgia, and the feeling of other Senators, and I may say that I share those feelings in very great measure, and I shall have no disposition to press the bill unduly.

Mr. HARDWICK. Would the Senator think it was all right to have the bill recommitted and let the committee pass on these various amendments?

Mr. GORE. I will say that I think certain of the amendments would probably be agreed to without opposition. I hope we can proceed with the consideration of the bill, passing over the amendments to which any Senator may make any objection, and I will try to assemble the committee, if deemed desirable after a conference with them, for further consideration of the matter by them.

Mr. HARDWICK. I would not want to make a motion to recommit unless it was agreeable to the Senator in charge of the bill.

The PRESIDENT pro tempore. The Senator from Oklahoma has submitted a request for unanimous consent regarding the printing of the bill with the proposed amendments.

Mr. LODGE. Mr. President, I do not know that I shall object, but I want to say a single word. Our usual method of doing business here is to have a bill reported from a committee, and then we deal with that bill as reported from the committee, and with the committee amendments. Then any Senator is at liberty to offer amendments.

Here we have a bill from the committee. The chairman presents now what is really a new bill, and a much more extensive one, in his amendments, which have not the authority of the committee. They are his individual amendments. I think we ought to have the whole thing brought in with a report from the committee, so that we may know how the committee stand who have been giving consideration to this subject; and there should be a printed report. They should let us know what they accept and what they do not accept. Of course, the opinions of a chairman of a committee have great weight in the Senate, and justly so.

Mr. KENYON. Mr. President—

Mr. GORE. I will say, Mr. President, before the Senator goes on, that most of the amendments are designed rather to limit and confine the powers sought to be conferred in the bill. The last two amendments are subject to the suggestion of the Senator from Massachusetts. They undertake to confer additional powers, one relating to boards of trade, and the other to preferential shipments.

Mr. KENYON. Mr. President—

Mr. GORE. One of those has been pretty thoroughly discussed before the Senate. I may say that really I apprehended that the other one, with respect to preferential shipments,

probably would encounter very little opposition. Of course, in that I may be in error.

Mr. KENYON. Mr. President—

Mr. LODGE. These amendments create a food controller, and they give him power to grant preferential rates, as well as I can judge, or preferences in interstate and foreign commerce. I am not discussing the merits of the matter now; but I think the Senate must see that that is pretty extensive legislation, and I do not think we can consider it properly in the way in which it is presented. That is all I am trying to get at.

Mr. GORE. Very well; I withdraw that amendment.

The PRESIDENT pro tempore. The Chair understands the Senator from Oklahoma withdraws his request.

Mr. GORE. No; I do not. I withdraw the particular amendment referred to by the Senator from Massachusetts.

Mr. KENYON. Mr. President—

The PRESIDENT pro tempore. The Chair will have to get the matter straightened out.

Mr. SMITH of Georgia. I hope the Senator will at least have it printed—

Mr. KENYON. Mr. President, I ask if, in order to be recognized, it is necessary for Senators not to address the Chair?

The PRESIDENT pro tempore. The Chair will recognize the Senator from Iowa, who has endeavored to get recognition. The Chair is unable to tell to which amendment the Senator from Oklahoma refers, and the secretaries are also unable to do so.

Mr. GORE. The one relating to preferential shipments.

Mr. HARDWICK. If the Senator will pardon me, I think it had better be—

Mr. KENYON. Mr. President, I make the suggestion again: Is it necessary not to address the Chair in order to get recognition?

The PRESIDENT pro tempore. The Senator can not hear the Senator from Iowa. What is his inquiry?

Mr. KENYON. I have asked to be recognized two or three times, and I observe Senators rising and being recognized when they do not address the Chair. I should like to know if that is to be the practice?

The PRESIDENT pro tempore. The Chair will say that he has noticed a considerable amount of that to-day, and sincerely hopes Senators will not proceed along that line. The Chair will recognize the Senator from Iowa as soon as the request of the Senator from Oklahoma is disposed of.

The request of the Senator from Oklahoma is that the amendments which have been read from the desk, with the exception of the one relating to preferential shipments, be printed as a part of the bill, in such a manner as to indicate that they are his proposed amendments. Is there objection?

Mr. ROBINSON and Mr. JONES of Washington addressed the Chair.

The PRESIDENT pro tempore. The Senator from Arkansas.

Mr. ROBINSON. Mr. President, reserving the right to object, I want to inquire of the Senator from Oklahoma why he does not also have that amendment printed?

Mr. GORE. It has been read and will appear in the Record.

Mr. ROBINSON. Very well. I think it will be more convenient, however, to have it printed so that Senators may easily have access to it.

Mr. GORE. I have no objection to its being printed for the information of the Senate.

Mr. JONES of Washington. Mr. President—

The PRESIDENT pro tempore. Then the request of the Senator from Oklahoma includes that relating to preferential shipments?

Mr. GORE. Yes; except that that shall not be regarded as a pending or proposed amendment. It is simply to be printed for the information of the Senate.

Mr. JONES of Washington. Mr. President—

The PRESIDENT pro tempore. The Senator from Washington.

Mr. JONES of Washington. As I understand, these amendments are to be printed in the body of the bill just as we have been accustomed to printing committee amendments. Is that the request?

The PRESIDENT pro tempore. The Chair does not, of course, know further than has been stated how the printing will be done.

Mr. JONES of Washington. I think the request ought to cover that.

Mr. GORE. The request is that the amendments shall be indicated as amendments.

Mr. JONES of Washington. In printing the bill?

Mr. GORE. Yes; in the print.

Mr. JONES of Washington. As I understand, these are not committee amendments.

Mr. GORE. They are not.

Mr. JONES of Washington. They are individual amendments, the same as those presented by any other Senator; and if any amendments are printed in the body of the bill, all amendments that have been presented by Senators should be printed in the bill, so as to give them the same standing. If the Senator would include that in his request—that all amendments that have been presented as intended to be proposed to this bill may be printed within the bill—then I shall not object.

Mr. GORE. Mr. President, I have no objection to any amendments that have already been printed and are lying on the table being included in that request. Of course, any Senator can present an amendment at any time and ask to have it printed.

Mr. JONES of Washington. Oh, yes.

The PRESIDENT pro tempore. The Chair now understands the request to be that the bill be printed with all amendments proposed shown as amendments.

Mr. KELLOGG. Mr. President—

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. KELLOGG. I desire to offer an amendment, which I have sent to the desk. If the amendments are to be printed, I should like to have that also printed.

The PRESIDENT pro tempore. Including the amendment just offered by the Senator from Minnesota. Does the Senator desire to have his proposed amendment read?

Mr. KELLOGG. No; I have no desire to have it read at this time.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. KENYON. Mr. President—

The PRESIDENT pro tempore. The Senator from Iowa.

Mr. KENYON. Mr. President, I understand now, under the unanimous consent, if it is granted, that every amendment that has been proposed to this bill will be printed. For instance, the Senator from Kansas [Mr. THOMPSON] has introduced this morning an amendment with relation to the liquor question. The Senator from Washington [Mr. JONES] has introduced another amendment with relation to that question; and we will have a bill with two or three different amendments on the same subject included within the bill. It seems to me it is a perfectly absurd proposition.

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

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. KENYON. I do.

Mr. ROBINSON. Reenforcing what the Senator has just suggested, these amendments may be offered in such form as to make it physically impossible to print the bill with the amendments, as has been suggested by the chairman. Suppose half a dozen amendments, for instance, are to be inserted at a given place. It would be physically impossible to print the bill with those amendments in it without creating great confusion. The correct action, it seems to me, if I may make the suggestion, is to print all amendments and let the bill as reported by the committee remain before the Senate. I do not think we would make anything by attempting to print in the body of the bill amendments that have no standing except that of amendments by individuals.

Mr. KENYON. It would seem that the amendments introduced by the chairman of the committee, perhaps, ought to have more persuasion than the amendments that are introduced. I should like to see the bill printed with those amendments, and not others. I believe those amendments will receive the sanction of the committee. But while I have the floor I want to say a word which I think should be said.

There seems to be a good deal of confusion about this bill, and I am not surprised that this should be true. The bill known as the Lever bill, which was very broad in its scope, was introduced in the House, considered by that committee, and reported by that committee of the House to the House itself. The discussion was commenced in the House on that bill. It is divided now, I think, into a number of different bills. When the bill came to the Committee on Agriculture and Forestry it was given a great deal of attention. Hearings were held for two weeks, and the hearings were closed. It was thought then by the committee that the bill might be divided into different parts. There are clear-cut lines of distinction in this food proposition. There is the question of stimulating production. That can be taken care of in one bill. There is the question of getting rid of speculation. That can be taken care of in another bill. It is a question that has many ramifications.

So the committee took the Lever bill and took those parts concerning which it thought there would not be lengthy discussion and about which there was nearly unanimity of opinion and introduced that here as this bill.

I think I ought to say that the Committee on Agriculture and Forestry is not at all settled in its conviction about many of the propositions in this food-control bill, but they felt that it ought to be out on the Senate floor and let the Senate hammer it out. I believe this offers a skeleton upon which amendments can be placed and a better bill worked out. I think we might as well understand that for the purpose of the argument which can be made there will be many amendments offered to the bill, and there will be amendments along the line of giving to the President the power and authority to fix a guaranty of minimum prices on certain staples. I believe there will also be an amendment along the line of fixing a guaranty of maximum prices outside of the hands of the producer—not while they are in producers' hands. I think that agitation and that provision in the original Lever bill produced around the country a great hysteria and a great opposition to the bill among the producing classes. The fixing of a maximum guaranty has proved an absolute failure in every country that has tried it, and they have tried it during the war. I believe a plan will be worked out whereby that maximum can be used to break corners and to break speculation, but that it will not be attempted to be used on the producers of the country.

While I am very earnestly in favor of some food legislation, I believe it would be a great mistake for us to attempt to fix any maximum price in this country that would apply to the producer. The ramifications of that question are so great that I would not undertake at this time to discuss them.

Mr. ROBINSON. Will the Senator yield a moment? I do not care to divert the Senator, but would the Senator care to state whether he has reached a conclusion as to whether there should be an authority to fix minimum prices.

Mr. KENYON. I have in my own mind. I believe unquestionably that it will stimulate production, and while late for this year, when the year's wheat is practically all in, and the corn will soon be in, but for such staples as potatoes, beans, and possibly peas it will stimulate production for this year. But this war may not be finished this year, and we need to stimulate the question of production for the years that are to come. England has a minimum guaranty that has just taken effect a few months ago.

I merely rose to get before the Senate the status of this bill. The committee is trying to present these propositions so that they may be ironed out by the Senate, but either there will be a great many amendments to this bill or else there will be a new bill covering some of the lines of thought I have suggested.

I believe it would be wise to have the bill printed, with the amendments offered by the chairman of the committee, which I think reflect the views of the committee as well as can be done.

Mr. THOMAS. I desire to offer an amendment to the pending bill to be known as section 4a. I ask that it be printed and lie on the table.

The PRESIDENT pro tempore. It will be so ordered. Is there objection to the request of the Senator from Oklahoma as now framed?

Mr. GORE. I wish to ask the Senator from Washington if he will withdraw his request relating to all other amendments, because it would lead probably to more confusion than would the original proposition.

Mr. JONES of Washington. If the amendments proposed by the Senator were presented by the committee as committee amendments, of course I would have no objection to their being printed as a part of the bill, but the Senator has expressly stated that they are not committee amendments. They are individual amendments, and it seems to me that it would simply complicate the matter and lead to confusion to have certain individual amendments printed and not others. We all know what influence printed amendments in the body of the bill have upon Senators who have not given the matter especial study and consideration. They will consider them as committee amendments and accept them as the judgment of the committee.

Mr. GORE. I withdraw the request, Mr. President.

The PRESIDENT pro tempore. The request of the Senator from Oklahoma is withdrawn.

Mr. HARDWICK. I obtained the floor.

Mr. JONES of New Mexico. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from New Mexico?

Mr. HARDWICK. I yield to the Senator.

Mr. JONES of New Mexico. I should like to suggest to the Senator from Washington that it seems to me there would be no impropriety in granting the request made by the chairman

of the committee. It is evident that the amendments offered by him are intended to perfect the bill; and while they do not come from the committee as committee amendments, yet as a matter of fact they are presented here by the chairman of the committee and are concurred in by a number of the members of the committee. I am sure it would facilitate the consideration of the bill to have the amendment offered by the chairman of the committee printed in the same manner as they would have been printed had they been offered as committee amendments. I am sure it will aid the Senate in the consideration of the measure if that course should be followed. That is the reason why the request was made to have the bill printed in that manner, not printing the amendments offered by other Senators because other amendments are intended to supersede something in the bill, or they present some independent suggestion. I sincerely trust the request of the chairman of the committee will be granted.

Mr. JONES of Washington. There are some of the amendments proposed by the chairman of the committee that relate to entirely new matter and cover matters of very great importance. I do not know what is the character of the other amendments and I am not objecting to them on that account, but it is contrary to the universal practice of the Senate to have individual amendments printed in the body of a bill and it seems to me that it would lead to utter confusion.

It appears to me that we ought to follow one of two courses. We ought to take up the bill and have the amendments presented in the regular way as suggested by the Senator from Arkansas a moment ago, or else we should have the bill sent back to the committee, as suggested by the Senator from Georgia, so that the committee may pass upon the different amendments and whatever they indorse let them report back here as committee amendments. I think we would save a lot of time by doing that; many of them having the indorsement of the committee would be accepted and it would save time. Bringing in here a bill on which apparently the committee differs and is not united, it is bound to create confusion and cause much more debate than if the amendments were considered in committee long enough at least for a majority of the committee to reach a conclusion in reference to vital propositions in the bill. Of course, I am not criticizing the committee at all, but I am making these suggestions in what I believe to be in the interest of saving time and in the interest of prompt action on the bill.

Mr. JONES of New Mexico. Mr. President—

The PRESIDENT pro tempore. The Senator from Georgia has the floor. Does he yield further to the Senator from New Mexico?

Mr. HARDWICK. I yield to the Senator.

Mr. JONES of New Mexico. I wish to say that the purpose of my insisting upon this request was to obviate the possible necessity of recommitting the bill. I think we should have the bill printed in the form suggested, and if that can not be done I think the bill ought to be recommitted.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Utah?

Mr. HARDWICK. I yield to the Senator.

Mr. SMOOT. I wish to ask the chairman of the committee if he has offered all the amendments he intends to present?

Mr. GORE. I can not answer that question, because it depends somewhat upon the fate of the amendments already offered.

Mr. SMOOT. None of the amendments the Senator has offered has been acted upon by the committee or by the Senate?

Mr. GORE. No, sir.

Mr. SMOOT. Then it seems to me the Senator ought simply to have his amendments printed as amendments offered by him and let them lie on the table.

The PRESIDENT pro tempore. The Senator from Oklahoma has withdrawn his request that the amendments be printed in the body of the bill.

Mr. SMOOT. He has withdrawn his request to have them printed in the bill, but he has not withdrawn his request to have them printed.

The PRESIDENT pro tempore. Of course not.

Mr. SMOOT. That I think ought to be done.

The PRESIDENT pro tempore. That will be done automatically, the Chair will state.

Mr. HARDWICK. Mr. President, it seems to me we have a somewhat confused situation here. We have a number of committee amendments which are printed in the bill.

Mr. GORE. They have been acted on.

Mr. HARDWICK. They have been acted on and approved in the Committee of the Whole, and now the Senator from Oklahoma presents certain amendments of the utmost importance changing the very form and structure and character of this

proposition. The Senator from Iowa says he has a belief that the committee will approve them. My own belief is that we will get a disposition of this business a great deal quicker and a great deal more satisfactorily if we will let the bill go back to the committee and let them whip it into shape, which I think they ought to do. If the Senator from Oklahoma is not going to seriously oppose it, I think I will move to recommit the bill.

Mr. GORE. My idea was that we would proceed with the consideration of the amendments which would not provoke serious opposition.

Mr. HARDWICK. But we can not tell. For instance, let me illustrate to the Senator what I have in mind. Of course I would find it impossible, under my view of the Constitution, to vote for the bill unless it was confined to interstate and foreign commerce and to the necessities of the Army and Navy. I think it may be that the Senator from Oklahoma might find himself in the same position, and I have enough faith to believe that a majority of the Senate will find itself in the position when it carefully considers the question.

Therefore it is of the utmost importance to know that the vital amendment suggested by the distinguished Senator from Oklahoma is or is not to be incorporated in this bill. If it is, a great many Senators—I started to say, I believe the majority of the Senate—will approach the consideration of the bill from a different standpoint and from a different frame of mind than they would approach it if the bill was left as originally reported. It seems to me that we ought to have an early determination of that question.

Mr. KELLOGG. To which amendment does the Senator refer?

Mr. HARDWICK. I refer to the amendment in which the Senator from Oklahoma suggested that the provisions of the bill be confined to transactions in interstate and foreign commerce, and transactions necessary to supply the Army and Navy of the United States. That is the extreme limit of the power of Congress and exhausts the power of Congress to deal with this subject. My judgment is—and I do not hesitate to state it openly and publicly—that if the bill as reported by the committee had passed the Senate and Congress and had received the approval of the President no judge in the United States would ever uphold its constitutionality. We have no power even in times of war to do the sort of thing this bill proposes in a State with respect to intrastate business, unless it is strictly for the Army and Navy.

Of course, the Senate can see at once what my position is. I do not like to move to recommit the bill, yet at the same time I am going to oppose the bill if this amendment is not adopted. It seems to me the question raised is fundamental, and ought to be settled before going into a discussion of details and before considering other amendments. If it is adopted, it changes the form and structure of the bill.

Mr. GRONNA. Mr. President—

Mr. HARDWICK. I yield to the Senator from North Dakota. I had almost concluded.

Mr. GRONNA. I wish to say to the Senator that I think in justice to the members of the committee it is hardly fair to state that the amendments proposed by the chairman would be agreed to by the committee.

Mr. HARDWICK. I suppose the Senator from Iowa expressed an opinion, merely giving his own judgment, and of course he may be in error about it, but I hope not.

Mr. GRONNA. I have not talked with the individual members, but I can say that the amendment proposed by the chairman this morning has not been considered by the whole committee. It may have been considered by individual members of the committee. I should like very much to see the bill recommitted, and I am quite sure we would save a great deal of time if that is done.

Mr. HARDWICK. If the Senator will pardon me, I hope the Senator from Oklahoma will not take it amiss, but I am within my right, and willing to take the responsibility, and I move to recommit the bill to the Committee on Agriculture and Forestry.

Mr. BORAH. Mr. President, if I vote to recommit the bill I do so because I think it will save time. I dislike, however, to vote to recommit the bill just brought out if the chairman of the committee is going seriously to oppose its recommitment. I have no doubt from the amendments which have been offered, if the committee could either bring out a bill which would incorporate them or if they rejected them, we would save much time.

Mr. HARDWICK. If the Senator will pardon me, that was the real reason I stated for my motion, and I want to state it openly in the Senate, that I think we will save time by allowing the committee to make some recommendation.

Mr. BORAH. I should dislike very much to vote to recommit the bill if the chairman is going to resist the motion very strenuously.

Mr. GORE. I shall make no resistance to the Senator's motion. I am not sure but that it would be the most expeditious course to pursue. I will not ask that it be done; I will let that responsibility rest on the Senate; but I shall interpose no objection to the motion.

Mr. McCUMBER. I suppose it is understood that included in the motion are all the amendments that have been offered?

Mr. HARDWICK. Of course, the committee will consider the question anew and consider all the amendments.

Mr. McCUMBER. If offered at this time they would not necessarily go back to the committee. I want that understood.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The question is on the motion to recommit the bill to the Committee on Agriculture and Forestry.

Mr. NELSON. Mr. President, before that motion is put I just want to make a brief statement. To prevent undue speculation in one of the most important food products—to wit, wheat and flour—we have recently had an object lesson, and we had another object lesson in the early part of the war in respect to another matter. When at the beginning of the war Europe dumped a whole lot of American securities on this country for sale the price went down and down to such an extent that it almost produced a panic, and for protection against that panic and that cut in prices the New York Stock Exchange was closed for a long time. During the closing of the stock exchange to prevent a great tumbling in prices below the level, owing to the action of the Agricultural Department in part and partly owing to the agitation here in Congress and through the press that we are suffering from a food shortage, as soon as the report of the Department of Agriculture for April came out that there was going to be a deficiency in the winter wheat crop, wheat went up 50 cents a bushel. When the May report came out it was not really more unfavorable, but it was coupled with the excessive agitation and clamor about food shortage, and the result was the speculators raised the price of wheat another 50 cents a bushel until it went up to \$3.25 a bushel.

Now, what transpired? It got so rank that the Chicago Grain Exchange less than 10 days ago closed the sale of all futures in wheat except to complete existing contracts. What was the result of that action of the Grain Exchange of Chicago? It reduced the price of wheat immediately from 40 to 50 cents a bushel.

Mr. JONES of New Mexico. Mr. President—
The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. NELSON. I yield to the Senator.
Mr. JONES of New Mexico. I would like to ask the Senator if he does not think we are now approaching the season of the year when parties who manipulate the price of wheat are interested in reducing the price, so that when the new crop comes in they may get it for less money?

Mr. NELSON. There may be something in that, but I refer to those two instances, the one on the New York Stock Exchange, to prevent prices from going too low, and the other on the Chicago Grain Exchange, to prevent prices from going too high. To my mind, if you want to check speculation in such food products as wheat and flour or wheat, for instance, or rye, the best way to do it is to give the President power at the proper time, when such a course of speculation exists, to suspend all future sales or to close up even the stock exchanges.

I do not take the narrow view of the Constitution that the Senator from Georgia [Mr. HARDWICK] takes. I hold that when we are in a state of war we have broader powers in those things relating to the welfare of the country than we do in time of peace; but I will not go into that question now. I merely made this suggestion to the members of the committee that if they want to check speculation in wheat that object lesson on the Chicago Grain Exchange should furnish them the proper key to the situation.

I want to make another suggestion on another branch of the case. My friend from Kansas and my friend from Washington have reintroduced what I call—and I hope they will not be insulted by it—the liquor amendments, to prohibit the use of cereals in the manufacture of all kinds of liquor. I want to call their attention to this fact: The manufacturers of whisky have enough manufactured ahead and in cold storage in Government warehouses for two years or more, and if you succeed in closing the breweries and leave the door open for that two years' supply of whisky you will make our people instead of a beer-drinking Nation a whisky-drinking Nation.

Mr. JONES of Washington. Mr. President—
The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. NELSON. I yield to the Senator.
Mr. JONES of Washington. I merely wish to suggest that we do not leave that door open. That is taken care of, I think, to the satisfaction of the Senator from Minnesota.

Mr. NELSON. It was not the other day in the Cummins amendment.

Mr. JONES of Washington. This is a different proposition.
Mr. NELSON. I am glad to hear it is on a different line. If it was like the Cummins amendment, it would have the effect of making us a whisky-drinking country instead of a beer-drinking country.

I make these suggestions for the benefit of the committee to be applied to all these amendments.

Mr. WADSWORTH. Mr. President, before the motion to recommit is entertained I desire to state that I offered this morning during the morning hour a proposed amendment to this bill somewhat of the same nature as those offered by the Senator from Kansas [Mr. THOMPSON] and the Senator from Washington [Mr. JONES]. It is not my desire that that amendment shall be referred to the Committee on Agriculture and Forestry in the event the bill is sent back to that committee. I now ask that my amendment be referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. GALLINGER. I will ask what is the nature of the proposed amendment?

Mr. WADSWORTH. It is about half a page of typewritten matter, and—

Mr. GALLINGER. The Senator can state it in a word, I imagine.

Mr. WADSWORTH. It prohibits the use of food products in the manufacture of distilled spirits, and limits the percentage of alcohol that can be used in the manufacture of beer or malt liquors. That is the object of the amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from New York will be referred to the Committee on Finance. The Chair hears no objection.

Mr. KENYON. Mr. President, I understand the bill is now to be recommitted to the committee. The motion has been made, and I wish to say one word.

A circular was read here this morning from the New York Globe. I do not know what the purpose was in asking to have it read. It was with reference to Mr. Hoover and what Mr. Hoover had to say. The circular seemed to imply some friction between the Agricultural Department and Mr. Hoover.

I want to say this, Mr. President, that I feel, after having listened to Mr. Hoover, that criticisms of Mr. Hoover and the work he is trying to do are out of place. He is giving his service to the Government with absolutely no compensation. He is a great, patriotic American, and is interested in this question only for the good of his country.

Mr. Hoover had in Belgium charge of all that work. He had an army mostly of volunteers under him for that work of 175,000 people, and what he did there for humanity the whole world has applauded.

The same idea of getting friction into the departments of the Government has been observed here and there. It seems to me it is an unfortunate thing. The country is told that there is friction between the President and Congress. That is unfortunate, and not true. Now, this circular tells us, impliedly at least, that there is friction between Mr. Hoover and the Agricultural Department. I know that is not true, and I do hope that in this work he is undertaking we will not criticize him unless it be warranted, and that we will help him. It is a great question, this food question, and a difficult question, and it is going to require the best thought of us all. We can get along better in everything in this crisis if criticism between different departments and different officers of the Government is ended.

Mr. SMITH of South Carolina. Mr. President, before the bill is recommitted I should like to have some little information as a member of the committee. I understand if such action is taken it is taken for the purpose of having the committee consider amendments that have been proposed and determine whether they will incorporate or reject wholly or in part the amendments. It is for that purpose, if it is recommitted, the recommitment will be made.

Mr. HARDWICK. Of course, the committee will have full power to amend the bill in any respect.

Mr. SMITH of South Carolina. I was going to ask this question: Upon its being recommitted, aside from considering the amendments which have been offered, the committee will then be at liberty to incorporate any other matter?

Mr. HARDWICK. It is simply a motion to recommit. The parliamentary situation the Senator knows. If the motion prevails the committee will have full charge of the bill and full power to do as it pleases.

Mr. SMITH of South Carolina. I should like to have that clearly understood.

Mr. KELLOGG. Mr. President, we can not hear the Senator from South Carolina on this side.

The PRESIDING OFFICER. The Senator from South Carolina will suspend. The Chair requests Senators to cease audible conversation.

Mr. SMITH of South Carolina. The point I am getting at is this: I take it that there is a partial instruction, if it is recommended, that the present form of the bill does not at this time meet the approval of the Senate, and the bill is sent back for the committee to consider it, together with such modifications as the committee itself may originate.

Mr. VARDAMAN. I understand the object is to put the bill in better form rather than to recommit it with instructions.

Mr. SMITH of South Carolina. That is indirectly answering the inquiry. I want to get it clear to the Senate that the suggestion of the recommitment of the bill and its consideration there is that the Senate is not in favor of it in its present form, and to consider modifying amendments and such other modifications as the committee may see fit to incorporate in it is the reason for its return. I want to know that we can modify it in some particulars. I have a pretty clear idea along what lines a modification seems to be desired. For that reason I want to get it clearly in my mind that that modification is asked by the Senate.

Mr. McCUMBER. Mr. President, there was one amendment offered by the Senator from New York [Mr. WADSWORTH] to the bill that he asked be referred to the Committee on Finance, and he very properly asked that it be so referred, because it relates to a restriction of different agricultural products in the use of intoxicating liquors. As we are preparing to raise a very important amount of our war revenue on the taxation of liquors, it becomes most important that all amendments which relate to that subject should go to that committee.

I desire to ask the Senator in charge of the bill whether while I was out of the Chamber there were any other amendments offered to the bill that pertain to the restriction of agricultural products either in the manufacture of beer or distilled spirits.

Mr. THOMPSON and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I am trying to get information from the chairman of the committee.

The PRESIDING OFFICER. The Senator will suspend. The conversation in the Chamber is so loud that the proceedings can not be carried on. The Chair again requests Senators to cease from audible conversation.

Mr. McCUMBER. I have asked the question of the chairman of the committee, and I take it that he is ready to answer.

Mr. GORE. I will say that the Senator from Kansas [Mr. THOMPSON] has offered an amendment relating to that subject, and I believe an amendment has also been offered by the senior Senator from Washington [Mr. JONES], but upon that point I am not certain. I know of no other amendments of the kind. Of course, they may have been presented this morning, and they would not have come to my notice.

Mr. McCUMBER. It seems to me that those amendments should follow the amendment offered by the Senator from New York, and they should go to the Committee on Finance.

Mr. GORE. I may say in this connection that there are two bills relating to the liquor question now pending before the Committee on Agriculture and Forestry with a view of conservation. I assume that that is the reason why the Senators offered their amendments to the pending bill.

Mr. THOMPSON. Mr. President—

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

Mr. McCUMBER. I yield.

Mr. THOMPSON. I simply rose to inform the Senator that I introduced an amendment of that character this morning, and if there is any question about my amendment following the course suggested by the Senator from Georgia I request that my amendment go to the Committee on Agriculture and Forestry, where I think the subject can be properly considered. It relates to the conservation of the food products of the country, which we are considering thoroughly, on which we have held hearings for several weeks, and all the facts are before the committee.

Mr. McCUMBER. Mr. President, I think the Senator can realize that we are going to get matters very much complicated, for the Committee on Finance, who are now meeting every day and considering the measure for raising a portion of our revenues from distilled and malt spirits, will then have another bill designed to prohibit the manufacture of the very articles from which it is proposed to obtain that revenue.

Mr. HARDWICK. Mr. President—

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

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. HARDWICK. I merely wish to suggest to the Senator, and for the benefit of the Senator from Kansas, that, of course, the Senator from New York escaped the parliamentary situation by having his amendment, by special action of the Senate, referred to another committee; but if the motion to recommit prevails, every amendment to this bill pending in the Senate goes with the bill to the committee—

Mr. McCUMBER. It certainly does, unless—

Mr. HARDWICK. Unless the Senate takes contrary action.

Mr. McCUMBER. Unless there is a motion made that the amendments be referred to another committee.

Mr. HARDWICK. That is true. I say, unless the Senate takes contrary action.

Mr. McCUMBER. And I think they should all go together. To bring this matter before the Senate, I move that the amendment offered by the Senator from Washington [Mr. JONES] be referred to the Committee on Finance. I will take one amendment at a time.

Mr. JONES of Washington. Mr. President, the Senator from North Dakota will gain no time by that, because I can offer my amendment to this bill when it comes up on the floor of the Senate, and I propose to do so. The amendment has been referred to the Committee on Agriculture; it was so referred when I introduced it this morning. I desired that done because I wanted the Committee on Agriculture to pass upon the matter. If the Committee on Agriculture, after considering it—

Mr. GRONNA. Mr. President, I rise to a question of order. The motion before the Senate is to recommit this bill. I do not wish to take the Senator from Washington off the floor, but I think that we ought to dispose of one thing at a time; and I do not think the motion of my colleague is in order.

Mr. JONES of Washington. I am perfectly willing for the vote to be taken, although I do not think that the Senator ought to make that motion, because a motion that would take the amendment of the Senator from New York from the Finance Committee and refer it to the Committee on Agriculture would be just as much in order as is this motion, and I think there would be much more reason for it.

The PRESIDING OFFICER. The Senator from Georgia [Mr. HARDWICK] moves to recommit the bill with all amendments to the Committee on Agriculture and Forestry. The Chair understood the Senator from North Dakota [Mr. McCUMBER] to offer a substitute for that motion, that a certain amendment—to wit, the amendment offered by the Senator from Washington [Mr. JONES]—be referred to the Committee on Finance. The Chair thinks that motion is in order.

Mr. McCUMBER. That was my intention; but in order that the matter may not be complicated at this time—and I suppose that it will come up later, the chairman of the Committee on Finance [Mr. SIMMONS] being present—I will withdraw the motion and leave the matter to the chairman of the committee.

The PRESIDING OFFICER. The question, then, is on the motion of the Senator from Georgia, that the bill with all amendments be recommitted to the Committee on Agriculture and Forestry.

Mr. REED. Mr. President, I understand that debate is now in order.

The PRESIDING OFFICER. It is.

Mr. REED. Mr. President, before this bill goes to the committee, and because there have been some observations made upon the floor which I think are entirely erroneous, I desire to discuss some matters which I think are somewhat misunderstood.

Every once in a while some Senator charges that the price of grain is due to speculation. Thereupon the vials of senatorial wrath are copiously poured forth upon the heads of the wheat speculators. It is for the time being taken as a fact that all the rise in the price of wheat is due to the wicked speculators. A short while thereafter another Senator will undertake to justify a food dictatorship upon the ground that there is such a shortage of wheat in this country and in the world that everybody is liable to starve to death. Of course, if the latter case be true, it accounts fully for the high price of wheat. If the two causes exist together, then they ought to be considered together and each charged with its share in the production of the high prices.

It seems to me, Mr. President, that in our desire to regulate conditions which exist we may if we are not careful do a great deal more harm than we shall do good. The most dangerous thing ever attempted is for half-informed men to undertake to interfere with the business of well-informed men. There has never yet been a man upon this earth who undertook to run the

business of the people of any nation who has not made a mess of it, and for the simple reason that every man knows more about his own business than any other man can possibly know. The business of the country is the aggregate business of individuals and the knowledge of the individuals engaged in that business. If you interfere with the management of the private businesses of millions of men you must substitute for their close and intimate knowledge the knowledge of some one man. That man is necessarily ignorant of all the details of each private business, and even uninformed regarding its general aspects. This must be true unless the dictator is possessed of intelligence little short of that of the Infinite God. Accordingly whoever undertakes the job is bound simply to make a mess of the business of a nation.

With that preliminary observation I want to submit to the Senate some facts which I think completely disprove certain assertions that have been made. It is asserted that the present price of wheat is unprecedentedly high. Reasoning from the high price, these gentlemen find no difficulty in concluding that it is caused by a tremendous shortage. That sort of logic soon leads them to declare that \$2.15 wheat means world starvation.

Mr. President, the shortage of wheat always will have something to do with the price of wheat; but the present shortage of wheat does not account for the increased price of wheat. Speculation in wheat may also have something to do with the price of wheat, but the speculation in wheat can not justify the present price of wheat. There are causes outside of those two conditions that must be considered. I believe, if I can have your attention for a little bit, that I can, at least, make a suggestion that will furnish food for thought.

The present crop prospects of wheat in the United States are not much below what they were in 1916. The crop shortage in 1916 was not enormously below that of 1912, when we had no such prices as now prevail. The amount of wheat exported is not sufficient to account for this difference in price. It is a false logic that starts with the high price of an article and argues back to a shortage. Likewise it is a false logic that starts with a high price and argues back to speculation. Each may contribute, yet it does not follow that either is a potential cause. We must look further.

Now, let me prove that. The price of coal in the United States has enormously increased; it has increased almost in proportion to the increased price in wheat. Is there a real coal shortage in the United States? Has the coal output suddenly proven a failure? Mr. President, the scientists tell us that there is enough coal in the bowels of the earth, reasonably accessible to man, to supply the wants of this world for 20 centuries, yet coal has advanced almost as rapidly as wheat has advanced. When you find that condition, therefore, you must look for some other cause than a world shortage in the crop. So also you must look for some other cause than the speculation upon the board of trade, because coal prices are not so controlled.

The cotton crop of last year was nearly an average crop, falling, perhaps, a little below that of the average; and yet the price of cotton mounted to the extraordinary figure of 20 cents a pound. That is the highest price that cotton has been within the memory of man, almost. When did it go higher than that?

Mr. SMITH of Georgia. Soon after the late war.

Mr. REED. Fifty years ago.

Mr. SMITH of Georgia. The price of cotton is now the highest in 40 years.

Mr. REED. Well, 50 years ago, of course, when the South was prostrated by the war, there was but little cotton being raised; but, with the exception of the time during that war, the highest price for which cotton has ever sold is now being paid. That can not be accounted for by speculation in the cotton market. There may be some speculation, but the present high price can not be accounted for by the wicked trading on the Board of Trade in Chicago or in New York. You must seek another cause.

We find if we examine the matter that the price of corn has gone up just about as fast as has the price of wheat; and yet there is no tremendous world shortage in corn, and the corn prospects for this year, notwithstanding the reports that may have been sent out of a pessimistic character, are as good as they have been in the history of this country for the past 10 or 12 years. There is no indication of such a shortage as will account for the increased price.

There was a great shortage of potatoes last year, but the singular fact is that the potato price runs in its increase just about with these other prices.

Let me call your attention to manufactured products. The raw materials for steel are inexhaustible. There is no limit to the amount of steel that can be produced in the United States except the capacity of the mills. That capacity, of course, can be

multiplied as rapidly and as often as capitalists feel there will be a remunerative return upon additional mills. The supply of iron ore is practically exhaustless, and yet the price of steel of all kinds has gone up as rapidly as has the price of wheat or corn. That is not all. The price of locomotives has gone up about as rapidly; the price of freight cars has gone up about as rapidly; the price of nearly all of the great staples, whether they be food for the table or clothing for the back, or the instrumentalities of transportation, or fuel for the household or for the factory, has mounted, all in about the same way.

So, Mr. President, the Senator who rises on the floor and assumes that the world is starving to death, or is going to starve to death, and proves it by the price of wheat, or the man who undertakes to prove that the price of wheat and the price of other edibles is controlled by speculators upon boards of trade is confronted by the fact that in those lines and vocations of life not at all concerned with the speculator in wheat the same rapid and unusual increase of price has taken place. This leads me to inquire whether it is not well for us to pause and endeavor to ascertain what the real reasons are for the remarkable increase in prices?

Mr. President, I undertake to assert that an examination will demonstrate that while speculation has something to do with all of these increased prices it has not been the controlling factor, and while the shortage of production of wheat or corn has had something to do with the price it has not been the controlling factor; that, outside of those considerations, there are other influences that have produced the greater part of the present conditions.

What are those influences? I believe they are made up of a multitude of things, all contributing to one general result. I talked this morning with one of the best-informed dealers in grain in the western country. He is a man who simply handles or trades upon commission; he does not own or buy wheat for himself. I asked him what the cause was for the remarkable price of wheat. He said frankly, "There is an element of speculation that has contributed to some extent to the increased price of wheat, but that is not the real and vital cause. The real and vital cause," said this gentleman to me, "is undoubtedly to be found in the fact that the allies have been placing orders for enormous quantities of wheat in this country. They have placed these orders to such an extent that it is known throughout the trade that there is a remarkably strong movement of concentrated buying; that some powerful influence has gone into the market and is buying all the grain that it can secure. The result has been that everyone concerned in buying grain has felt that influence." The purchases on behalf of the allies have been made in good faith, but those purchases run into the millions of bushels and have affected the price of grain. That movement now is not speculative, and the increase in price is simply a response by the market to the existing conditions of trade; for, plainly, if there was no war in Europe and European agents suddenly came over here and placed orders for 100,000,000 or 200,000,000 or 300,000,000 bushels of wheat at almost any price the price of grain in the country would be bound to rise.

I talked this morning with a great railroad builder—and I would unhesitatingly give his name to any committee, but I do not care to drag it into the public debate here—in regard to the cost of articles that railroads are obliged to buy. We were not considering the question I am now discussing. In the course of our conversation this gentleman told me that the railroads were paying prices now for steel rails that were twice as great as the prices paid a few years ago; that they were paying for spikes a price which, if I recollect aright—and I may be in error in my recollection—was approximately three times the amount paid only two or three years ago. I asked him, "Why are these prices exacted? Is it the result of combination, or what is it the result of?" He replied, "It grows out of the fact that the mills can sell to the allies and other European nations practically all the surplus products of their mills, and almost at their own prices." Now, observe that is not speculation. It is an abnormal condition, and it may be a condition that can in some degree be remedied; but what I am arguing to the Senate is that we ought not to go chasing a will-o'-the-wisp; we ought not to follow any false scent, but the Committee on Agriculture, charged now with the responsibility of this bill, ought to go to the bottom of these matters before it brings the bill back to the Senate.

Mr. VARDAMAN. Mr. President—

Mr. REED. I yield to the Senator.

Mr. VARDAMAN. I can understand how the price of steel would increase because of the greatly increased demand, but that would not altogether be the case with foodstuffs. There is more steel being used now than ever before, but there are no more foodstuffs being used, because people eat about the same quantity from one year to another.

Mr. REED. I say that there is some food shortage, and that that is an honest reason for an advance in price. I say that there is probably some speculation, and I am calling the attention of the Senate to the fact that there is probably this great buying movement on the part of the allies, who have entered into our markets and who are seeking to gain possession of all the grain possible.

Mr. VARDAMAN. Is it the purpose of the Senator to establish the fact that the price of foodstuffs has not been affected by the wholesale gambling and speculation on exchanges and boards of trade?

Mr. REED. It is my purpose to try to get the committee to go into the facts and not to guess at the facts. I have heard them guessed at on the floor.

Mr. VARDAMAN. The Senator is entirely correct as to that.

Mr. REED. And it is my purpose to call attention to the fact that the mere existence of a high price for food does not necessarily indicate a speculative movement. Now, let me call the Senator's attention to a matter which I think may elucidate what I am going to say. I have no theory to maintain here. I have no pet hobby to ride.

Mr. VARDAMAN. I want the Senator to understand that I did not intend to create that impression. I merely wanted to get the trend of the Senator's argument that I might follow him.

Mr. REED. I understand the Senator, and I think he understands me. I simply mean to say that I do not rise here for the purpose of trying to ride a hobby under the wire. I am, on the other hand, pleading that an impartial investigation shall disclose the real truth. To that end I call attention to the fact that speculation in wheat is not the controlling cause of high wheat prices, and I cite this as an illustration: I am informed that although ordinarily wheat for future delivery runs in its price away ahead of wheat for present delivery, the present condition of the market is that wheat for July delivery is away below wheat for present delivery. That condition I am told has been occasioned by the enormous buying orders that have been placed by the allies with the principal grain men of the country; that is one thing that I think has caused this rise.

Another thing that I think has caused the rise in price is that the departments of the United States, every one of them that have had anything whatever to say, have said the things necessary to create a food panic in the United States. I do not want to say this harshly or in criticism, but I think that is not an exaggeration, when one reads such statements as this from the Agricultural Department:

The condition of winter wheat on May 1, this year, 73.2, was the lowest it has been on that date since 1888. The abandonment of acreage planted is the heaviest ever recorded, nearly 31 per cent of the acreage planted. The forecast of production, based upon the condition and the acreage remaining for harvest, 336,000,000 bushels, is the smallest production of winter wheat since 1904. It compares with a production of 482,000,000 bushels last year and 674,000,000 in 1915—

And so forth.

When the Agricultural Department puts out that kind of statements, and when Mr. Hoover puts out his interviews, and when we are solemnly told that we must have somebody to control this situation or we are going to starve, and when we are talked to about eating doctored bread—a composite of bran, shorts, and middlings—when we find on the table of the Senate restaurant a recipe for making bread out of cottonseed hulls, and when the miserable stuff is actually put before us—

Mr. SMITH of South Carolina. Mr. President—

Mr. REED. When the alarmist is upon every platform and every stump shouting, "Woe, woe, woe!" and the fellow with the cottonseed meal is standing in the public places crying "Eat this or starve"—when you have conditions like that coordinating and cooperating, is it any wonder that every man who has a bushel of wheat hides it from sight and that the prices go skyrocketing?

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. REED. I yield for the defense of cottonseed meal. I know that is what is coming. [Laughter.]

Mr. SMITH of South Carolina. Mr. President, the cottonseed meal needs no defense at my hands, or at least not at the hands of those who had occasion to eat it the other day down on the table. I wanted to call the Senator's attention to the fact that it was out of that meal that this bread was made; and it is an assurance along the line of his argument that even though there might be a shortage in the amount of wheat flour that we have, we could fall back upon an adequate supply of cottonseed meal made in the form of the bread we had the other day.

I think the actual conditions will show that a wheat shortage does not yet exist, or should not; because, if the Senator will allow me, I should like to call his attention to the fact that in 1915 we made 1,025,000,000 bushels of wheat, which was the largest crop up to that time ever made in the history of America. In 1916 we made 639,000,000 bushels of wheat. Adding the two together and dividing it by two, we have for the two years an average of something like 840,000,000 bushels, which was 120,000,000 bushels higher than the 10-year average up to 1915.

Mr. REED. Mr. President, we are told that in order to keep prices within proper limits we must have somebody to fix these prices. What does that mean to everybody who has anything to sell? Is it not notice that there is a frightful shortage? Is not its direct result to make all who have wheat cling to it and all who need wheat willing to buy while yet there is an open market?

Mr. HITCHCOCK. Mr. President—

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

Mr. REED. I do.

Mr. HITCHCOCK. Before the Senator leaves the statement of the causes which might necessarily and legitimately advance prices I want to ask him if it is not also a fact that there is another great and far-reaching cause which always prevails in war times, and which is especially potent at this time, namely, the great expansion in the currency of the world and the fact that a great many men are taken out of productive employment?

We know that France, for instance, has expanded her currency something like three thousand million dollars. Germany has expanded her currency in about the same amount; and there has been brought into the United States over two thousand million dollars of gold, so that we have had a great expansion in currency. It is a well-known economic fact that this expansion of the currency of the world will inevitably lead to an increase in the level of prices—a great law that is well understood, that is very potent, and that can not be controlled by legislative action.

Mr. REED. Mr. President, the Senator has anticipated me. I was coming to that point, but he states the proposition from a little different angle and states it splendidly, and I thank him for his contribution.

I beg that Senators will approach this question thoughtfully, not in a spirit of excitement, and I hope nobody in any public position will play politics. Of course that would be impossible in the Senate. But in line with what the Senator from Nebraska has just said, that a general increase of prices results from an expansion of the money volume, I call attention to the fact that a general increase of price usually means a change in money value, so that frequently there is an apparent increase of price, when in reality there has been a depreciation in the value of the money itself.

I do not know that authority is any longer of any value in court, in the Senate, or in any other place, because we have been breaking down all the milestones and destroying the red lines on all the intellectual maps; but John Stuart Mill laid it down that a general rise in prices affects no one except those with fixed incomes, and that a general rise in prices really means a change in money value, not in the value of the article itself.

What I was starting to say when the Senator from Nebraska rose was that about two-thirds of that thing which causes business to go is confidence in the result. Our friends the Republicans taunted us Democrats a few years ago with the statement that what we needed was a restoration of confidence. The truth is that if you can inspire every man in the country with a confident belief that business is going to be good, business will be good, for every man will begin to buy and begin to sell, begin to plant and begin to sow, so will come the increase of the harvest. So when people all conclude that business is going to be good it makes business good, and when business improves in one section of the country it is bound to improve in other sections of the country.

On this question of price, let us look for a few minutes at what has been going on. Nearly three years ago war was declared in Europe. At that time a good many American mills were languishing. At that time there was some degree of uncertainty; but when war was declared in Europe, and when European agents came here and began buying very large quantities of steel, it, of course, had an immediate and stimulating effect. In a short time that effect spread. Then they began buying horses all over the United States; they began putting in orders for wheat, for corn, for cotton, for mules, for wool, for every sort of thing. Is it remarkable that prices went up?

Now, if prices go up on certain staple articles it forces prices up on other articles. Every freshman student of political

economy knows that is true. For instance, if corn were this year to go to \$1 a bushel, and wheat were to remain at 60 cents or 70 cents a bushel, and that were continued for two or three years, it is certain that everybody would begin planting corn, and that the price of wheat would have to come up. If men are making enormous profits in agriculture, it is certain that that will be soon felt in every other line of industry. So we must recognize the fact that the stimulating effect of this war has been such that it has put up prices everywhere, on every kind and on every sort of thing that there is in the United States.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. I do.

Mr. McKELLAR. That does not include real estate, however, because there are many places in the United States today where real estate is at a lower price than it has been in many years.

Mr. REED. Possibly; and yet you will find that while real estate lies outside of the zone of immediate control, yet the real-estate market does follow the movements of commerce. You will find that if farm products keep to their present figure for a few years, farms in the United States will go up largely in value.

Mr. President, if, then, we find it is true that there has been a general revival of business in the United States, if along with that general revival of business there has been a general increase of prices, if the wages of labor have been increased, if the price of corn and wheat and oats and rye and barley have been increased, if the price of cattle and hogs and sheep and wool and cotton have been increased, if the price of steel has been increased, if the price of copper has been increased, if the price of lead and zinc have been increased, if the price of everything has been increased, then will somebody tell me what sense there is in trying to interfere with that great law of supply and demand which has increased prices all along the line, and which, while it imposes its burdens, at the same time grants its benefits?

I am not talking about the cornering of things. I am not talking about the criminals. I am not talking about that scoundrel whom we have legislated against for years, who tries to forestall the market. I am not talking about the man who conspires to do some wicked thing of that kind, but I am talking about the general proposition of the control of prices; and I submit that when you interfere with the general law of supply and demand you are liable—to use the expression I employed before, for want of a better one—to mess things all up, to introduce chaos and ruin.

Let us see, when you come to a practical test of these matters, where you come out.

A farmer, under this law of supply and demand, finds that he is able to get \$1.75, or even \$2, for his bushel of wheat. We appoint some gentleman now, and give him arbitrary power, and he says: "The price of wheat shall not exceed \$1.25 a bushel. That is enough for anybody to pay for wheat. It is enough for any farmer to receive." I grant you that if times were normal, perhaps \$1.25 is all the farmer would need to receive. But now, when things are not normal, we step in and interfere with the price of wheat for this farmer. Likewise, it may be said to this farmer: "You can only have 80 cents for your corn, and you can only have 60 cents for your oats," and so on, down the line.

Mr. VARDAMAN. Mr. President, I understand that this bill does not undertake to control the price in the hands of the producer.

Mr. REED. I understand that, but please let me proceed with my argument. I am delivering this little homily here on general principles. I do not know what is coming in here. Only the Lord God of Hosts can look ahead and tell us what is coming. What I say may be of no value, but I want to say it.

I was saying suppose that you put this limit upon the price the farmers are to receive for their wheat and their corn and their oats, and likewise you limit the price of their cattle and of their hogs. Now, you have covered food products, the thing most complained about. Ah, but how about the farmer now! He has to buy, and in what markets must he buy? He must buy from the hardware merchant, who buys indirectly from the great steel producers of the country; and when he buys anything, from a pound of nails to an agricultural implement, to a tool that he uses on his place, he must pay an advanced price. In some instances the advance has not been great; in some instances it has been enormous.

When he hires a man to work upon his place he hires a man who demands higher wages, because wages have gone up in all parts of the United States and because the man, from the shirt

on his back to the shoes on his feet, has had to pay more for everything he wears, and that man demands higher wages. When the farmer brings his grain to the market and puts it upon the railroad tracks he pays a higher freight rate than was paid a few years ago, and, if I mistake not, he will soon be paying a very much higher freight rate to get his grain to the market than he is paying now, for I believe there will be an increase in freight rates. So, now, if you are going to reduce the farmer's price upon his grain, upon his hogs, upon his cattle, and upon his cotton, then, clearly, you must protect that farmer upon everything that he buys. If you are going to fix a maximum and a minimum price for him, then you have got to fix a maximum and a minimum price for every man who sells anything that the farmer has to use. That is the farmer's end of it.

I see, sitting here on my left, a great cattle raiser, and yet I have no doubt that if he were to rise in his seat he would say that notwithstanding the enormous increase in the price of cattle there has been nothing like a corresponding increase in the profits of the cattle raiser, and would give you the reasons why, and would tell you of the increased burdens and costs that have fallen upon the cattle raiser. So, Mr. President, if you carry on this project you must protect all classes. If you are going to regulate the price of foods produced on the farm you must regulate the price of farm labor, or otherwise your farmer will find himself unable to pay the wages that are being charged. You must also protect the farmer on his shoes, his clothes, on all he must buy.

My friend says they have done that in England. Very well. Then if you regulate the price of the farm laborer's wages you must regulate the price of all other wages, because if you do not reduce the wages in other employments correspondingly nobody will work for the farmer at the arbitrary price you have fixed. The farmer will find his grain rotting in his fields and no one there to do the work, because you have reduced the price of his labor so low that nobody will work, and there will be no one to harvest the crops, unless the law lays its hand upon them and you introduce slave labor upon the farms of this country; for I do not care, sir, whether you put the individual in the uniform of this Government and have him pitch hay in a khaki coat or whether you put him in a cotton shirt; if he works at that kind of labor against his will, he is a slave, sir, whether he be white or black.

If you are going to reduce the wages of all labor in order that you may preserve this equality, you will, of course, proceed to reduce the price of steel to the steel maker, the price of coal to the coal-mine owner, and accordingly you will also go down the line and you will reduce the wages of the men who dig the coal and who make the steel, because manifestly the proprietors of these institutions can not pay the high prices that they are now paying if you reduce their prices to too low a point. So, when you get through what have you done? You have reduced the price of everything the farmer produces; you have reduced the price of everything that everybody else produces, including the labor of men. The result of all your efforts is that you have cut the price of everything, including wages, but you have also to the same degree cut the ability of all men to get money. Hence nobody is any better off than he was before you interfered at all.

Mr. President, these observations are not new. They have been regarded as fundamentals all down the course of the years since old Adam Smith's day. They are elaborated and dwelt upon by the philosophers who have considered questions of this character; and yet, singularly enough, it is now proposed, in certain bills that are in Congress, to give to the Secretary of Agriculture an almost arbitrary right to deal with the question of food value and food prices, and so forth; and perhaps we shall also have a bill proposed to regulate wages, for, if once we begin to regulate prices produced by combinations or forestalling, who shall say we must not include wages?

Mr. VARDAMAN. Mr. President—

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

Mr. REED. I do.

Mr. VARDAMAN. Did the Senator ever stop to consider this phase of the question—that the creation of this benevolent, altruistic food despot is but the beginning of a policy which the German Government and the English Government have been forced to resort to, which puts the Government in control not only of the production but of the consumption and distribution and dissemination of the work of man's hands and the product of man's industry? That is to where it tends.

Mr. REED. That is not only to where it tends but that is—to follow the phraseology—to where it inevitably goes, if you accomplish anything; because, now, if an arbitrary power interferes with and limits the price of articles and the price of

labor and the production of articles, it has yet accomplished nothing for the general good unless it also regulates the distribution of the articles; otherwise, the man having the advantage either in money or in position might get it all, and the man who lacked these advantages would get nothing. But in addition to that you get nowhere, as I have undertaken to show, by your regulation of prices, because you must regulate all prices downward if you regulate any price downward. Barring, I mean now, unjust speculations, barring criminal acts, you get nowhere unless you regulate all of them downward, and even then you have gotten nowhere; for if you were to cut wages 50 per cent and cut all prices 50 per cent, everybody would still be in the same relative position he was in before you made any regulation. So that in order to accomplish anything you must go the next step; you must say how much men can consume. You must enter every household, peep into every larder, or, by bread tickets and meat checks and milk certificates limit the amount the people of the United States are to be permitted to eat.

Mr. President, I venture to ask you to consider this thought: A thing which may be vitally necessary under one set of circumstances may be absolutely foolish and destructive under another set of circumstances. If a man has me crowded in a corner with his knife at my throat it may be highly justifiable for me to kill him. If the man be a thousand miles or 3,000 miles removed from me it may be absolutely foolish and criminal for me to seek him out to the end that I may have occasion to kill him. That is not a fortunate illustration because you might be applying it to the war. I am not applying it to the war but to commercial conditions. If a citadel be encompassed about with the enemy, if its ordinary means of access have been cut off, if it is a question whether the fortress can hold out until the enemy may be driven away or exhausted, it may be highly important for the commander of that fortress to put his people upon almost starvation rations, to weigh every ounce that enters between their lips, to the end that he may preserve enough strength to hold the citadel until reinforcements come. Everything is subordinated to that one supreme, overmastering necessity. But under ordinary times with the enemy a thousand miles away, it would be foolish to close down the industries of that city, it would be destructive to stop all labor and the usual avocations of life. It would be injurious to the last degree, because you would stop the production of wealth and arrest the powers of the people.

Sir, the wise man observing the enemy a thousand miles away and marching toward his fortress would endeavor to keep the productive capacity of the people at the highest point without interfering with it in any way except to stimulate it to the greatest degree. The wise man would keep the productive capacity going, the machinery of life in operation as long as he could until the enemy was almost at the gates. Then he would close down only because of the higher necessity.

So, Mr. President, because conditions in Europe have called for radical action, for an overturning of all the usual affairs of life, and a revolution in every business capacity and in every kind of organization, it does not follow that it is wise for us to pursue any such course.

Mr. President, let me give you an illustration. Let us suppose that the States of Virginia, Maryland, and Pennsylvania were surrounded by a cordon of fire and steel. It would then, in a way, represent the condition of Germany. Under those circumstances what would be the duty of the Government? Manifestly, the Government would act as the commander of the fortress would have acted in the illustration I used a few moments ago; he would gather in all the food, he would parcel it out, he would compel everybody to produce only that which could be utilized to hold the battle line and help win the fight. That would be a reasonable and rational thing for him to do.

But, sir, if the war was 3,000 miles away, and if the things he was required to contribute were men and money, and there was no enemy at his gate, what would the wise controller of this imaginary province I am speaking of do? Would he not say to the business man and the manufacturer, "Keep the wheels of your industry running; create, create, and still create; put on three shifts of men and run night and day if you can"? Would he not say to the agriculturist, "Plant, plant, and still plant; let every acre of ground bring forth its golden fruitage, for every bushel of wheat and every bushel of corn is as valuable to us as a bullet or as a bayonet"? Would he not stir the energies of his people and seek to keep them at their highest point of efficiency? It seems to me that by doing that he would create the wealth necessary, he would create the resources necessary, he would create those great forces in the mighty struggle which are at last to determine the issue. That is what a wise man

would do. But would a wise man under those circumstances expect to get that result by interfering with the organized business of the people, by setting up some arbitrary agency that would undertake to tell every man what he should do? A thing of that sort would be utterly foolish. The thing to do is to hold before the people a general reward. What is that general reward? The general reward that puts into play every faculty of mind and every muscle for the highest money to be paid.

If I wanted to set every mill in this country running on full time, if I wanted to double the capacity of every mill in this country and had the arbitrary power to do it, I would so arrange it that every man who built a new mill would be certain of good prices for some time to come. If I wanted to have plenty of wheat and corn and rye and oats and barley and cattle, hogs, sheep, chickens, and eggs, and things we must have, then I would make it so that every farmer in the country would be certain that his labor would receive a rich reward when the harvest time came.

So instead of interfering because they interfere in Europe, where the enemy are thundering at their gates, we ought to stand here to encourage the business of the United States. We ought to stand here to encourage the farmer and the laborer and the merchant and all other men who produce. There is no necessity for shackling business.

Mr. President, I grant you that if we could have a man as food regulator who was wise enough to look with infinite sweep of vision down into the homes and hearts and lives of people and appreciate their wants, and guard with the wisdom of the Almighty One all the energies of the earth, then there would be some use in having a food dictator. But, sir, I said the other day, and I repeat in substance what I then said, there is scarcely a farmer of ordinary intelligence between the Atlantic and the Pacific, between the Canadian line and the Rio Grande River, who is living on a farm that he has worked for a year or two who does not know better how to run that farm and get results than the Secretary of Agriculture. He knows more about it than any expert who is down here in the Agricultural Department. I admit that an expert from the Agricultural Department may come to a farmer who has a farm and say, "Here is an improved variety of corn we have discovered; try it." And the Agricultural Department may come to another and say, "Here is an improved variety of wheat; try it," and the farmer with his practical knowledge may take that bit of scientific knowledge and add it to his own and he may make a better farm. So with fertilizers. But in these instances the Government is coming in simply to aid, not to control; simply to encourage, not to boss; simply to contribute, not to seek to manage. But I say to you, if you turn your ordinary agricultural expert loose on 160 acres of land out in any of the States, he will have to go to the farmers who have farmed the ground around him in order to learn how to plant his crops, in order to learn how to harvest them.

I happened to have been born and reared upon a farm, yet I was a grown man before I ever saw the white snowballs of the cotton fields. I did not know anything more about raising cotton than a fellow born and reared under the Equator knows about skating on the ice of the North. No man at the Agricultural Department is capable of managing the business of the American farmer or the American business man.

Sir, I do not want to make this personal, and yet we can not disregard personalities when personalities appear in Congress and, with bills in their hands, ask that they themselves be created a supreme dictator of the business of our country.

I know farmers in the country, and you all do know them, who have amassed princely fortunes at farming, men who have studied climate and soil and crops and markets, great masters in their business, and with such men the Secretary of Agriculture can not as an agriculturalist be compared. I say that kindly. I have the utmost respect for the Secretary of Agriculture. In his own line and in his own business, as the teacher in an agricultural college, I think him a very fine man; but when you talk about taking the business of the farmers of the United States from their hands and giving its direction to a man who never saw their farms you propose an infinite absurdity. I assert that I can take from the farms of this country men who if they were put in the same field of human activity with any agricultural expert there is in Washington would outstrip that expert.

Let me tell you, sirs—and it is time the fact was known—that appointment or election to an office does not give any man an intellectual superiority. Let me tell you that men mentally in this world differ no more than they do physically. There is a great common and general average of men physically, men who can do about the same amount of physical labor and endure

about the same amount of toll. Beneath them is a class of those who are physically deficient. Above them is a class of men who are a little superior to the general average physically. So it is in the intellectual world. But there are no intellectual kings or monopolists, as there are no monopolists of physical power. You can take an ordinary citizen and put him in office down here at the other end of the Avenue or at this end of the Avenue and he does not know a bit more after he is put in than he did before he was put in, and the day before he was put in office he did not know any more than a hundred other men in the community. When you talk about taking the business from men who have created their business and put it in the hands of one, two, or three men who did not create that business you propose a thing monstrous and horrible and destructive.

Mr. President, we are a funny set of creatures in this world. I have seen an ordinary lawyer practicing at the bar who, when he was called into consultation with lawyers at the same side of the table, they would express great doubt as to whether he knew anything about his own case. When they met him in the forum as antagonists they unhesitatingly attacked him with supreme confidence in their own power. I have seen that man peddle his own petition, I have seen his friends peddle it, to have him appointed to a judicial position. I have seen the disgust written upon the faces of the members of the bar at the supreme impudence of the fellow asking for a high judicial position. I have seen him appointed, and 24 hours afterwards I have seen them banquet him and call him judge, and two months afterwards they would quote everything he said from the bench as though it were said by the Lord God of Hosts. Yet he knew no more upon the bench than he did before. He had a little more authority.

I have seen men engaged in struggle for political office; I have seen them defeated by a few votes; I have seen the victor win by a few votes or by a few tricks; and then I have seen it suddenly claimed that the victor is a man possessed of remarkable wisdom and prescience, while the man who was defeated is regarded as no longer worthy to wash the feet of the great. Yet between the two men there was nothing but a political accident. We have seen this repeated over and over again. I have seen men taken from the obscurity of private life, men who had never won a single position of prominence, who had never done a thing to attract public attention, who had not risen to any commanding position in anything they ever undertook, who had been merely ordinary humdrum fellows of no special mark—I have seen those men put into office and suddenly they are quoted as though they spoke with all the accumulated wisdom of the ages. They knew no more in office than they knew when they were out of office. You may take a man from the obscurity of private life, you may elevate him to a position in the Cabinet of the President, and a great President, yet that man does not know one thing more the day he went into office than he knew the day before, except that he has an office, and the day before he would have been open to your challenge at every turn. You would have refused to blindly follow him the day before; you would have taken his judgment along with the judgment of your fellow men as no better than that of the average man; but suddenly we find it asserted that whatsoever he says is a verity.

Mr. President, I am one of those who believe in the intelligence of the people. I do not believe that the intelligence of the Congress of the United States is much greater than the intelligence of the communities of the people of the United States. We only represent the general average of intelligence.

Mr. GORE. Everybody knows more than any one body.

Mr. REED. As the Senator from Oklahoma says, "Everybody knows more than any one body." I hope we can remember that.

So, Mr. President, we may be elected to these offices and may do our best, and we may by study and constant effort be able to know a little bit more about questions than the men at home, yet if you go home and call together the intellectual men of your community you will find that their views are probably just as

wise and as worthy of consideration as are ours. What is true of the Congress of the United States is true of the executive department of the United States.

Make no mistake. If in this emergency you appoint a food dictator, as it is called, you will have appointed but an ordinary man. He may be a smart man, but there are thousands of smart men. He may be a good man, but there are thousands of good men. He may be an energetic man, but there are thousands of energetic men. He may do as well as any one man can do, but this is the thing that I assert: No man ever has done or ever will attend to the business of the 104,000,000 people of the United States as well as they can attend to that business themselves. No man can do it.

If we will but meet this case upon the simple ground of preventing forestalling the market, if we will put our finger upon the criminal who has been guilty of those practices which have always been condemned; if you will do something to get transportation restored, you will have met the great and the crying needs of the hour.

Mr. President, I said the other day and I repeat it now, the man who goes about the United States of America preaching that we are on the verge of bankruptcy or starvation is a false prophet—is the man who does not speak the truth. Why, sir, as you go over this country from the Atlantic to the Pacific, what do you behold? Ten thousand, 100,000, plowshares are turning over the soil, and the man back of the plow knows how to cultivate that piece of ground. He knows what to plant it with. He knows how to get the best results. Go a little farther and you will observe the cattle upon the hills. They have not fallen off in their numbers. Starvation and gaunt want has not yet thrust its ugly countenance into the faces of the American people.

Go on farther and farther and you will come to the vast plains of the West, where the cattle and the sheep graze by the thousands and tens of thousands. Look wherever you will and you will find that in this mighty domain of ours everybody is at work. The smoke is rolling from countless chimneys. The whirl of the wheels of industry is making the sweet music of production. Everywhere men are employed. Everywhere men are in their shirt sleeves. Everywhere the tireless muscles of the American workingman are being employed. All you need to do is to leave to the stout citizenry of the land the problems of production and they will keep the United States of America from starving this year at least. But interfere with them and you may work irreparable injury.

I appeal to the Senate that nothing be done to interfere with that vast machine known as America. Its elements are made up of the richest soil there is on earth, of the finest climate there is beneath the sky, of the greatest mines there are anywhere, of mighty powers of water and of steam; and it is financed by more powerful agencies than have ever been gathered in any nation of the world. Above everything else, and as its chief and highest attribute, is the indomitable energy, the tireless arm, the skillful brain of the greatest people God has ever created and gathered under one government.

We need nothing, Mr. President, but confidence, and the people will solve these problems. Confidence with the aid of Government in so far as to prevent an interference with production, as to prevent any blocking of the avenues of commerce, as to prevent any combination or any conspiracy stopping the vast machine. That is all we need, and the people of the United States will attend to that if the Government will attend to the business of government.

I desire to put into the RECORD, as illustrative of my remarks, a table which I have prepared, showing a comparison of production, exportation, consumption, and price in relation to certain staple articles for a number of years.

The VICE PRESIDENT. Without objection, permission to do so will be granted.

The table referred to is as follows:

Product.	1912	1913	1914	1915	1916
WHEAT.					
Total production.....	730,267,000	763,380,000	891,017,000	1,025,801,000	639,886,000
Amount exported.....	79,689,000	142,879,000	145,590,000	332,464,000	154,049,886
Consumed here.....	650,578,000	620,501,000	745,427,000	693,337,000	485,836,314
Average price.....	\$0.92	\$0.79	\$0.84	\$1.31	\$1.25
CORN.					
Total production.....	3,124,746,000	2,446,000,000	2,472,000,000	2,994,000,000	2,583,000,000
Amount exported.....	41,797,000	50,000,000	10,000,000	50,000,000	53,543,227
Consumed here.....	3,082,949,000	2,396,000,000	2,662,000,000	2,944,000,000	2,529,456,773
Average price.....	\$0.71	\$0.53	\$0.77	\$0.75	\$0.79

Product.	1912	1913	1914	1915	1916
OATS.					
Total production.....	1,418,337,000	1,121,768,000	1,141,060,000	1,540,362,000	1,251,992,000
Amount exported.....					
Consumed here.....					
Average price.....	\$0.52	\$0.33	\$0.39	\$0.53	\$0.42
HAY.					
Total production.....	72,691,000	64,116,000	70,071,000	85,225,000	89,991,000
Amount exported.....	59,000	60,000	50,000	105,000	136,157
Consumed here.....	72,632,000	64,056,000	70,021,000	85,120,000	89,854,843
Average price.....	\$11.79	\$11.15	\$12.20	\$11.64	\$11.78
COTTON (BALES).					
Total production.....	13,488,539	13,982,000	15,905,000	11,191,820	11,511,000
Amount exported.....	9,199,093	9,256,000	8,931,000	8,358,992	7,007,795
Consumed here.....	4,289,446	4,726,000	6,974,000	2,732,828	4,503,205
Average price.....	\$0.10	\$0.11	\$0.11	\$0.10	\$0.19
POTATOES.					
Total production.....	420,647,000	331,527,000	405,921,000	359,103,000	285,437,000
Amount exported.....	1,237,000	2,028,000	1,794,000	3,135,000	3,223,646
Consumed here.....	419,410,000	329,499,000	404,127,000	355,968,000	282,207,354
Average price.....	\$1.17	\$0.50	\$0.70	\$0.47	\$0.97
COAL.					
Production.....	534,466,580	569,960,219	513,525,477	531,619,487	597,474,000
Exported.....	20,326,619	24,798,080	19,747,945	22,741,895	26,007,262
Consumption.....	514,139,961	545,162,139	493,777,532	508,877,592	571,466,738
Average price per ton.....	\$1.30	\$1.33	\$1.33	\$1.29	

Mr. UNDERWOOD and Mr. SIMMONS addressed the Chair. The VICE PRESIDENT. The Senator from Alabama.

Mr. SIMMONS. I will ask the Senator from Alabama if he will yield to me?

Mr. UNDERWOOD. I yield.

Mr. SIMMONS. Mr. President, I understand the matter before the Senate at this time is the motion to recommit the bill?

The VICE PRESIDENT. It is.

Mr. SIMMONS. To recommit the bill together with certain amendments which have been offered this morning. Among those amendments are quite a number which refer to the prohibition and regulation of the use of grain in the manufacture of intoxicating drinks. One of those amendments has been referred to the Committee on Finance; the others, I think, have been referred to the Committee on Agriculture and Forestry. The Finance Committee think that all of these amendments ought to be referred to it, because they relate not only to the question of conservation and prohibition, but they relate, in a very important way, to the question of revenue. The Finance Committee is going to consider at once the amendment which has been referred to it. Inasmuch as we can not make up the bill now under consideration in committee until we know exactly what our resources are going to be—and the tax upon intoxicating spirits, it is well understood, is one of the chief resources of the Government for revenue—I wish that all of these amendments might be referred to the Finance Committee. I understand, however, that the Senator from Oklahoma [Mr. GORE], in charge of the bill, is not willing for that course to be taken. But I wish now to give notice if the bill is recommitment that when it comes out of committee if any of these amendments are offered to it I shall then move and insist that they be referred to the Committee on Finance before action is taken upon them.

Mr. UNDERWOOD. Mr. President, I do not intend to detain the Senate late this evening, but before the motion is put to recommit this bill to the Committee on Agriculture and Forestry I feel that there are a few words that should go into the Record in reference to the attitude of the Government and the attitude of certain great interests in this country toward the question of the food supply.

I am sure that it can not be controverted that the greatest problem that confronts this Nation or any other nation is always to see that the people of the Nation are supplied with an adequate quantity of wholesome food. There is no golden rule that can solve this problem. There is no patent right that you can take out to increase the food supply. The world has been studying the question of food and its supply to the people for thousands of years. There is not a schoolboy in his teens who does not know that the one governing cause in determining the result is the question of whether the supply is adequate to the demand.

It is true that the supply can be made adequate to meet the demand; and sometimes a very small supply will meet the artificial demand when by order of government the people of a country are told that they must go on half rations in order to make the supply meet the demand. But is there a man who holds a seat on the floor of the Senate to-day who is prepared

by his vote to tell the people of America—the best food producer of the world—that the conditions of the world and of the country are such to-day that by arbitrary enactment of law they must be half fed because we have become involved in war? If you are not prepared to say it yourselves, as a matter of affirmative action, are you prepared to say that you will delegate the power of government, that the people of this country have placed in your hands, to some one else to say when your people shall eat? If you are not, then the time has come when the Senate of the United States should give deliberate consideration to the bill that is now before it, which has been presented by the Committee on Agriculture and Forestry. There is one sure way to secure cheaper food and more food for the masses of the American people, and that is to produce cheaper food and more food for the people of the country and the people of the world. It is the only way, if you want your people fed, and fed adequately.

I recognize the fact that there may be some shortage in food supply, not by reason of the lack of production of crops in this country, not by reason of a falling off in production, but by reason of the fact that some of the lands of the world that have been competitors in the markets of the world in supplying food products are cut off by reason of war conditions. Does any man here believe that a bushel of wheat would be selling to-day for what it is selling for in the markets of the United States and the markets of London if the Dardanelles were open and the wheat supply of Russia were available to the world? Everybody knows that it would not be. We might have high-priced wheat, as compared to the average for 10 years past, but we would not have the pyramiding prices of to-day. When this war is over and the markets of the world are opened to the food production of the world there will be a great reduction in prices; but even then, Mr. President, the prices of food will not go down to a point where there will be an adequate supply of food for the tolling masses of the people of the world. There is only one way by which you can get an adequate supply of food for the growing demands of the industrial classes, and that is by producing more food.

There was a time in the history of the past when new fields and virgin soil of new countries were open to the production of a greater supply of foodstuffs. The new fields of tropical countries will not produce the foodstuffs that the people of the northern latitudes demand; and when it comes to the latitudes in which corn and cotton and wheat and cattle can be produced there are comparatively no new countries left and no new fields to plow.

Reading the history of the world, we know that 500 years before Christ the people of the Grecian Archipelago nearly reached the point of starvation, and that many of them became serfs because the worn-out fields were unable to produce the food supply which had fed those people a few hundred years before. The greatest boon that ever came to man was the discovery of the fact that the grasses that grew in the meadows could be transplanted to the higher fields and produce hay and fodder for cattle, so that the cattle ranges might develop and be carried to the high lands as well as to the low lands.

Mr. President, a half century ago the Empire of Germany could not adequately feed her own people. When this war was declared—I do not mean by the United States but when the European war was declared in August, 1914—the German Empire, with poor land, rock-ribbed hills, was producing within 10 per cent of an adequate food supply to liberally feed the people of that country. What is the story that is told to-day? That empire, without rich land, an empire to a large extent of barren soil, surrounded by a rim of bayonets, cut off from the world to a large extent for its food supply, has been able to maintain its armies and its people, if not with an adequate food supply, yet with sufficient food to maintain them on the battle fields for nearly three years. You do not have to go far afield to find out how the result has been accomplished. Any man who will look conditions in the face will read it in the recent history of the past.

Fifty years ago Germany inaugurated a system of intense fertilization of her land. When this war came on she was importing more fertilizer in proportion to her population than was any other country in the world; she was using more fertilizer on her fields than was any other country in the world; and in her production of crops of wheat, of barley, and of potatoes and other food products she was producing more per acre than the great continent of America, with its fertile fields and productive soil. That is the way we must furnish an adequate supply of food to our people.

There is in the far West to-day some soil that as yet is not worn out; the soils in the arid regions of the Rockies may possibly last for centuries to come; the plains of Nebraska, of Iowa, and the Dakotas may last for decades yet to come before intense fertilization is needed; but every man who is familiar with the conditions in the New England States, in the Southern States, and even to-day in the Middle Western States, recognizes the fact that the cultivation of food products can not continue long, to be profitable to the farmer unless he is given fertilizer to renew worn-out soil so as to enable him to double and treble his crop production, as he can do with adequate fertilization.

More than a year ago a bill was pending on the floor of the Senate, which the Senate passed after much debate—and I said then much of what I am saying to-day—providing an appropriation of \$20,000,000—for what purpose? To supply this country with fertilizer in time of peace and powder in time of war. War is here, and it is said that we must appoint a general manager of our food supplies in order to keep this country from want. Yet no action has so far been taken to supply the nitrogen necessary to provide an adequate supply of powder in time of war and fertilizers in time of peace.

I do not wish to say anything that is unjust or unfair in this matter. The President of the United States, in whose hands this great power was intrusted, of course, has not the opportunity nor the time to exercise the power himself, and nobody expected him to do so. He delegated it to a committee of his Cabinet officers, who, after some deliberation, went to work to solve the problem. In the midst of their attempt to solve the problem the burdens and the cares of this war were cast upon their shoulders, and they have delegated the labor to a committee of chemists to find out whether the farmer needs the fertilizer and whether the Government needs the powder and what is the best method by which they can be produced.

Mr. SMITH of Georgia. Mr. President, if the Senator has the names of the chemists to whom he refers, I wish he would read them to the Senate.

Mr. UNDERWOOD. I have not at hand the list of that particular board of chemists, but I have a list of a board appointed some days ago by the Council of National Defense to consider questions related to the one we have under consideration. I will say, however, that the board of chemists that have been appointed are able, distinguished men in their line of science, but I also want to say that they are about as far removed from the farmers of this country as the North Pole is from the Equator.

Mr. REED. Mr. President, if the Senator will pardon an interruption, I find some consolation in the Senator's illustration, for if it takes a food dictator as long to get into action as it has taken the other department to establish the proposed nitrate plant, then the war will be over and most of us will be gathered to our fathers before there is any attempt made to fix the price of anything.

Mr. UNDERWOOD. I think the Senator is right. I listened with great interest to his able address this afternoon, and I am in accord with most of the things he said. The time has come for some action in this matter. The responsibility is here. We have handed on our responsibilities to other people long enough, and they have not acted. The responsibility rests with the Committee on Agriculture. We have delegated our power;

we have delegated to some one else the opportunity to act, but no action has been obtained.

Mr. SMITH of Georgia. Mr. President, does the Senator mean that the responsibility for the failure to build the nitrate plant rests on the Committee on Agriculture?

Mr. UNDERWOOD. No, sir.

Mr. SMITH of Georgia. We recommended that bill and cordially supported it.

Mr. UNDERWOOD. No, sir; I did not say that at all. The Committee on Agriculture did its part, and for the failure to secure any definite results up to this date they are no more responsible than are other Members of the Senate; but when you trust a man once and he fails you, it is his fault; if you trust him the second time and he fails you, it is your fault. If the Committee on Agriculture proposes now to merely delegate power without providing effective legislation, it will be their fault and no one else's when the failure comes.

Mr. SMITH of Georgia. I desire to ask the Senator if anything in the bill reported from the committee carries the suggestion of a food dictator?

Mr. UNDERWOOD. No; but I say the time has come for Congress to do something affirmatively. If the Government wants powder, we can say, "Go and produce that powder," and those charged with responsibility will have to produce it. If we believe that a nitrogen supply in this country is needed, we can stop leaving it to the discretion of somebody else, and say that action must be taken; provide the money and specify how it shall be used to produce the desired result. Then we will have a determination of the question.

I regret that it is left for me to make this speech this afternoon. I think I have as much patience as any other man; I have been patient for an entire year, but I know that if an enemy of this country was able to drive us off the seas, we could not fight a battle with a first-class power for six months for the lack of an adequate nitrate supply, and I know that if we want the people of this country to have cheaper food, we must give our farmers an opportunity to raise cheaper food, so they can sell cheaper food, and sell it profitably.

There is but one way out, and you can read it in the history of the world. The essential thing for producing cheap food is rich land, and when rich land has been depleted and worn out that which takes the place of rich land is fertilizer; but other Senators know, as I know, that when we had a bill here a year ago to provide a fertilizer supply in this country some of the great interests placed themselves, like lions, across the path, and they are still there. It is not to their interest that present supplies should be increased or that new methods should be made use of to bring about cheaper fertilization.

Mr. SMITH of Georgia. Mr. President—

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

Mr. UNDERWOOD. Yes.

Mr. SMITH of Georgia. I wish to say that I cordially agree with the Senator. We really had a right to have the nitrogen plant erected long before this time, and if anybody has been a "slacker" it is not Congress; but the Senator suggests that the Committee on Agriculture can remedy the difficulty in some way. I want to say as one member of that committee that I have suggested to the authorized agency created by us months ago that we were entitled to action, and I complained at the delay. As the Senator seems to think the committee has some way to press the matter, I should be glad to have him suggest the way, because I, individually, as one member of that committee, have been urging action and have felt that there was cause for serious grievance that nothing had been done.

Mr. UNDERWOOD. I will be delighted to suggest a way. I do not think there is any difficulty in suggesting a way. I think if this bill is recommitted and the committee will send for the men who have been put in charge of this matter and ask them what they are doing and whether they are going to do anything, and if they have not done anything and do not intend to do so, then for the committee to write in the law a definite plan of procedure, what shall be done, we will obtain results. If they will make up their minds as to the process which should be adopted to furnish this country with cheap fertilizer and the nitrogen that it needs and when and where that process should be installed, we will soon start a great reform in our agricultural development. There are Members on the floor of the Senate who will sustain the committee when they bring in a report of that kind.

Now, this is no new story.

Mr. SMITH of Michigan. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. UNDERWOOD. I do.

Mr. SMITH of Michigan. If my memory serves me right, the Senator from Alabama presented about a year ago a communication from private parties agreeing to develop a nitrate plant in this country if they were given an opportunity.

Mr. UNDERWOOD. Surely.

Mr. SMITH of Michigan. And the only reason why it was not done, if I am correctly informed, is because of the fear that it might be a monopoly. Now, I want to ask the Senator from Alabama if it is not true that in the present international emergency these same people are furnishing to the Government powder for the Government's use at a less cost by considerable than they have ever furnished it to anyone else, and at a less cost than it is now being produced through Government agencies?

Mr. UNDERWOOD. The Senator is talking on one subject and I am talking on another.

Mr. SMITH of Michigan. I am talking about nitrates and their relation to the powder situation.

Mr. UNDERWOOD. The Senator is talking about a powder situation. I am talking about a fertilizer situation that could be used to supply powder in war times.

Mr. SMITH of Michigan. Exactly.

Mr. UNDERWOOD. I think, so far as I am informed, that the Du Pont Powder Co. has acted very properly, very fairly, and very justly with the Government in the present emergency. I am not criticizing them.

Mr. SMITH of Michigan. No; I did not understand that the Senator criticized them. What I was speaking of was the independence of our country in the matter of powder making. We are not independent. We are dependent upon the nitrates of a foreign country in order to make powder.

Mr. UNDERWOOD. To be sure. The Du Pont Powder Co. could not make a pound of powder if you cut off from them the supply of Chilean saltpeter.

Mr. SMITH of Michigan. It could not.

Mr. UNDERWOOD. And the Government of the United States, by its authorized officers, has stated before a committee of the other House within the last week that we could not afford to send ships to Chile to bring nitrogen here for fertilizer purposes, and yet a year ago a great organization that was driven out of this country, that produces nitrates just as they are being produced in Germany to-day, stated before the Agricultural Committee of the Senate that if the Government would give them an opportunity to use cheap water power they would be willing to guarantee that the cost of fertilizer to the farmers in this country would be reduced one-half. Now, that is in the record. Go and examine the record of the Committee on Agriculture and Forestry.

Mr. REED. What was that company?

Mr. UNDERWOOD. That was the American Cyanamid Co., an American company that has been compelled to do business on the other side of Niagara Falls by the laws of our own Government, and the refusal of our own Government to give them an opportunity to do business on American soil.

Why, suppose that Mr. Schwab, of the Bethlehem Steel Co., had come down here when you wanted to build armor plate and had said, "Gentlemen, if you will let me dam one of your rivers and get cheaper electricity, I will agree to furnish your armor plate at one-half the sum you are paying for it to-day," would you have ignored that proposition and not considered it at all? Suppose, now that we are building ships, that the great United States Steel Corporation were to come before this body and say, "If you will give us an opportunity to get cheaper electrical power with which to operate our machinery, we will build these ships for you at one-half the price they are going to cost you to-day," would you ignore that proposition? No. But because this merely relates to farmers and fertilizers you say that it is socialistic for any man to say that the Government of the United States should give a company an opportunity to furnish the farmers of this country with cheaper fertilizer.

Mr. HUSTING. Mr. President, may I interrupt the Senator for a question?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. UNDERWOOD. Yes.

Mr. HUSTING. I ask the Senator whether this Cyanamid Co. does not buy its power from the Province of Ontario?

Mr. UNDERWOOD. I think it does, but I am not sure.

Mr. HUSTING. And does not the Senator know that those desiring to get power at Niagara Falls refused to accept a permit or franchise upon the same terms that the manufacturers of power on the Canadian side are willing to pay?

Mr. UNDERWOOD. Why, as I understand—I do not exactly understand the Senator's question—my information is that the men who are getting power on the Canadian side are getting it cheaper than those who are getting it on the American side.

Mr. HUSTING. I just want to suggest to the Senator that the Cyanamid Co. are purchasing power under the terms of the Ontario act when they were unwilling, or those who have applied for permits on the American side are unwilling, to accept as favorable terms here as they are willing to pay on the other side of the river.

Mr. UNDERWOOD. I do not know where the Senator got his information, and I am sure he got it from somebody or he would not have made the statement; but I can say there is not any truth in what the Senator says on that subject, because I know. I know that this company came before the Congress of the United States and asked for an opportunity to buy power in this country and develop power, and I know that the Congress, after a long fight, passed a bill to give them the power, and they were prepared to spend in this country the money that they spent in Canada when a President of the United States vetoed that bill.

Mr. HUSTING. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama further yield to the Senator from Wisconsin?

Mr. UNDERWOOD. I yield.

Mr. HUSTING. I do not know anything about what the Cyanamid Co. are willing to do. I only want to say to the Senator that those enjoying a permit under the Province of Ontario are getting their power by paying to the Province of Ontario about 75 cents for every horsepower that they have developed and used; and not only that, but they have undertaken to sell to the extent of, I think, 100,000 horsepower to the Province of Ontario, the power at the rate of \$9 a horsepower.

Mr. UNDERWOOD. Undoubtedly they are getting it cheaper on that side. In other words, the Canadian Government is taking better care of its people than our Government is in this regard. That is true.

Mr. WADSWORTH. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New York?

Mr. UNDERWOOD. I yield.

Mr. WADSWORTH. May I supplement the remarks of the Senator from Wisconsin by saying that, as contrasted with the 75 cents per horsepower paid by the companies on the Canadian side, the total of the taxes levied against the companies on the American side amounts to about \$2.50 a horsepower—almost three times as much.

Mr. UNDERWOOD. Surely; and yet this Government not only refuses to allow this development but has stopped the development anywhere in this country on navigable streams of an opportunity for individual capital to utilize our water power and to develop a supply of nitrogen that might supply our farmers with fertilizers.

Now, I know that the great steel corporations of this country that are making by-product coke say that you can get your fertilizer by taking ammonia from by-product coke. As I stated here once before, I know that that does not help the farmer, and it does not help supply the demand, and you never can supply the demand in that way. I just wanted to call your attention and the attention of the Committee on Agriculture and Forestry to these things, because they bear the responsibility until they put it on us, and I hope at no distant day they will put the responsibility on the Senate instead of bearing it themselves.

Mr. KELLOGG. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. Will the Senator please tell us why this plant which Congress authorized has not been built?

Mr. UNDERWOOD. Why I do not know. The money is appropriated. Board after board has been investigating, but the investigation does not stop. What I want is to have something done.

Mr. SMITH of Georgia. Mr. President—

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

Mr. UNDERWOOD. I yield.

Mr. SMITH of Georgia. If the Senator will yield, I desire to disclaim again for the Committee on Agriculture and Forestry responsibility for this delay, and I decline to accept the entire senatorial responsibility as resting upon the Committee on Agriculture and Forestry. If any Senator had desired to raise the question, he might have done so by resolution, calling on us to make an examination; and it rests on all the Senate as well as on the Committee on Agriculture and Forestry. But I wish to thank the Senator from Alabama for having relieved himself

of his part of the responsibility by his splendid contribution this afternoon to the discussion of that subject.

Mr. UNDERWOOD. I thank the Senator; and what I am doing, instead of introducing a resolution, is introducing a speech that I hope will have some weight with him.

Mr. KENYON. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. UNDERWOOD. I do.

Mr. KENYON. I am a humble member of the Committee on Agriculture and Forestry, and accept with grace the castigation of the Senator. The Senator, I suppose, is familiar with the fact that the Committee on Agriculture and Forestry reported out here a bill appropriating \$10,000,000, I think it was—

Mr. UNDERWOOD. Twenty million dollars.

Mr. KENYON. No; the ten millions was for nitrate.

Mr. UNDERWOOD. Oh, yes; yes.

Mr. KENYON. And also twenty millions for the factory.

Mr. UNDERWOOD. Surely.

Mr. KENYON. Now, has the Senator introduced any further bill for the Committee on Agriculture and Forestry to consider? And does the Senator feel that because some commission has not acted promptly the Committee on Agriculture and Forestry is to blame?

Mr. UNDERWOOD. No; I am not blaming the Committee on Agriculture and Forestry.

Mr. KENYON. One further question. I understood the Senator was placing the responsibility on the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. No; I do say the responsibility lies there, but you hold the keys to the door. Any resolution going into your committee can not get out as long as you lock it up.

Mr. KENYON. It certainly can not get out if it never gets there.

Mr. UNDERWOOD. Now, I am not saying that any resolution has gone in, but I say the time has come when it is up to the Committee on Agriculture and Forestry to inquire why something has not been done and to do something.

Mr. KENYON. May I ask the Senator one more question? He is generally fair. Is it not a fact that this nitrate plant has not been located because of the active competition of various parts of the country as to its location? And if that is true, then is not the responsibility upon those various people who can not get together and unite on some place for the location of this plant, and is not that the reason why the plant has not been located?

Mr. UNDERWOOD. No; I think not. I think it is very proper and very right that a number of places should apply, and very proper and very right that the board should take time to consider them; but a similar board, with less time to work in, selected a site for an armor-plate factory. They have located a number of other plants; and I think there has been ample time for them to find out where they can produce a certain amount of horsepower out of the navigable rivers of this country.

Mr. KENYON. I agree with the Senator; but I believe that the delay has been caused, as nearly as I understand, by the strife between different parts of the country for the location of the plant.

Mr. UNDERWOOD. I am not criticizing the committee now. I want to disclaim any criticism of the Agricultural Committee.

Mr. KENYON. I am glad of that.

Mr. UNDERWOOD. But I want just as distinctly to call to the attention of the committee the condition that exists, and insist that the responsibility rests with them.

Mr. SMITH of Georgia. Mr. President—

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

Mr. UNDERWOOD. I yield.

Mr. SMITH of Georgia. If the Senator will allow me, as I understand his position it is this: We passed the bill making the appropriation and putting the responsibility of the construction upon the other end of the Avenue, and as they have neglected to do their duty there it is the duty of the Committee on Agriculture and Forestry to inquire into the causes of the delay and prod them up.

Mr. UNDERWOOD. Not only that, but if action is not obtained, and the right kind of action, determine on the location yourselves and use that money in the interest of the American farmer. You can determine it as well as anybody else, if you will do it.

Mr. REED. Mr. President—

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

Mr. UNDERWOOD. I yield.

Mr. REED. Just to refresh my recollection, in whose care and keeping was this great work of construction placed?

Mr. UNDERWOOD. It was primarily placed in the hands of the President of the United States; but, as I stated a few moments ago, nobody expected him as an individual to exercise it. He passed it on to his Cabinet officers, and they were at work on it when this war condition came on.

Mr. REED. Which Cabinet officers?

Mr. UNDERWOOD. Why, the Secretary of War, the Secretary of Agriculture, and the Secretary of the Interior. Now we have got it down to a subordinate board of chemists that do not seem to be doing anything.

Mr. REED. That brings up the question I wanted to ask a little while ago. Is that board of chemists engaged now in the work of finding a location, or is it engaged in determining whether or not nitrogen can be produced in the manner contemplated by the bill?

Mr. UNDERWOOD. As far as I can tell, that board is trying to find some new process to make nitrogen instead of adopting well known processes that are producing results in other countries to-day.

Mr. REED. Then it is a board to review the action of Congress?

Mr. UNDERWOOD. Well, it may construe itself to be such a board.

Mr. REED. But I am in earnest about this. Does it not amount to this: Congress appropriated \$20,000,000 to build a nitrate plant. Congress provided that a location should be found, and at that location a plant should be built; and that plant was to extract nitrogen from the air.

Mr. UNDERWOOD. Surely.

Mr. REED. Now, am I to understand that this board of chemists are now going to investigate the question whether that is the proper way to make nitrogen?

Mr. UNDERWOOD. I will say to the Senator that when this resolution was passed in the Senate last year there were two well-known methods of extracting nitrogen from the air in a commercial way. Of course there were some old processes by which nitrogen had been taken from the air, 80 or 100 years old, that were never a commercial success and could not be made so; but there was what was known as the arc process, that was being used in Norway and some other countries with a marked degree of success, and there was the cyanamid process, that pretty nearly every civilized country in the world except this one was using.

When the nitrogen bill was passed, instead of carrying out the intention of Congress to make nitrogen, and make it now, and leave for the future the development of the science, they have stopped to develop the science, while the farmer is needing the nitrogen. That is all there is to it. These processes are known. They have been a commercial success. They have made the nitrogen. Fertilizer has been made out of the nitrogen they make, but that was not good enough for the eminent scientist to rest upon.

Now, I understand that among others there is what is known as the Haber process that the German Government uses. The Haber process uses a smaller amount of electricity and a larger amount of chemicals. The Haber process is a German patent. Although this board of chemists, I understand, are experimenting with a plant and trying to make nitrogen by the Haber process, I have serious doubts to whether there is a man in America that can properly draw the specifications for the Haber process to make nitrogen, and I am confident that the method pursued is far more expensive than known methods in use before this experimentation with Government money was inaugurated. The Haber process evidently is not very much better than the other processes that we know of, because practically half of the nitrogen that is being made in Germany to-day is made by the cyanamid process. There is a known road, and an easy road, ahead. Why not follow it?

But let me call your attention to the things that have caused me to get up on my feet and speak this afternoon. In a hearing before the Agricultural Committee, I think it was, on the production and conservation of food supplies, Mr. John A. McSparrow, of Furnace, Pa., master of the Pennsylvania State Grange and secretary of the legislative committee of the National Grange, made this statement:

Well, it has always been the custom, we have noticed, for many years in this Government, when they appoint a board that has to do with farming that they never put any farmers on the board. It is the popular thing to appoint these men from the hearts of the big cities.

That is item of evidence No. 1.

I hold in my hand what is called the Official Bulletin, edited by Mr. George Creel, chairman, and bearing date Washington,

Monday, May 14, 1917. I suppose that the statements in this Official Bulletin are authentic. I find in it this statement—

Mr. STONE. Mr. President, may I ask the Senator, if he pleases, if it be not a secret, where he obtained that document?

Mr. UNDERWOOD. It is distributed in our offices. I have no doubt the Senator will find his there, if he will hunt for it.

Mr. STONE. I have not hunted for it, and I have not seen it. The junior Senator from Georgia [Mr. HARDWICK] has just made of me substantially the inquiry I have made of the Senator from Alabama.

Mr. UNDERWOOD. Why, it comes to everybody; but I can give the Senator the place where it is published.

Mr. STONE. Is it a public document?

Mr. UNDERWOOD. It is a Government publication.

Mr. HARDWICK. It is a Government newspaper.

Mr. UNDERWOOD. It is a Government newspaper, published at No. 10 Jackson Place, Washington, D. C.

Mr. HARDWICK. Mr. President, if the Senator will pardon me—

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

Mr. UNDERWOOD. I do.

Mr. HARDWICK. That is a Government newspaper, is it not?

Mr. UNDERWOOD. To be sure; at least, I understand it to be such.

Mr. HARDWICK. I mean by that it is paid for by the Government—printed and issued by the Government?

Mr. UNDERWOOD. I am not able to answer that question, but it comes with the authority of the Government.

Mr. SMOOT. Mr. President, I will say to the Senator that there is no question that the Government pays for it, and it is the administration paper.

Mr. REED. Mr. President, I think—

Mr. UNDERWOOD. I ask the Senator not to get me away from the point that I want to make about this paper. The paper itself is not so important.

Mr. STONE. No; it is not. I do not want to divert the Senator.

Mr. BANKHEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to his colleague?

Mr. UNDERWOOD. I do.

Mr. BANKHEAD. I want to say for the information of my colleague that this publication is printed at the Government Printing Office here in the city of Washington.

Mr. SMOOT. There is no doubt about that.

Mr. BANKHEAD. The reason why I say that is because an employee of the office gave me one the other day, and said they were issuing them in great numbers.

Mr. UNDERWOOD. There is no doubt about the authenticity of the statement. I have read to the Senate what Mr. McSparron has said in reference to the appointment of committees. Now, I want to read this:

The Council of National Defense announces the appointment of a subcommittee on chemicals to serve under the committee on raw materials of the advisory commission, of which Bernard M. Baruch is chairman. Dr. William H. Nichols, of the General Chemical Co., of New York, is chairman of the new subdivision.

Besides Dr. Nichols the subcommittee is composed as follows:

Acids: E. R. Grasselli, of the Grasselli Chemical Co., Cleveland; Henry Howard, Merrimac Chemical Co., Boston.

Fertilizers: Horace Bowker, New York; Charles E. McDowell, president Armour Fertilizer Co., Chicago.

Alkalis: J. D. Pennock, Solvay Process Co., Syracuse.

Miscellaneous chemicals: Edward Mallinckrodt, Jr., St. Louis.

Now, I know those gentlemen, a number of them. They are able, eminent men in their profession. They are men who represent some of the greatest business interests of this country. They are selling fertilizers to the farmers. That is part of their business. Do you suppose that they can approach this question of the farmer getting fertilizers from some other standpoint without some bias of judgment in the matter?

One or two of these men are friends of mine, and I would not have anybody say that I had said anything here to criticize them or their attitude; but if I were in the fertilizer business and all my fortune were involved in the fertilizer business, as it is constituted to-day, I would not appoint myself on the board to determine whether a newer and a better process could be had to furnish the farmers of this country with fertilizer.

Mr. JONES of New Mexico. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. UNDERWOOD. I do.

Mr. JONES of New Mexico. I should like to inquire of the Senator if Congress has ever passed a bill providing a means for the manufacture of nitrates to be used primarily as fertilizer?

Mr. UNDERWOOD. No; not exactly that way; but last year Congress passed a bill appropriating \$20,000,000 for the erection

of a plant to make nitrogen, and providing that that nitrogen should be used by the Government for powder in times of war and for fertilizers in times of peace; and it is to that bill that I am addressing my remarks. The bill is here; it has been passed; the money is in the Treasury, but there is no movement seen anywhere on the landscape.

I hold in my hand a letter that I have received from Mr. R. F. Bower. Mr. Bower is a member of the Farmers' Educational and Cooperative Union of America. He is their special legislative agent in Washington, appointed by the Farmers' Union of America to come here last year and aid in securing the passage of a bill to aid in the production of nitrogen. In other words, he represented the Farmers' Union of America in his support of the nitrogen bill we passed last year, appropriating \$20,000,000; and I am in receipt of a letter from Mr. Bower in reference to the situation on this subject, which I think should go in the RECORD. I send it to the desk and ask to have it read. When it has been read I will ask to have it returned to me.

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

The Secretary read as follows:

FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
NATIONAL UNION,
Washington, D. C., May 21, 1917.

Hon. OSCAR W. UNDERWOOD,
United States Senate.

MY DEAR SENATOR: Will you let me, please, have enough of your time in the interest of the farmers I represent to call your attention to page 3 of the inclosed copy of May 14 issue of Official Bulletin, where you will find that the Council of National Defense announces a committee on fertilizers, to serve under the committee on raw materials, of which Mr. Bernard M. Baruch is chairman?

You will note with interest, perhaps—and certainly we farmers are noticing with interest—that this fertilizer committee is composed of a representative of the Armour Fertilizer Co., of Chicago, and Mr. Horace Bowker, of New York, who is the president of the National Fertilizer Association. In this connection I attach an extract from a hearing before the Senate Committee on Agriculture, in which extract you will find a statement made by Mr. McSparron, who is master of the Pennsylvania State Grange and secretary of the legislative committee of the National Grange. The committee on fertilizers above referred to is just another example of what Mr. McSparron called attention to.

One thing is clear again, and it has been mighty clear all the time, that the Fertilizer Trust is looking after its own, and I hope you will not think we farmers are unfair when we compare the people on this committee with the failure of the President to even answer Mr. Barrett's letter asking that we be granted representation on the nitrate supply committee.

Dr. W. R. Whitney, of the General Electric Co., who was a member of the nitric acid committee from the Academy of Sciences, and who also is a member of the new nitrate supply committee, in the Manufacturers' Record of September 14, 1916, wrote in part as follows:

"It is common to assume that the production of any nitrogen fertilizer product in addition to that now produced would so reduce the price as to injure the interests of those who, for example, are now actively engaged in recovering ammonia from gas liquors and coke ovens. There is probably no advantage in robbing Peter to pay Paul, and unless the new fertilizer processes could exist and compete without abnormal support there are economical hindrances as determining as the laws of survival in case of living organisms. This makes it seem desirable that attention be continually attracted to the possibilities of fertilizer production in the South and to the factors determining the value of different processes, in the hope that southern capital may itself develop the industry. Water-power rights or power supply permitted equally freely to all industries under conditions that would insure the utilization of an appreciable fraction of the power available seems a step in the right direction."

I quote this to point out with what strange uniformity we find that nearly everyone charged with the responsibility of selecting a process constantly expresses the fear that some private interest will be hurt, and nobody seems to care at all whether the farmers' interests are helped with this legislation, which the farmers got passed, or not.

Who is the "Peter," anyway, that Dr. Whitney refers to in the above quotation? He is the same "Peter" that we have been contending against in connection with this nitrate legislation and in connection with the selection of a process for over a year. "Peter" is the great iron and steel companies, the fertilizer-manufacturing companies, the Chilean nitrate monopoly, and the power companies, every one of whom have fought us, and still are.

Now, who is "Paul"? "Paul" is the farmers, the public that buys food and clothing. And if a process is selected that merely increases the ammonia supply of the country from a Government nitrate plant in times of peace, then "Peter," the fertilizer manufacturers, profits and "Paul" will "get it in the neck."

Now, what the farmers want to know is. Are the administration and Congress going to be for "Paul," or going to stand for "Peter"?

Again, we find in the New York Times magazine of May 13 that Dr. Whitney is credited and quoted with the following statement:

"The Department of Agriculture is interested in any form of fixed nitrogen and is carrying on experiments for itself. The Army and Navy want only nitric acid or something from which it can be made. The Department of the Interior is interested in it as a mineral proposition, and is doubtless drilling for it. Several industries are trying to produce nitrates or ammonia and many industries would use the product."

Now, this quotation closely expresses a situation that we fear is going to swamp the farmer. All of these nitrogen doctors have different views, and they constantly are discovering new processes, etc., all the time forgetting that there is to be found in the hearings before the committees of Congress the undisputed statement by the representative of the company that has successfully established for the first time the nitrogen industry in North America, and the statement is that if a cooperative plan can be adopted by the Government, then the farmers will get their fertilizers at one-half the cost they were paying for them previous to the beginning of the European war.

Now, we farmers honestly think that the administration and Congress ought not to surrender us and the legislation we got Congress to pass to the Fertilizer Trust in the face of a statement that deserves,

if not confidence, at least investigation, that the farmers of this country can receive their fertilizers at one-half the cost that the Fertilizer Trust has been furnishing fertilizers for.

If the Army and Navy experts and other Government bureau experts have found a process that will furnish nitric acid for explosives cheaper than any process that will at the same time furnish fertilizers for one-half what the farmers now pay for them, the farmers ask the question, How much cheaper is this nitric-acid process that will furnish nitric acid for cheaper explosives than some process that will furnish nitric acid at a higher cost but very cheap fertilizers? Suppose it is found that some nitric-acid process will save the Government \$300,000 a year in peace times, as against a nitric-acid process giving cheap fertilizers, is it possible that, as the Government nitrate plant will be operated 95 per cent of the time in the future, primarily for fertilizers, that the cost of food should yield to the cost of explosives?

The Government appropriates \$11,000,000 to free itself from the Armor Plate Trust and more than a million dollars to free the Navy from the projectile combine, and over \$100,000,000 to help crop production in the arid States of the West, then why can not the farmers east of the Mississippi River fairly demand that, in the Government's selection of a nitrogen process the purely military and naval needs of the Government for nitric acid and the cost of the same yield to the necessity of an increase in crop production and a decrease in the cost of food; and, more than this, if, as has been complained by some, the \$20,000,000 appropriated by Congress for the Government nitrate plant is not enough money to provide the necessary nitric-acid establishments for the Government, then, with the present cost of food and crop conditions in this country, would you hesitate to support an additional appropriation that would permit the selection of a process that would give the farmers of this country fertilizers at one-half the price they have been paying in the past?

The fertilizer bill of the farmers of this country for 1914 amounted to a total of \$185,000,000. Of this total, \$86,895,000 was for nitrogen and \$69,005,000 for phosphoric acid and \$29,600,000 for potash. Suppose that the farmers of this country, as was suggested last spring before the Military and Agricultural Committees of the House and Senate that it would be possible in connection with the building of a Government nitrate plant to establish fertilizer factories that would give a fertilizer compounded of ammonia from air nitrogen and phosphoric acid from phosphate rock at one-half the cost per unit of plant food that the farmers have been paying for fertilizers—suppose such a fertilizer available to the farmers, and that in one year they could get and use a universal fertilizer composed of phosphoric acid and nitrogen to the extent of a year's bill for this kind of fertilizer of \$155,400,000—and this amount was paid for nitrogen and phosphoric acid in the fertilizers purchased in 1914—the saving would be in one year \$77,700,000. Now, can this administration, can Members of Congress, ever explain to the farmers of this country and excuse the adoption of a process that will simply increase the ammonia supply of the country for the benefit of the Fertilizer Trust, when there is an opportunity and a possibility of saving to the farmers of this country \$77,700,000 per year in the mere cost of fertilizers purchased, not to speak of other great savings made in the way of labor efficiencies, etc.? If such a mistake is made it never can be explained to the farmers, and we will again and again and forever ask for the explanation.

Yours, truly,

R. F. BOWER.

Mr. UNDERWOOD. Mr. President, I have put in the RECORD from the Official Bulletin the statement that Mr. Bower referred to. I have put in the RECORD the official statement of the representative of a very large majority of the farmers of the country on this question. You can not deny it; you know it is a fact, that there is a large interest in this country that would like to have you make all the ammonia that you can for them to buy and make fertilizer out of it. But where do you get? You do not get anywhere. You merely saturate the market with ammonia, and you allow the combinations to continue to put up the price to the farmers.

This Government was offered a proposition to reduce the price of fertilizers. There was nothing in the bill limiting it to that proposal, but the Congress was so impressed by the offer that it appropriated \$20,000,000. That was before this war, when \$20,000,000 was a big sum of money.

The committee has brought in a bill here to create an artificial condition, not a natural condition. I do not mean to say that food prices have not pyramided, and it may be that they need some artificial regulation to stop the pyramiding. I think if the men on the floor of the Senate would stop advertising to the world that they think there is going to be scarcity of food supply, if the newspapers of the United States would not advertise to the people of America every day that there is going to be scarcity of food supply, and there is not so far as our country is concerned, the man in the city would not have to pay twice as much for his food as he did last year.

Mr. SMITH of Georgia. Will the Senator pardon me a moment?

Mr. UNDERWOOD. Surely.

Mr. SMITH of Georgia. The measure brought in by the committee aims solely at preventing the manipulation of foodstuffs after they passed from the hands of the farmers. The committee declined to consider the numerous provisions along other lines which were submitted to it.

Mr. UNDERWOOD. I am not objecting to that proposition. I say that you probably need some regulation of artificial conditions. What I am talking about is trying to relieve this situation not only for our own people and our own country but for the world by artificial legislation, by endeavoring to lessen consumption, and therefore making the supply more adequate,

which is an artificial way to handle the proposition; shall we not go back to the natural way of raising more food and cheaper food, and let the people have all the food they want at a cheaper price, and enable the farmer to raise it profitably by allowing him to raise 40 bushels of corn on 1 acre of ground instead of 15. That is the problem which confronted Congress; that is the problem which confronted the world. There is nothing new in it. As I said awhile ago, the German Empire solved the problem of feeding its own people by giving them more fertilization and by more intensive farming. It is the problem here to-day. It will enable the farmer to prosper and enable the man in the city to have cheaper food, and it is the only way that you can accomplish the problem and get results at the same time.

I am not going to weary the Senate with longer discussion of this question. I have kept my mouth shut for a year about it. I am not criticizing the Committee on Agriculture and Forestry; but I do say the Committee on Agriculture and Forestry has a great function to perform for the benefit of the people of America; that it holds the key to the door. You are entitled to great credit in reporting the bill originally. You are entitled to credit for your efforts in the recent past to try to solve the situation in a natural way. But I say to the committee, and the entire purpose of my speech is to say to the committee, when you have under consideration the bill you have brought before us, I think you should consider the natural way to control this question. Send for these men to come before your committee. I would say, take this bill back to your committee, because you have not solved the whole problem. You have only brought one side of it to us. You have not brought the bigger side, the better side of the problem to the Senate. Take your bill back to your committee. Send for these gentlemen in whose hands this \$20,000,000 rests and ask them if they are going to do anything, and where they are going to do it; and if they do not give you a satisfactory answer, then I beg of you for the people of the United States, the man who labors in the factory in the city, the man who stands behind the plow in the country, give him an opportunity, and if they will not act, determine yourselves what you think is the best process, and determine yourselves where is the best location for the plant, and then when you bring that bill before the Senate of the United States I think I can safely predict that you will get action, and the American people will get something out of this legislation.

Mr. SMITH of South Carolina. Mr. President, as a member of the Committee on Agriculture and Forestry, in justice to myself and in justice to the farmers of the country I am going to make a statement. I on my own initiative called on one of those who had charge of this end of departmental work, or who was appointed by the three departments that have charge of this proposition, to know what progress was being made and what they proposed to do. I was informed that they were studying the processes and that they were charged with the duty of getting as cheap a process as possible in order to conserve the money the Government had appropriated for this purpose.

I called attention to the fact, which seems not to be generally known in the Senate, that in a large portion of our country the ingredient is now an absolutely prime essential in the production of anything like an adequate crop, and was rapidly becoming a necessity throughout the whole United States, for it is a mathematical proposition as easy of demonstration as that subtracting 2 from 4 leaves 2 that you can not take off the great western plains millions of bushels of wheat, the essential element of which is another form of nitrogen, and leave the soil as rich as it was before the crop was taken off.

It was testified before our committee by the experts of the Government that nitrogen, produced either from the air or taken from the nitrate beds of Chile, when placed on land would increase the yield from 50 to 100 and even 200 per cent, according to the lack of fertility in the soil and the judicious manner in which it was applied. I asked what length of time would be necessary, perhaps, to get the Government plant running or to get the process in operation by which we could extract nitrogen from air and make it available to increase the yield. The reply was from 12 to 14 months after they had determined upon the process.

So far as I am concerned, I had discharged my duty in calling attention to the fact that the country was crying for it and needed it; but listen: At a time when the Government is calling upon the farmers to increase their yield and is proposing to fix minimum prices, which might be above the market price and involve millions upon millions of taxation to the consumer, I asked an appropriation of \$10,000,000 for the purpose of enabling Government vessels to go to Chile and obtain nitrates to be sold to the farmers of this country. According to the

figures given by the Senator from Virginia [Mr. SWANSON] the cost of the nitrates was only \$47 a ton at the beds, or at the ship's side, and in addition there would be the freight charge from there here. It is a foreign article; it would come in competition with no domestic manufacturer. I asked that vessels be sent to a foreign country, get this all-important ingredient, and bring it to this country for sale at cost to the farmers for cash in advance; but the Secretary of Agriculture goes over to the other end of the building, after the bill had passed this body by a vote of 7 to 1, and indicates that the price is too high and that Government vessels were too scarce. In the name of the living God, while we are striving by the expenditure of hundreds of millions of dollars to get vessels to carry food to the allies, why should we refuse to grant a loan of \$10,000,000 to the producers of the foodstuffs that we want to carry to the allies—not to give it to the farmers, but to lend it to them?

Mr. SMITH of Georgia. Merely to bring nitrates here so that they might buy them.

Mr. SMITH of South Carolina. To bring them here so that the farmers might buy them. I was informed that the Secretary of Agriculture went over and said that, according to his information, so far as he had investigated the matter, the application of nitrate had only increased the yield of crops 10 per cent, when on my own farm I have seen it increase the yield from 50 to 200 per cent. I challenge any man's statement to that effect and ask him to call any farmer on the Atlantic seaboard and ask him what will be the effect of the proper use of this element on the grain production on the Atlantic seaboard or on the western plains. What hope have we of this legislation being put into operation when the head of one of the three departments charged to look after the establishment of the nitrate plant says when the price reaches about \$60 or \$70 a ton that he does not know that it would be profitable for the farmers to use it?

Reference has been made to the Agricultural Committee. The Agricultural Committee reported the nitrate plant bill. I had the honor to introduce it, and I had the honor to fight it through the Senate, by and with the aid of those who understood it. Then it went to the other House, was there passed, and finally became a law. It was then under the administrative direction of three departments, and the head of one of those departments in this acute emergency now says that we can not afford to have Government vessels go to Chile and get this commodity, and to send private vessels to get it would cost too high.

The question was raised as to whether or not we, being a belligerent, could go to a neutral port to get this fertilizing ingredient. I want to submit to the Senate this proposition: The basis of all of our explosives is nitrogen. If American vessels can not go to Chile to get this supply, in view of the fact that the nitrogen plant here has not been built, what are we going to fight with? If we are cut off in those directions, then we have got to depend upon private vessels to go and get the ingredient upon which the Government is dependent to fight this war.

Mr. STONE. Mr. President, will the Senator permit me to interrupt him?

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

Mr. SMITH of South Carolina. I yield.

Mr. STONE. It certainly can not be contended, and certainly has not been contended, by anyone who has given thought to the subject that a belligerent country could not go to the port of a neutral country and purchase any war material it pleased and take the chance of getting it through.

Mr. SMITH of South Carolina. I do not ask the Senator from Missouri to take my word for it, but will refer him to the hearings before the Committee on Appropriations. There he will find it in black and white. If I am mistaken, the reading of the hearings will correct me. The question was asked me, "Have you investigated our status since we have declared war; and do you think we can send a vessel there and take the time to load this material and bring it here?" That question was asked by members of the committee and is incorporated in the hearings.

Mr. STONE. The only point I meant to make—I only wish to make it because I do not think it well to have a contrary impression go out to the Senate or to the country, not that I wish to antagonize what the Senator is saying—

Mr. SMITH of South Carolina. I know the Senator is not doing that.

Mr. STONE. Quite the contrary. But the only point I had in mind was that there can be no question, as I think, of the right of a belligerent country under international law to go to a neutral country and buy war material without the neutral country violating its neutrality by selling it.

Mr. SMITH of South Carolina. Precisely. I am glad the Senator has made that statement, because I want that statement in the RECORD; but the fact is—and this is the point that I make—that because it was proposed to get this commodity for the farmers of this country that absurd question was raised, for everyone knows that we shall get all the ingredients that we want for munitions purposes.

Some one has said—and it was received with great joy in high places—that we need biscuits as badly as we need bullets. It takes nitrogen to make biscuits as well as to project the bullets. We will buy all of this material we want for bullets, but the man who makes the biscuits will have to do the best he can. That is a plain statement of the proposition. We have appropriated \$20,000,000 for the purpose of constructing a plant to extract free nitrogen from the air and selling it to the farmers; and we passed another bill in the Senate appropriating \$10,000,000 to send Government vessels to a foreign country to secure an ingredient that will enable the farmers to quadruple their crops; but the Secretary of Agriculture says that he does not believe it will pay to get it at the prevailing price and that he does not believe there are available Government vessels.

I tell you here and now it is more important to this Government to see that Government vessels are put on the sea and sent to Chile to bring this ingredient here than it is to double our means of sending to the allies what we have already produced. What we ought to do is, first, to provide for an adequate crop for ourselves, and then out of our abundance to send abroad. Charity begins at home; and the wise statesman is the man who will see to it that along right and legitimate lines his own will be protected, and then through their splendid equipment let them help those who need their help.

I want to clear myself of any dereliction of duty. I understand just as acutely as other Senators, perhaps more so, the need for this wonderful ingredient, but what chance have we if committees that are not informed as we are informed are to be told by the department that it would not be profitable to buy it at present prices, and, further, on account of our status as a belligerent and the status of Chile as a neutral nation American vessels could not go there and bring this material to this country.

I am going to give the Senate an opportunity to adopt my joint resolution as an amendment to the food-control bill, so that it will at least again have a hearing on the floor of the Senate and not be choked to death in committee, and so that the other House may discuss it, as the Senate did a few weeks ago, and register what it has to say about this matter. We registered our approval of it seven to one.

I have between five hundred and a thousand letters from the men who produce crops saying that the application of this ingredient will increase the yield from 50 to 100 per cent. I invite the Senate to read the testimony of Dr. Norton before the Agricultural Committee when we were discussing the establishment of the nitrate plant as to his opinion of what the effect would be upon the production of this country if we have an adequate supply.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH of South Carolina. I do.

Mr. NORRIS. Did I understand the Senator to say that he was going to offer as an amendment to this bill the joint resolution which was adopted by the Senate some weeks ago appropriating \$10,000,000 for the purchase of nitrates for the benefit of the farmers?

Mr. SMITH of South Carolina. I am.

Mr. NORRIS. That proposition passed the House, did it not?

Mr. SMITH of South Carolina. No; I think I stated the facts in connection with that matter. I am informed that the joint resolution is not likely to be reported out.

Mr. NORRIS. I misunderstood the Senator. I understood the Senator to say that the joint resolution had passed the House.

Mr. SMITH of South Carolina. No; I said it had passed the Senate, but remained unacted upon in the committee of the House.

Mr. NORRIS. I will have to accept the Senator's correction, of course; but I think he will find that in substance he said that it had passed the House, but had not yet become a law.

Mr. SMITH of South Carolina. If I said that, I will ask the Reporter to make the correction.

Mr. NORRIS. How did it happen to be killed in the House?

Mr. SMITH of South Carolina. It was referred to a committee of that body, as I have stated, and the Secretary of Agriculture appeared before that committee and in his testimony

practically said that we could not get Government vessels—I am informed that he said so; I have not read his testimony—that on account of the status of Chile as a neutral nation it was doubtful if we could use Government vessels to transport the commodity, and, in the next place, its cost was too high to be profitable to the farmer.

Mr. NORRIS. Then, as I understand the situation, it was killed in the House committee by the Secretary of Agriculture? Mr. SMITH of South Carolina. Well, so far it is moribund.

Mr. NORRIS. Does the Senator know whether or not the House committee has decided to make a report on it?

Mr. SMITH of South Carolina. I understand on inquiry that it is not likely to be reported out on account of the testimony of the Secretary of Agriculture.

Mr. NORRIS. Then, it reduces itself to this proposition, that the Secretary of Agriculture has succeeded in defeating it in the House.

Mr. SMITH of South Carolina. Yes; it reduces itself to that. Now, I am going to ask the Senate, Who is a better judge of what is needed on the farms than the man who himself is a farmer? We have the testimony of from 500 to 1,000 such men, as honest as any set of men in this country, that the application of nitrates will increase the yield of the farms by from 30 to 100 per cent. That is backed up by the testimony of Clemson Agriculture College, of my State, and by every practical farmer who knows enough about farming to know the difference between the jimson weed and the cotton plant.

I did not come here with a proposition that was fantastical or theoretical. I have doubled the yield of my wheat and doubled the yield of my oats by the application of this material. It has redeemed the corn crop of the South, quadrupled the truck growing of the entire country, and yet it is said that Government vessels can not go to Chile and bring this foreign article here to be sold to the farmers at cost, although we can spend hundreds of millions of dollars for building ships to carry food from this country to the allies. I am perfectly willing to vote for that; I am perfectly willing to lend the allies everything that we can possibly spare; but I do say that it is a commentary on our own patriotism and our relation to our own that we will not requisition every vessel that is necessary and send it to Chile to give those who make bricks the straw with which to make them.

Now, Mr. President, I have placed these facts before the Senate for them to take such action as they may see fit. I am not advised as to what process will be adopted for the fixation of atmospheric nitrogen. I do know that they have not done anything practical so far as relieving the farmer is concerned up to date. I know that the possibility of getting relief, so far as the \$10,000,000 appropriation is concerned, is practically null unless it is attached to this bill and the House is given an opportunity to express itself on the floor of that body. I believe when that opportunity is given they will record for it as big a majority as it received when it passed the Senate, and I propose to give them that opportunity.

I am glad of the opportunity afforded me of having said what I have, so as to enable me to set my record straight and to let my colleagues on the floor know that these practical questions must be settled by those of us who have an intimate knowledge of these questions and not by department heads who theorize through specialists.

Mr. NORRIS. Mr. President, before the Senator surrenders the floor I should like to ask him another question, if he will yield.

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

Mr. SMITH of South Carolina. Yes; I yield.

Mr. NORRIS. When that \$10,000,000 proposition was before the Senate, did the Senator know then that the Agricultural Department was opposed to it?

Mr. SMITH of South Carolina. I did not. I want to make this explanation. I had discussed it with different officials who I thought would have in charge the execution or administration of the law, if we passed it. Incidentally some one asked me if the Secretary of Agriculture was in favor of it, and I was so thoroughly convinced that every man who knew anything at all about the use of fertilizer in relation to agriculture would agree that we ought to make the effort that I said "yes." I had not advised with him, however.

Mr. NORRIS. The Senator was laboring at that time under the impression that the Secretary of Agriculture was favorable to it?

Mr. SMITH of South Carolina. I was laboring under the impression that, as the proposition had been so favorably received and was only a question of appropriating money and of getting the ships, that the Secretary was in favor of it. That, however, was merely an impression, and I should have corrected it then,

I take the opportunity now to correct it in the Record. I do the Secretary of Agriculture the justice to say that I discussed it with him only incidentally and not in minute detail, because I believed then, and I believe now, that we are the proper ones to legislate and not the department.

Mr. GORE. Mr. President, in connection with the discussion that has just been listened to by the Senate, I wish to express the hope that the Committee on Agriculture and Forestry may be acquitted of any responsibility and may be acquitted of any culpability, if there be any, in connection with the delayed construction of the nitrogen plant authorized by law during the last Congress. The Committee on Agriculture and Forestry reported that measure to the Senate without delay. The Committee on Agriculture and Forestry supported that bill in the Senate during its passage through this body. At the present session the Committee on Agriculture and Forestry has reported a measure empowering the President to take steps to secure nitrates from South America to be used as fertilizers in connection with the present crop. The Committee on Agriculture and Forestry has been in the active voice and not in the passive voice in connection with all legislation seeking to promote the welfare of the farmers of this country. It has not only felt but has exhibited the most earnest solicitude to promote and to dispatch all business having that end in view.

I wish to say further that I believe no committee of the Senate is more capable, more active, or more public-spirited than the Senate Committee on Agriculture and Forestry. In connection with both measures not only the Committee on Agriculture and Forestry but the Senate itself has discharged its full duty. The Committee on Agriculture and Forestry is merely an arm of the Senate. It has no executive powers. It has no inquisitorial powers. The Committee on Agriculture and Forestry can not constitute itself a grand inquest to review the activities of executive officers or branches of the Government.

I wish to say this in order that the Committee on Agriculture and Forestry may not have attached to it responsibilities which do not belong upon it, and before I sit down I ask unanimous consent to introduce a bill for reference to the Committee on Agriculture and Forestry.

Mr. SMOOT. I call for the regular order.

The PRESIDING OFFICER. The Senator from Utah has demanded the regular order.

Mr. GORE. I hope the Senator will yield for that purpose.

Mr. SMOOT. As this is on the subject matter under consideration, Mr. President, I shall not object, but it does seem to me that we ought to have a vote upon the motion to recommit.

Mr. GORE. I hope to have that motion voted upon before we adjourn.

Mr. SMOOT. We ought to have it voted upon now; and after that vote is taken, then, of course, bills can be presented.

The PRESIDING OFFICER. The Senator from Oklahoma introduces a bill the title of which will be stated.

The SECRETARY. A bill (S. 2344) to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products.

The PRESIDING OFFICER. The bill will be referred to the Committee on Agriculture and Forestry.

Mr. WALSH. Mr. President, as the bill under consideration is likely to be recommitted, I want to detain the Senate for five minutes to submit a few observations with respect to it.

This measure has been popularly referred to as the food-control bill, but you will observe by section 1 of the bill that it purports to affect not only foods and feeds but fuel as well. Whatever powers are authorized by the bill are to be exercised by the Secretary of Agriculture. The incongruity of reposing in the Secretary of Agriculture powers over fuel supplies, such as coal, oil, natural gas, and so forth, need not be adverted to. It is perfectly obvious from the reading of the bill itself.

The provisions of the bill are altogether inapplicable to the subject of fuels. This is so obvious that in section 2 of the bill its provisions are expressly restricted to the subject of foods.

Sections 3 and 4 are very general in their character and in their terminology, and those are sufficiently comprehensive to embrace fuels; but it is only in those provisions of the bill that it in any wise affects the subject of fuels.

The Department of Agriculture is not equipped with any machinery for the purpose of securing any information concerning fuel supplies. Another department and branch of the Government is entrusted with work of that character and has done much and valuable work, and is at the present time possessed of information concerning the available supply of the different forms of fuel. That has no place in the bill at all.

There is another word I want to say. I feel entirely satisfied that all of section 2 of the bill which authorizes the Secretary of Agriculture to call upon any person affected for his books,

letters, papers, documents, or reports, and subjects one who refuses to a penalty for refusal to comply, lies in the very teeth of the constitutional provision with relation to searches and seizures; and I commend to the committee a careful study of the case of Boyd against United States, reported in One hundred and sixteenth United States, in which will be found a discussion which it seems to me should dispose of that feature.

I also want to submit to the committee that a very large portion of section 3 is already covered by the Sherman Act, and other portions of it are dealt with in a bill which is now on the calendar, reported from the Committee on the Judiciary—a bill introduced by the Senator from Washington [Mr. POINDEXTER]. The bill was the subject of some careful study by a subcommittee of the Judiciary Committee in connection with the Assistant Attorney General, who has charge and has had charge for a number of years of all prosecutions under the antitrust act. I think the Committee on Agriculture would do well to secure a copy of the bill introduced by the Senator from Washington, together with a copy of the substitute reported by the Judiciary Committee.

Mr. BRANDEGEE. Mr. President, does the Senator think that in other respects the bill is all right? [Laughter.]

Mr. WALSH. I am not prepared to vote for it in the shape in which it is now.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia [Mr. HARDWICK] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. NORRIS. On that question I ask for the yeas and nays. The yeas and nays were not ordered.

Mr. NORRIS. Well, Mr. President, it does not seem to me that the bill ought to be recommitted in this way. If Senators do not want a ye-and-nay vote on it—

Mr. HARDWICK. Mr. President, if the Senator will yield to me, we thought there was practically no opposition to the recommitment of the bill, and a great many Senators have gone to their homes.

Mr. NORRIS. It can not be done by unanimous consent, Mr. President.

Mr. HARDWICK. Not if the Senator objects; certainly not. It is purely a matter of the personal convenience of Senators who have left.

Mr. NORRIS. I do not want to inconvenience them at all, but it does not seem to me that the motion ought to prevail.

Mr. HARDWICK. Oh, well, if the Senator is opposed to it, that is different.

Mr. NORRIS. I am opposed to it.

Mr. KENYON. Mr. President, I will say to the Senator that a new bill has been introduced this afternoon by the Senator from Oklahoma, and the committee has been called to consider that bill.

Mr. NORRIS. Yes; I understand that another bill has been introduced, and the committee has been called.

Mr. KENYON. Does not the Senator feel that all of these bills ought to be before the committee if it is to consider the subject?

Mr. NORRIS. I have not read the new bill that has been introduced, although I have been informed that there will be a meeting of the committee to-morrow morning at 9.30 o'clock to consider it. I do not know whether that bill covers the same ground that is covered by this bill or not.

Mr. KENYON. I will say to the Senator that it does not go to the extent of this bill. It contains very few provisions. It relates only to the question of production. That bill can be reported back to the Senate and discussed and passed this week. There will be another bill, very broad in its terms, which will go to the question of the general regulation of the food question. That bill has not yet been introduced.

Mr. NORRIS. Is the Senator of the opinion that if this bill is recommitted, and the other bill is taken up and passed, no bill like this will be necessary?

Mr. KENYON. I am of the opinion that the bill the Senator from Oklahoma has introduced, dealing particularly with the question of production, can be brought back to-morrow from the committee, and can be passed this week. I do not believe it will arouse very great discussion. The other bill unquestionably will arouse a great deal of discussion, and will require very much time.

Mr. NORRIS. That is true of the bill now before the Senate.

Mr. KENYON. The provisions of this bill that may not be found in the bill of the Senator from Oklahoma will be covered in some form by the general regulatory bill.

Mr. NORRIS. What advantage is to be gained by delay, and are there not many disadvantages connected with it? If this matter has to be fought out at some time, why not do it now?

Mr. KENYON. That is the very point. This will expedite the matter. This other bill is more simple in form and does not carry some of these very complicated questions.

Mr. NORRIS. Well, these complicated questions have got to be met, have they not?

Mr. KENYON. They will be met in the general regulatory bill.

Mr. NORRIS. When is that coming in?

Mr. KENYON. That bill will be introduced into the House to-morrow, I think.

Mr. NORRIS. Then the idea is to have the Senate do nothing about it until the bill passes the House?

Mr. KENYON. It will be introduced in the Senate, too, as I understand.

Mr. NORRIS. Will not the same debate come up on that bill? If so, it will just make one debate instead of two.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. The Senator from Nebraska has the floor, and yielded to the Senator from Iowa. Now does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I do.

Mr. GORE. I wish merely to reenforce what the Senator from Iowa is saying—that the bill which I have just introduced relates to the production part of this problem and ought to be passed without delay, because two or three more weeks lost in the present producing season is a year lost, and it is desirable to dispatch its consideration. The bill that will be introduced in the House to-morrow, as I understand, involves a number of points contained in the bill which we have been discussing to-day, and the entire problem will then be raised in the Senate; but it was undesirable to delay the measure relating to the production side of the matter until that measure comes up and is disposed of.

Mr. NORRIS. Mr. President, of course, I am not informed now, and have not been in the past, and do not expect to be in the future, as to what the wishes of the administration may be; but I have known for a good while that it was generally believed by a great many people, including Senators and Members of the House, that some measure regulating the distribution of food products was necessary as a war measure. I believed that myself. I do yet. I knew, and I think it is generally conceded, that whatever legislation is had ought to be had immediately. I think it ought to have been had before this.

When this bill was reported, being, as I supposed, one of the administration measures on the subject, I was surprised that it should immediately be met, when it got on the floor, with a motion to recommit it. If those who are behind the legislation, the administration, or the department that I supposed had drawn these bills, or had the most to do with their drawing and their introduction, desire now to back up and commence over again, notwithstanding the delay which is going to be entailed, I do not suppose I ought to object, nor do I suppose that if I did object it would do any good; but it seems to me that this delay is dangerous. We never will get a bill here that will suit everybody, and we might as well fight it out at one time as another.

Mr. NELSON and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and to whom?

Mr. NORRIS. I yield first to the Senator from Minnesota, who first addressed the Chair.

Mr. NELSON. The Senator from Nebraska is laboring under a misapprehension. I do not think this motion to recommit was inspired by the administration.

Mr. NORRIS. Oh, I did not say it was.

Mr. NELSON. I think the occasion for it was the fact that the chairman of the committee introduced a large number of amendments to the bill which were not incorporated in the print; and I think the feeling was that the committee had better consider all these amendments in connection with the bill, and that was the motive for making the motion.

Mr. NORRIS. The chairman of the committee has the same right to offer amendments to a bill that any other Member of the Senate has. If we are going to recommit a bill every time the chairman of the committee offers an amendment, we will be in that business continually, because we have found from experience that in the case of practically every bill the chairman of the committee offers more amendments than anybody else.

Mr. GORE. Mr. President—

Mr. NORRIS. I yield to the Senator from Oklahoma.

Mr. GORE. I merely wish to say that the so-called Lever bill is now being revised. I am not advised myself as to what the now being revised. I am not advised myself as to what the changes are proposed to be; but, according to my information, they will make the measure conform more nearly to the desires of those who will be in charge of the administration of the

law, and I really think we might save time by waiting until that bill comes over, or at least until we can ascertain what it contains. I am anxious myself to utilize the time and to avoid any unnecessary delay.

Mr. NORRIS. Mr. President, it does not seem to me, under the existing circumstances, that the Senate ought to be doing business in this way. Those who have been talking about hurrying and speeding things up and who are anxious to get the country in a state so that it can defend itself or so that it can prosecute a war successfully realize that the food proposition is one of the important considerations. No two men will perhaps agree as to just what powers ought to be delegated and to whom they ought to be delegated. So far as I am concerned, in the control of food products, I am ready to delegate very great power to the President or to some other designated person; but every day we delay we are only making it worse. This bill has been the unfinished business on the calendar for several days.

Mr. BRANDEGEE. It was made so Saturday night.

Mr. NORRIS. It was made so Saturday night, was it?

Mr. BRANDEGEE. Yes.

Mr. NORRIS. Well, it has been introduced and has been reported for several days at least. Now, it seems we are going to stop; we are going to go back; we are going to commence again; and it does not look to me as though that is the way to deal with the matter or to reach a final conclusion. Whatever bill comes here that will give any power will be subject to criticism, as it ought to be, of course. Men will honestly disagree. There will be some question about the constitutionality of the power involved. Some of the amendments which the chairman of the committee has introduced are very important. That will be true of any other bill that gets here very likely. But it seems in some unknown way some unseen power has pervaded the entire Senate and reached the consciousness of all Senators except mine that the bill must be recommitted and we must start anew again. We have devoted the entire legislative day to a discussion of a motion to recommit.

Mr. HARDWICK. Mr. President—

Mr. NORRIS. No; I am not finding fault with that, but it seems when we get through with this day's work it has been understood all the time that the bill is going to be recommitted. Then why waste all this eloquence?

Mr. HARDWICK. Mr. President—

Mr. NORRIS. I yield to the Senator.

Mr. HARDWICK. The Senator has not stated the whole truth. We debated everything else except the motion to recommit.

Mr. NORRIS. Technically we debated the motion to recommit, and some of the debate has borne on it and some of it has given to me a great deal of light on some other subjects. I think it was interesting; a great deal of it was instructive, but if we are going to recommit the bill, we ought to have done it on Saturday. If we only reached the conclusion or got instructions to reach a conclusion this morning, we ought to have done it immediately when the command was given, and it ought to have been recommitted at once. We have lost the whole day.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia to recommit the bill, with amendments, to the Committee on Agriculture and Forestry.

The motion was agreed to.

ADDRESS BY SECRETARY OF THE TREASURY M'ADOO (S. DOC. NO. 34).

Mr. SIMMONS. Mr. President, I ask unanimous consent to have printed as a public document an address delivered by Hon. W. G. McAdoo, Secretary of the Treasury, at a meeting in Chicago, Ill., May 17, 1917, of bankers and business men of the seventh Federal reserve district. The speech was very largely devoted to a discussion of the sale of the bonds which the Secretary is now in the West trying to promote. It is believed that the publication and extensive circulation of this document will help very materially in selling the bonds. I ask unanimous consent that it be made a public document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

Mr. SMOOT. The Senator called my attention to the speech delivered by the Secretary of the Treasury. It is upon a question that is being considered now by one of the committees of the Senate. It is for that reason, and that only, that I shall not insist that it be sent to the Committee on Printing. I have no objection to printing the address, because the committee desires to use it to-morrow.

The PRESIDING OFFICER. Without objection, the request is granted.

WAR-RISK INSURANCE.

Mr. SIMMONS. I move that the Senate proceed to consideration of the bill (S. 2133) to amend an act entitled "An

act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, and for other purposes.

Mr. SMOOT. The Senator does not desire to proceed with the consideration of the bill to-night?

Mr. SIMMONS. I simply want to make it the unfinished business.

Mr. SMOOT. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill is before the Senate as the unfinished business.

Mr. SIMMONS. I ask that it be temporarily laid aside.

The PRESIDING OFFICER. Without objection, the bill will be temporarily laid aside.

Mr. NEWLANDS. I ask the Senate to take up the bill (S. 1816) to amend the act to regulate commerce as amended, and for other purposes. It is the bill to increase the membership of the Interstate Commerce Commission. I will state that it is really a war measure of the greatest importance. It is urged by the President and favorably reported by the Committee on Interstate Commerce. It provides for an increase in the membership of the Interstate Commerce Commission and its work in divisions.

Mr. MARTIN. Mr. President—

Mr. NEWLANDS. I ask whether there is any objection to taking it up?

Mr. SIMMONS. That can not be done without displacing the unfinished business.

Mr. NEWLANDS. That has been laid aside.

Mr. MARTIN. It was temporarily laid aside.

Mr. SMOOT. We can not consider the bill to-night.

Mr. SIMMONS. I wish to make a parliamentary inquiry. If we adjourn and the bill is before the Senate, would it not displace the unfinished business?

Mr. SMOOT. Of course it would.

The PRESIDING OFFICER. It would, if on motion it is taken up for consideration.

Mr. MARTIN. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 22, 1917, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, May 21, 1917.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

God of heaven and earth, life and liberty, truth and righteousness, justice and mercy, inspire us with the highest ideals and help us to consecrate our life to them; that in the great task laid upon us we may feel sure that we are doing Thy will; that we may put our souls into the work and be assured that our sacrifices will not be in vain, but for the good of generations yet unborn; that out of it shall come a purer, higher, nobler civilization which shall weld all mankind into a common brotherhood; and pæans of everlasting praise shall swell the angelic chorus, "Glory to God in the highest, and on earth peace, good will toward men." Amen.

The Journal of the proceedings of Saturday, May 19, 1917, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed with amendments the bill (H. R. 3971) making appropriations to supply urgent deficiencies in appropriations for the Military and Naval Establishments on account of war expenses for the fiscal year ending June 30, 1917, and for other purposes, had insisted upon its amendments, had requested a conference with the House of Representatives on the bill and amendments, and had appointed Mr. MARTIN, Mr. UNDERWOOD, and Mr. WARREN as the conferees on the part of the Senate.

The message also announced that the Senate had passed the following resolutions:

Resolved, That the Senate has heard with deep sensibility the announcement of the death of Hon. DANIEL W. COMSTOCK, late a Representative from the State of Indiana.

Resolved, That a committee of five Senators be appointed by the Chair to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased in Richmond, Ind.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

And that in compliance with the foregoing resolutions the Vice President had appointed as the committee on the part of

the Senate Mr. NEW, Mr. WATSON, Mr. FERNALD, Mr. THOMAS, and Mr. HARDWICK.

EXTENSION OF REMARKS.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter from Trooper MacMenigall, a resident of my district, who is serving with the British troops in France.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD by printing the letter indicated. Is there objection?

There was no objection.

Following is the letter referred to:

LETTER FROM TROOPER W. MACMENIGALL, D SQUADRON, D. L. O. Y., THIRD CORPS CAVALRY, SERVING WITH BRITISH TROOPS IN FRANCE, SON OF MR. AND MRS. JOHN MACMENIGALL, OF 1 SONOMA PLACE, HOLYOKE, MASS.

B. E. F., April 6, 1917.

MY DEAR PARENTS: I have been informed within the last hour that the "dear old U. S. A." has declared war. The reason why this information has been rather late in reaching me is because ever since this German retreat started I've been in action as cavalry scouting and pursuing. My job has been point man or first scout out. I've had to approach all villages under as much cover as possible for the purpose of finding out if it was held by the enemy and their strength. Our regiment has been very successful in these duties and in action. No doubt from the letter you will realize that my life has been rather adventurous recently. I have not time to write my own personal experiences here, but I have been near a goner on more than one occasion.

In one case my horse saved my life. The only damage I had personally was a rifle bullet off my water bottle and two through my cape. My horse had a slight wound in his foreleg. Of course some of my comrades have gone on to the "happy hunting grounds," also horses. But we have more than scored our losses in Huns.

We have made captures both of horses and men from the German cavalry. In our advance I've come across numerous civilians suffering semistarvation. They were mostly people of advanced age and very young children. All young women from the ages of 17 to 30 were forcibly sent to Germany or carried back with the German Army on its retreat. I can not determine which. I've met old people that were heart-broken because their daughters had been taken away, their homes destroyed by being blown up or burned. All villages are nothing but a heap of ruins. Orchards have also been destroyed by cutting down all the fruit trees. It is nothing but a destitute land, and will be for years. The civilians have been all sent to our rear, out of danger. Previous to going, many informed me that it was the American relief that supplied what food and comfort they did get while in German hands. When they told me this, I stated that I was an American, for I speak some French now. On finding out that my parents lived in the States they made me promise that in my next letter I would send their personal thanks, deep appreciation, and gratitude to all the American people for their kindness and thoughtful generosity to them during their misfortunes.

I wish that father would inform the war office that I have a keen desire to serve my own country, now that they have entered the war, not that I'm dissatisfied with the British authorities, officers or men, for I've found them excellent fellows. Ever since coming I have been very industrious in trying to learn as much as possible, feeling that my country would be forced to enter the war at some future period; and all of my notes, observations, experiences, etc., in the field would be of use to my own school pals should they soldier here at some time.

The following are the essential items to the soldier: Physical care of himself and horse, making himself comfortable in shelter with material at hand, whether a tree trunk or a barn; carrying only kit that is essential to himself; care of arms, ammunition, sword, rifle, bombs in all weather; making use of cover in an attack, digging oneself in, etc.; observing the enemy, endeavoring to find his next move, should you think it is contemplated, because of your own position being inferior; the latter in actual war and maneuvers aren't the same.

I have had courses and passed in the following as an efficient soldier: Machine gunner, bomber, sniper, trench observer. I have been from the extreme north to the south of the British line. Was through the whole battle of the Somme, noting at the time why they placed machine guns in certain positions, trenches, etc., to repel our advances, and endeavoring to learn why they did it. I am capable of instructing physical drill, rifle and exercises, bayonet fighting, sword drill and exercises, dismounted and mounted.

I have made it all a study for my own benefit, because only the fittest survive here, also thinking I might be of use at some time. My colonel would recommend me for a commission in the British Army if I so desired. I wish you to offer my services to our Government as commissioned officer or private, any way they may judge fit to use me. I feel assured they can arrange my transfer from British to American, for all the subjects of Britain were claimed from the French and Belgian Armies at the commencement of the war.

Hoping you will excuse paper—it is all I have—also mistakes, for I am writing behind a hedge, finding it quite difficult. Give all my best wishes to all the boys in their patriotic endeavors for the country. Tell them to learn as much as possible in their training; to become disciplined willingly for the benefit of the old United States and themselves. I want them to make a showing when they arrive, and feel assured they can do it.

I have been out here almost two years now and am feeling fit.

I can't place or reason that the German-Americans would do the same as the Germans have done here. It seems impossible.

I have noticed in old newspapers that the United States will require 25,000 men of military experience to officer her new army.

Yours,

WILLIAM MACMENIGALL,
(Trooper William MacMenigall, 4146, Duke of Lancaster's Own Yeomanry, Cavalry B. E. F., France.)

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a resolution passed by the State Senate of Texas, denying the authority of certain citizens of Texas lately appearing before the Committee on Agriculture to voice the sentiments of my State.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Following is the resolution referred to:

Whereas it is shown by the press that the Congress of the United States has at this time under consideration the question of fixing the prices on all food products in America; and

Whereas we have faith in the patriotism of the men on the farms and ranches of our country who produce the food of our Nation, and do not believe them responsible for the present high prices of agricultural products, but do believe that middle men and speculators and others causes are responsible for such high prices; and

Whereas we do not believe that any men have the right to pretend to speak for the Texas farmer and to ask that the price of the products of Texas farms be fixed by law or official order, but do believe that if the said middle men and speculators who rob both consumer and producer and selfishly enrich themselves were eliminated that the products of the farms and ranches would bring larger legitimate prices to those who raise them at less cost to those who consume: Now, therefore, be it

Resolved, That we condemn the action of those men who would seek to capitalize petty political positions as authority to speak for the great patriotic farmers and stock-raising interests of this State, and who appear to be asking that prices be fixed by Congress on agricultural products, but we ask that governmental control and influence be confined to every possible effort to eliminate the middlemen and speculators aforesaid; and be it

Resolved further, That a copy of this resolution be forwarded by the Secretary of the senate, to the President of the United States, and to each Representative in Congress from the State.

May 16, 1917, the foregoing resolution was adopted by the Senate of Texas.

JOHN D. MCCALL,
Secretary of the Senate.

EMERGENCY DEFICIENCY BILL.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3971, the emergency deficiency appropriation bill, disagree to the Senate amendments, and agree to the conference asked for.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 3971, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked for. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, it seems to me that with respect to an attempt to authorize an appropriation amounting to three-quarters of a billion in one item that body which is supposed to originate appropriation legislation ought to have a chance to consider it. I think it would be due respect to the House. I am surprised that the gentleman from New York should ask that authority be given to make an authorization of an appropriation of three-quarters of a billion without the House having any opportunity to express an opinion upon it.

Mr. FITZGERALD. I have not done that, Mr. Speaker.

Mr. MANN. Certainly the gentleman has.

Mr. FITZGERALD. The gentleman should not express surprise at anything I propose, but having unlimited confidence in myself I supposed there could be no doubt that this will be safe in my custody.

Mr. MANN. If the gentleman's request is acceded to, the House can not have any opportunity. Therefore I shall have to object.

The SPEAKER. The gentleman from Illinois objects.

Mr. FITZGERALD. I ask, Mr. Speaker, that the Speaker refer the bill under the rule.

The SPEAKER. It is referred under the rule.

DISPENSING WITH THE UNANIMOUS CONSENT CALENDAR.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the business on the Unanimous Consent Calendar be dispensed with to-day, in order to continue with the war-revenue bill.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to dispense with the Unanimous Consent Calendar to-day. Is there objection?

There was no objection.

WAR REVENUE.

Mr. KITCHIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4280, the war-revenue bill.

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4280, the war-revenue bill. The question is on agreeing to that motion.

Mr. FESS. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Ohio makes the point of no quorum, and evidently there is none.

CALL OF THE HOUSE.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

Mr. GARNER. It is automatic.

Mr. FOSTER. It comes automatically in this case, does it not, Mr. Speaker?

The SPEAKER. Why so? The House was not voting on anything.

Mr. FOSTER. The Chair was putting a question.

Mr. MANN. There was no division.

The SPEAKER. The gentleman from North Carolina moves a call of the House. The question is on agreeing to that motion. The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Eagan	Linthicum	Sanders, Ind.
Bacharach	Eagle	Lobeck	Scott, Pa.
Barnhart	Edmonds	McCulloch	Scully
Bland	Fairchild, G. W.	Maher	Sherley
Bowers	Flynn	Martin, Ill.	Siegel
Britten	Focht	Mays	Sims
Brodbeck	Francis	Moon	Sisson
Bruckner	Fuller, Mass.	Moore, Ind.	Smith, T. F.
Butler	Gallivan	Morin	Stafford
Byrnes, S. C.	Glass	Neely	Steele
Caldwell	Godwin, N. C.	Nelson	Stephens, Miss.
Candler, Miss.	Gray, N. J.	Nolan	Strong
Cantrill	Griest	Norton	Sullivan
Capstick	Griffin	Olliver, N. Y.	Swift
Carew	Hamill	Padgett	Talbot
Carlin	Hamilton, N. Y.	Park	Timberlake
Chandler, N. Y.	Haskell	Powers	Vare
Coady	Hawley	Pratt	Venable
Copley	Hayes	Price	Vestal
Costello	Heaton	Purnell	Voigt
Cox	Heintz	Ragsdale	Volstead
Dale, N. Y.	Hill	Ramsey	Walton
Davis	Hutchinson	Rankin	Watson, Pa.
Denison	Igoe	Riordan	Whaley
Dewalt	Kahn	Robbins	Williams
Dixon	Key, Ohio	Robinson	Wise
Doolling	Kless, Pa.	Rose	Wood, Ind.
Drukker	Kraus	Rowe	
Dyer	Kreider	Rowland	

The SPEAKER. On this call 312 Members, a quorum, have answered to their names.

Mr. KITCHIN. I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from North Carolina moves to dispense with further proceedings under the call.

The motion was agreed to.

LEAVE OF ABSENCE.

Mr. WATKINS. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. WALTON] be excused indefinitely on account of illness.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that the gentleman from New Mexico [Mr. WALTON] be excused indefinitely on account of absence. Is there objection?

There was no objection.

WAR REVENUE.

On motion of Mr. KITCHIN, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, with Mr. FOSTER in the chair.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Pennsylvania: Page 25, after line 18, insert a new paragraph, as follows:

"TITLE VI.—WAR TAX ON COTTON.

"That there shall be levied, assessed, collected, and paid upon all unmanufactured cotton a tax of \$2.50 a bale."

Mr. CRISP. Mr. Speaker, I make a point of order against the amendment.

Mr. MOORE of Pennsylvania. Mr. Chairman, may I inquire what the point of order is?

Mr. CRISP. The point of order is that under the rules of the House it is a new item, which does not relate to any item in the bill. It is not germane to anything in the bill, and therefore is obnoxious to clause 3, Rule XXI.

Mr. MOORE of Pennsylvania. Mr. Chairman, this is a bill "to provide revenue to defray war expenses, and for other purposes."

Mr. CRISP. Mr. Chairman, in order to give the gentleman from Pennsylvania the full benefit of the point of order, I will

call his attention to clause 3 of Rule XXI, which provides that no amendment shall be in order to any bill affecting revenue which is not germane to the subject matter of the bill; nor shall any amendment to any item in such bill be in order which does not directly relate to the item to which the amendment is proposed.

There is nothing in this bill relating to a tax on cotton.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. MOORE of Pennsylvania. Is the gentleman aware that the amendment proposes a new title?

Mr. CRISP. Yes; I am aware of that; but that does not make any difference under the rules of the House. The gentleman from Missouri [Mr. ALEXANDER], when he was chairman of the Committee of the Whole House on the state of the Union, delivered the first ruling under this rule, and these questions were all taken up, and there was an elaborate ruling, and the gentleman from Missouri [Mr. ALEXANDER] sustained the point of order against an amendment proposing an additional item to a revenue bill.

Mr. MOORE of Pennsylvania. May I ask the gentleman if he is aware of the fact that cotton has been a subject of taxation for revenue purposes, and that acts of Congress were passed on several occasions providing for a tax on cotton as a means of raising revenue for the purposes of the Government?

Mr. CRISP. Be that as it may, there is nothing in this bill relating to it; and I would suggest to the gentleman that if we are going to levy a consumption tax, we might levy a tax on manufactured steel, on coal, on wheat, on corn, on barley, on meat, on cattle, and other things.

Mr. MOORE of Pennsylvania. In war time, why not?

Mr. CRISP. If we want to go into that we can raise billions of dollars by levying a consumption tax.

Mr. MOORE of Pennsylvania. Then I would have a tax on cotton, which would be as germane as any of the other propositions that the gentleman has mentioned.

Mr. CRISP. Does the gentleman favor a tax on coal?

Mr. MOORE of Pennsylvania. It might be germane, when we are raising revenue for the purposes of the Government. We are taxing a variety of products in this bill.

Mr. HEFLIN. Would the gentleman favor a tax on wool?

Mr. MOORE of Pennsylvania. Why, we already have a tax on all wool manufactured, and we have a tax on cotton manufactured.

Mr. HEFLIN. Not an excise tax on wool.

Mr. MOORE of Pennsylvania. That, I regret to say, is the trouble with the gentleman, that he wants raw cotton to go free, although it now is one of the best profit makers in the country, but he wants everything that is produced from cotton to be taxed. Everyone who fabricates cotton, who toils over it and wears it, is to be taxed, but the man who produces it or who operates under the benign influence of a Providence that is good to him, is to go free?

Mr. CRISP. The gentleman certainly does not want a tax on cotton, with wheat at \$3 a bushel and corn and flour and everything else at their present high prices untaxed. While people have to eat those things, they have to wear cotton. I think the gentleman's district manufactures and consumes about as much raw cotton as any district in the United States.

Mr. MOORE of Pennsylvania. We will cross that bridge when we come to it; but the proposition now is to tax cotton. If the gentleman thinks grain ought to be taxed, that might be an appropriate subject for taxation. If the gentleman thinks coal ought to be taxed, that would be an appropriate subject for taxation.

Mr. CRISP. The gentleman is not in favor of any consumption tax in this bill at present.

Mr. MOORE of Pennsylvania. The gentleman may be obliged to vote for a tax upon the gas which lights the small homes of the land. He may be obliged to vote for a tax upon the electric light that is put to domestic use, and he may be obliged to vote for a tax upon the heat that comes from the coal that the gentleman thinks is not taxed. Why not tax cotton, if we are to tax all these necessities of life?

Now, Mr. Chairman, as to the point of order I wish to say this: The gentleman makes the point that a tax upon cotton would not be germane to this bill. The gentleman has already proposed to introduce into this bill a tax upon cotton imports into the United States. That is provided for in the paragraph proposing a 10 per cent ad valorem tax upon all imports into the United States. The gentleman would tax cotton coming into the country but he would avoid putting an excise tax upon the cotton going out of the country—much of it for munitions.

Mr. CRISP. Will the gentleman yield?

Mr. MOORE of Pennsylvania. If the gentleman rests upon the parliamentary suggestion that a tax upon cotton would not

be germane, then he must strike out the tax that is already proposed upon cotton coming into the country.

Mr. HOWARD. Is the gentleman familiar with the decision in the Farris case, as to the constitutionality of the revenue tax on cotton during the War between the States?

Mr. MOORE of Pennsylvania. No; I am not a lawyer, as the gentleman from Georgia is, but I have observed that every cotton-tax lawyer falls behind some decision of the Supreme Court when it is proposed to put a tax on cotton. What I propose now is, in this war extremity when everything else in the land is being taxed—

Mr. HOWARD. The Farris case was a war-extremity case, and the greatest judges we ever had on the bench of the United States were evenly divided.

Mr. MOORE of Pennsylvania. Yes; and in 1864, June 30, Congress provided for a tax of 3 cents a pound on cotton.

Mr. HOWARD. In 1862 there was an act of Congress putting a cent a pound on raw cotton.

Mr. MOORE of Pennsylvania. The gentleman knows that, notwithstanding the Supreme Court decision behind which he deftly falls, that particular act furnished a tax of 3 cents a pound.

Mr. HOWARD. Why did not the gentleman propose a tax on cotton in 1914?

Mr. MOORE of Pennsylvania. Perhaps I did.

Mr. HEFLIN. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HEFLIN. The gentleman proposes to put a tax of \$2.50 on a bale of cotton.

Mr. MOORE of Pennsylvania. Yes.

Mr. HEFLIN. The gentleman has cotton manufactories in his district?

Mr. MOORE of Pennsylvania. Quite a number, all heavily taxed.

Mr. HEFLIN. If the gentleman's amendment should be held germane and adopted, what does he suppose would be the situation when the manufacturers of Philadelphia went to buy cotton to use in their mill? Would not the producer say to him "there has been a tax of \$2.50 a bale put on this cotton"?

Mr. MOORE of Pennsylvania. It might be that the producer would pass it along.

Mr. HEFLIN. The manufacturers might have to pay it, and does the gentleman want to put that tax on the manufacturers of Philadelphia?

Mr. MOORE of Pennsylvania. If that is the gentleman's proposition, why is the gentleman from Alabama complaining?

Mr. LEVER. Mr. Chairman, I make the point of order that the gentlemen are not discussing the point of order.

The CHAIRMAN. The gentleman from Pennsylvania will proceed to discuss the point of order.

Mr. MOORE of Pennsylvania. The point of order, Mr. Chairman, is that the amendment is not germane to the revenue bill. My answer is that the title to the bill is to provide revenue "to defray war expenses, and for other purposes," and that numerous sources of taxation are mentioned in connection with that revenue title; that on page 47 of the bill is a paragraph which says:

That on and after the day following the passage of this act there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States, * * * a duty of 10 per cent ad valorem in addition to the existing duty (whether ad valorem or specific); and if not now dutiable by law, a duty of 10 per cent ad valorem.

That would apply to imports of raw cotton, so that cotton is just as much a subject of taxation in this bill as any other commodity.

Mr. MANN. Mr. Chairman, I would like to be heard for a moment on the point of order. The rule to which reference has already been made provides that no amendment shall be in order on any bill affecting revenue that is not germane to the subject matter in the bill. That is as much of the rule as would be applicable.

This rule was first adopted in the Sixty-second Congress when our Democratic friends, including my distinguished colleague, came into power in the House, after a long campaign designed to liberalize the rules of the House, so that the House itself might act upon matters, and not be confined wholly to the decree of the committee. There never had been such a rule in this or any other legislative body before that time.

Now, I will grant to the Chair that if the Chair sustains the point of order he will have plenty of precedents, precedents that have arisen since the adoption of the rule, to sustain it. What is the subject matter in this bill? It is a bill to provide revenue for war purposes. The subject matter in the bill is in relation to the raising of revenue covering a variety of subjects, covering excise taxes, tariff duties, income tax, and every other

scheme which the committee could think of or somebody could dream about.

Now, this is a suggestion that the Chair must follow precedents and hold that in the great matter of raising enormous sums of money in the way of revenue for war purposes the House itself is powerless to act on them unless the Committee on Ways and Means has recommended to the House a certain item for taxation. This rule construed as the gentleman from Georgia asks the Chair to construe it, and for which there are precedents, relegates the House to a mere vetoing body. It can not originate legislation, it can only veto the Ways and Means Committee. And this great Democratic majority which came into power in the Sixty-second Congress, instead of liberalizing the rules of the House, made the rules more restrictive than any body in the history of the world has ever made rules before.

Now, I appeal to the Chair to overrule the precedents and decide according to the proper merits of the question, and to hold that the House of Representatives has the right to originate revenue legislation itself and not be confined to the sweet will of 23 Members who happen to be elected to the Ways and Means Committee. [Applause.]

Mr. FITZGERALD. Mr. Chairman, this is a very important question. If this point of order be sustained, then the House is absolutely powerless to consider numerous amendments designed to correct glaring abuses which this bill will establish. Under the provisions of the bill, for instance, the beet-sugar interests of the country will get an additional tariff benefit that will result not in increasing the value of their product from three to five hundred per cent, as it has within the past three years, but to about a thousand per cent. This is a bill to provide revenue for the war, and it contains revenue measures of every conceivable character. It includes excise taxes, tariff taxes, direct taxes, and taxes upon postal matter, which do not belong in the bill.

Anything which proposes to raise revenue is germane to the subject matter of the bill, because the variety of matters is so great that it is impossible to conceive of any article subject to any form of taxation that is not germane.

I am somewhat familiar with the history of this particular rule which has been invoked. I drew it myself. I drew it at the request of the gentleman from Alabama, Mr. UNDERWOOD, and it was drawn for the specific purpose of carrying out what was then proposed to be the policy of the Democratic Party. The Democratic Party for years had been complaining of the abuse of enacting revenue legislation in omnibus tariff bills, and in the Sixty-second Congress that party proposed to undertake revenue legislation in bills dealing with single items of the tariff. The purpose of the rule was to make it impossible to complicate matters by offering amendments in the House dealing with other subjects to bills dealing with single items to be subject to customs duties.

For instance, we enacted the free-wool bill and a number of other bills which were sent to the Senate, confined to a single topic of the tariff law. This rule was to prevent those bills being encumbered by combinations such as had previously controlled the methods of enacting revenue legislation.

The pending amendment proposes an excise tax upon cotton. I am not discussing the merits of the amendment. I do not know whether there should be a tax upon cotton; but I know, if this bill goes through in its present form, that there should be levied a compensating tax on domestic sugars, and I propose to offer such an amendment, and ascertain whether the domestic sugar producers of the country can get away with what is proposed to be given to them under the provisions of this bill. The Chair will find in section 304, on page 12, an excise or direct tax levied upon all still wines, including vermouth, and upon all champagnes and other sparkling wines and liqueurs and cordials "hereafter produced in or imported into the United States." That is an excise tax upon food products produced in the United States. The Chair will find under Title VI a war tax on manufactures or commodities produced in the United States. He will find taxes on tobacco increased in this bill. Mention any subject or any article subject to taxation and it is affected by this bill, because of the provision later that increases by 10 per cent ad valorem the tax upon all articles imported into the United States, whether now upon the dutiable or upon the free list. If it be not possible to consider this amendment, then it is impossible to consider, if the committee desires, a proposal to put a tax on gasoline, a proposal to put a tax upon anything else unless a particular paragraph can be found specifically enumerating the subject matter proposed to be taxed. Whatever may have been the wisdom of the adoption of this rule, no one ever contemplated so preposterous a construction of it as would produce such a result. This is one of the most important questions submitted to the House. It vitally affects the power of the House to do

business, and to consider legislation in any intelligent and proper manner. I do not propose to have the House crippled and curtailed by the interposition of a point of order upon such a question as this without at least voicing my protest. The rules of the House, Mr. Chairman, are designed to promote the business of the House by having it conducted in an orderly manner.

The rule of germaneness was adopted early in the history of the House so that matters that could not be reasonably anticipated in the consideration of a bill could not be precipitated upon the House for consideration without ample preparation. Does anyone imagine that any particular method or form or object of taxation can be suggested or proposed in connection with this bill which would bring surprise to anyone, excepting those who are resting in the hope that they are secure from assault by the taxing power? So far as the legislative mind is concerned, it is possible to consider in this bill any matter at all subject to taxation without surprise. It is not a tariff bill; it is not a bill to obtain money by internal taxation; it is not a bill to obtain revenue by some peculiar form of taxation. It is a bill to obtain money by every conceivable form or method known to the American legislator, and to say that a proposal to tax some particular commodity can not be considered in connection with such a bill is preposterous.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. I would like to ask the gentleman's opinion, if I may, if the Chair should rule this amendment out of order, whether an amendment would be in order to adopt the recommendation of the Secretary of the Treasury to raise \$75,000,000 by taxing the refining of petroleum, including lubricating oil, illuminating oil, and gasoline?

Mr. FITZGERALD. If this point of order should be sustained by the Chair, no proposed amendment would be in order unless the particular matters proposed to be taxed can be found enumerated in some particular paragraph in the bill.

Mr. MANN. Then, I take it, that it is the gentleman's opinion also that the House would not be able to consider over a point of order the recommendation of the Secretary of the Treasury that there be raised \$2,500,000 by a tax upon wholesale dealers and jobbers in tobacco, or a tax of \$4,800,000 on retail dealers in cigars, cigarettes, and so forth, or \$5,000,000 by taxing denatured alcohol, or \$92,000,000 excise tax on sugar, or \$6,000,000 excise tax on glucose?

Mr. FITZGERALD. No; it would not even be in order to offer an amendment to obtain revenue by placing a tax upon the gross receipts of race tracks, which ought to be taxed in this bill if anything is to be taxed.

Mr. MANN. So that if this amendment is ruled out, the House is not even able to give consideration to a number of recommendations of the Treasury Department respecting methods of raising taxes?

Mr. FITZGERALD. Mr. Chairman, I wish to add that the purpose of this particular provision of the rule was to limit the amendments to the bill which dealt with a single object or method of taxation. It was never contemplated, it was never believed, that anyone would suggest that a bill of such an omnibus character, dealing with every conceivable subject and method of taxation, could not be amended by such an amendment as is proposed.

The CHAIRMAN. The Chair is ready to rule.

Mr. LENROOT. Mr. Chairman, I would like to add one word. The gentleman from Illinois [Mr. MANN] suggested to the Chair that he could find a number of precedents to sustain this point of order, since the Democratic Party has been in control. I do not believe that even that is quite correct. I do not think the Chair can find a single precedent, even under this drastic rule adopted by the Democrats since they came into power, to sustain this point of order, and I want to call the attention of the Chair to this distinction. In every case where this question has heretofore come up the bill as to which the ruling was applied, under its title related to some specific subject, and the ruling always was that any amendment must be germane to the subject matter of the bill. For instance, one of the most important rulings upon the question was a ruling with reference to a bill placing agricultural implements upon the free list, so declared by its title to be the purpose of that bill. An amendment was offered to add to the free list certain commodities not connected with agriculture or any of the things mentioned in the title, and the Chair very properly held that it was not germane, but in no case, Mr. Chairman, can you find, in my judgment, any precedent where the purpose of the bill is as broad as this bill is, "to provide revenue to defray expenses and for other purposes," where the Chair has sustained a point of order against an amendment that is germane to the general purposes of the bill. Now, there is only one bill I have any recollection

of that was so general in its terms as this, and there the Chair ruled that an amendment was germane, and that was in the case of the Canadian reciprocity bill where Mr. SHERLEY, who was chairman, held that an amendment admitting other enumerated goods from Canada free from duty was germane. Now, Mr. Chairman, where will the House find itself if the Chair sustains this point of order? The House will be absolutely helpless. There will be no way by which the House can frame this revenue bill or express its will with reference to it. More than that, if this point of order is sustained the Committee on Ways and Means itself can not add one single item to this bill. Suppose \$200,000,000 is stricken out of this bill as it is drawn, and the Committee on Ways and Means finds it necessary or desirable to supply that \$200,000,000 in order to meet the needs of the Treasury. If this point of order is sustained, how will the committee go about it? There is no way that it can be done unless we recommit the bill and the committee brings an entirely new bill in if this point of order is sustained, because the Committee on Ways and Means has no greater privilege in the offering of amendments than any individual Member of this House. This matter is so important, Mr. Chairman, so necessary, if the House is to have its will or have anything except, as the gentleman from Illinois says, a veto power, that this point of order must be overruled.

Mr. KITCHIN. Mr. Chairman, just a word. The question before the Chair is not as to the policy or the wisdom or the result of this rule. It may be a bad rule; it may be an unwise one; and it may result just as the gentleman from Wisconsin [Mr. LENROOT] has just said, that the Committee on Ways and Means could not add any item to this bill, and that is true. That was the object of the rule when this rule was first enacted in the Sixty-second Congress. We all knew it was true, every man in the House knew it. Now, the only question here is, What is the rule? The rule is as plain as the English language can make it that such an amendment is not in order. The rule says:

No amendment shall be in order to any bill affecting legislation which is not germane to the subject matter of the bill, nor shall any amendment to any item of such bill be in order which does not directly relate to the item to which the amendment is proposed.

That is just as plain as language can make it.

Mr. LENROOT. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. LENROOT. This is not an amendment to any item of the bill.

Mr. KITCHIN. No. It is an amendment to the bill. The rule says:

No amendment to the bill which is not germane to the subject matter; nor shall any amendment to any item of such bill be in order which does not directly relate to the item to which the amendment is proposed.

No amendment shall be in order to any bill affecting revenue which is germane, not to the subject, but to the subject matter. Now, let me give you a ruling. We had a free-list bill in the Sixty-second Congress putting many articles on the free list.

Now, Mr. MANN offered a dozen amendments to add not to one item, not affecting any item, but to add to the bill other items. We had up in that free-list bill extracts of tan bark, and so forth. We had up different items as we have had during the consideration of this bill. Mr. MANN offered an amendment to add not to any one item, but to add to the bill additional items just like this proposed amendment. He offered at least a dozen amendments. The point of order was made. The Chair in a long, elaborate ruling said that it was out of order and not in order under the rule. Other amendments were offered, dozens of them, adding other things, for instance, shoe laces, and each amendment was ruled out of order because it violated that plain, specific rule. Now, I will tell you the reason for the rule. If you did not have this rule, in the consideration of a tariff bill or a bill like this, one could offer 10,000 amendments, because you could think of 10,000 different articles you would or could add to it; you could add to it every conceivable article in the whole universe, and therefore you could keep on voting on amendments the whole session and never get through. That is one reason. Now, let me give you one ruling that came under my observation as late as March, 1916, just last session. We had before the House for consideration the bill repealing the free-sugar provision of the Underwood law. Mr. HOWARD, of Georgia, moved to recommit by adding silk and putting an ad valorem duty on silk, and the Speaker held that it was out of order because there was no silk proposition in the bill, but it added another item that was not in the bill at all.

Mr. LENROOT. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. LENROOT. I would like to ask, in the case the gentleman has just spoken of what was the subject matter of that bill?

Mr. KITCHIN. The subject matter of that bill was a tariff on sugar. There is a great deal of difference between the subject matter of a bill and the purpose of a bill. The purpose is to raise revenue. You get mixed up in the purpose and the subject matter.

Mr. LENROOT. The subject matter of this bill is to raise revenue.

Mr. KITCHIN. That is the purpose of it.

Mr. LENROOT. To raise revenue by the imposition of different kinds of taxes—

Mr. KITCHIN. On certain specific articles.

Mr. LENROOT (continuing). One of which is an excise tax. That is the subject matter of the bill, is it not?

Mr. KITCHIN. The subject matter of the bill, as distinguished from the purpose and method of the bill, is, for instance, as in Title VI, "War tax on manufacturers." That is the text of that title. Now, then, the subject matter of the title of this bill is a tax upon automobiles, automobile trucks, jewelry, and so forth, and the other specific articles mentioned therein.

Mr. LENROOT. I want to ask the gentleman one more question, and that is, if the construction he now puts upon this rule—

Mr. KITCHIN. I am putting the construction that the Chair puts upon that question.

Mr. LENROOT. Kindly let me finish my question. If that is correct, why was it necessary to incorporate the last part of the rule, to the effect that no amendment to any item should be in order, because, if the gentleman's construction is now correct, it was absolutely unnecessary to incorporate the last part of the rule as to any amendment?

Mr. KITCHIN. It was unnecessary, but it was put in to make it specific and clear; and the Chair, as I said, on the question of raw silk and sugar made it plain that you can not add an item.

Mr. LONGWORTH. Mr. Chairman, just a word on the point of order. I express no opinion as to the merits of the amendment; but even if the contention of the gentleman from North Carolina [Mr. KITCHIN] was true, that you can not under any circumstances add a new object of taxation to a revenue bill, that does not hold good in this case. Cotton is taxed twice in this bill. It is taxed as a raw product on its importation; it is taxed as a manufactured product. This is merely another method of taxing the same thing.

Mr. HOWARD. I would like to call the Chair's attention to this fact, that as late as Saturday the Chair held on an amendment offered by me to the subject matter dealt with in this bill, to wit, the increased license upon liquor—and I introduced an amendment to increase the license from \$75 on retail liquor dealers to \$5,000—the Chair held in that instance that while the subject matter was all right, the question of dealers in liquor was not dealt with in this tax, and that therefore my amendment was subject to the point of order.

Mr. LENROOT. When the gentleman offered that amendment, did he think it was in order?

Mr. HOWARD. I certainly think now it is in order, if there is a semblance of order in the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. LENROOT. My question was, if the gentleman thought it was in order when he offered it?

Mr. HOWARD. I agree with the Chair that he was right about it when he ruled it out of order.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, on page 25, after line 18, as a new paragraph, as follows:

TITLE VI.—WAR TAX ON COTTON.

That there shall be levied, assessed, collected, and paid upon all unmanufactured cotton a tax of \$2.50 a bale.

The gentleman from Georgia [Mr. CRISP] makes the point of order that it is not in order under Rule XXI, paragraph 3, which provides:

No amendment shall be in order to any bill affecting revenue which is not germane to the subject matter in the bill; nor shall any amendment to any item of such bill be in order which does not directly relate to the item to which the amendment is proposed.

As stated, this rule was first adopted in the Sixty-second Congress, after which Congress had under consideration the bill known, as the Chair now remembers it, as the farmers' free-list bill.

An amendment was offered to that bill providing that glass should be placed upon the free list as one of the items. Judge ALEXANDER, of Missouri, who was then in the chair, for whose opinion the present occupant of the chair has great respect, delivered an elaborate decision upon this rule, stating that the

amendment offered at that time was not germane to the item in the bill. It has been said here that precedents are not always the proper way by which to decide questions, and yet the Chair thinks, without exercising his arbitrary power, that the decision of former Speakers or Chairmen of Committees of the Whole should be taken into consideration. And there is upon that question in Hinds' Precedents, volume 2, page 873, matter in line with that:

On January 10, 1842, Chairman George W. Hopkins, of Virginia, in the course of a ruling made in the Committee of the Whole, said:

"A Chairman does not sit here to expound rules according to his own arbitrary views. A just deference for the opinions of his fellows should constrain him to give to precedent its proper influence; and until the House shall reverse them, to give them all the consideration which is due to cases heretofore settled by a solemn decision of the House.

Mr. LENROOT. Mr. Chairman, may I ask the indulgence of the Chair to ask him a question on this ruling? [Cries of "Rule!" "Rule!"]

The CHAIRMAN. Yes.

Mr. LENROOT. I gather that the Chair is basing his ruling on Judge ALEXANDER's decision. I merely desire to ask the Chair whether he has in mind the fact that in Judge ALEXANDER's decision the title of the bill related expressly to certain specific articles on the free list?

The CHAIRMAN. Well, the Chair is not through with that matter yet.

Now, there was another decision, as stated here in 1916, by the Speaker of the House, when Mr. HOWARD, of Georgia, moved to recommit the bill H. R. 11471 to the Committee on Ways and Means, with the following amendment:

Strike out all after the enacting clause and insert the following: "That on and after May 1, 1916, a duty of 35 per cent ad valorem be levied upon all importations of raw silk."

The point of order was made upon this amendment by the gentleman from North Carolina [Mr. KITCHIN] and sustained by Mr. Speaker CLARK.

Judge ALEXANDER, the Chair thinks, took some time and some trouble to look up the decisions in reference to this matter, and came to the conclusion that the matter of placing another article on the free list of the bill was not germane to any item in the printed bill. So the point of order at that time was sustained.

A statement was made here on last Saturday, when the gentleman from Georgia [Mr. HOWARD] offered an amendment to which a point of order was made, and the Chair sustained it, similar to the one now offered by the gentleman from Pennsylvania [Mr. MOORE]. The Chair is not here to say what the policy of a rule of this kind may be, and how it may affect the action of the House, but the Chair's business is to construe the rule as he thinks right and just. The statement referred to, made by the gentleman from New York [Mr. FITZGERALD], was that he drew this rule, and, as the Chair understood, he drew it for this particular purpose, so that it might act in this way, so as to exclude a lot of these amendments that were not germane under this new rule.

Now, the Chair in this case thinks that, according to the decisions in the past in the Committee of the Whole, and what the Speaker of the House has decided, the amendment offered by the gentleman from Pennsylvania [Mr. MOORE] to place another title in the bill, to tax cotton \$2.50 a bale, is not germane, and therefore sustains the point of order.

Mr. MANN. Mr. Chairman, I think that we ought to set a new precedent, and I therefore respectfully appeal from the decision of the Chair.

Mr. HEFLIN. Mr. Chairman, I move to lay the appeal on the table.

Mr. MANN. You can not lay the appeal on the table. If you knew anything about it, you would not undertake to do it.

The CHAIRMAN. The Chair will ask the gentleman from Virginia [Mr. SAUNDERS] to take the chair.

Mr. MANN. Mr. Chairman, I ask for tellers.

Mr. GARRETT of Tennessee. Mr. Chairman, is the matter of the appeal subject to debate?

The CHAIRMAN. No.

Mr. GARRETT of Tennessee. I would like to make a statement, if I may.

The CHAIRMAN. Without objection, the gentleman will be recognized.

Mr. GARRETT of Tennessee. Mr. Chairman, the ruling of the Chair is correct. It is not only consistent with the precedents, but is in accord with the text and the spirit of the rule. I shall vote to sustain the action of the Chair.

In so doing, however, I wish to say, Mr. Chairman, that I do not agree with the policy of the rule itself. I myself am somewhat familiar with the history of the rule, and know

something of how and why it originated and how and why it was adopted. I did not favor the policy that was involved in it when it was first adopted, because it tied the hands of the House and gave to a committee of the House a power that the House itself could not exercise. I protested against it at the time in the committee. My views upon it have not changed since, and in my judgment the policy that is involved in the rule is bad, and eventually it must be changed.

But, as I said, the ruling of the Chair is entirely logical and correct, and I shall vote to sustain the ruling of the Chair. [Applause.]

The CHAIRMAN. The Chair appoints—

Mr. MANN. Mr. Chairman, just a word. I think the Chair was justified in making the ruling which he did. The Chair must necessarily be guided largely by the precedents.

I remember very distinctly when the original ruling was made on this rule. I offered amendments to various bills in every conceivable form. The Chair ruled them out. But, having ruled as he does under the precedents, it is no reflection upon the Chair or the Committee of the Whole to change the precedents, and if the committee which constitutes the membership of the House desires to have its hands free in making up a revenue bill it will reverse the decision of the Chair. The exigency of our Democratic friends in the Sixty-second Congress, when they were trying to pass the revenue bills by schedules, is not the exigency now before us, and we ought to have the right and the license to consider all propositions of raising revenue without hindrance. I hope the House will give a new precedent, which will not be any reflection on the Chair.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield for a question?

Mr. SAUNDERS of Virginia. Mr. Chairman—

Mr. DOOLITTLE. Regular order!

Mr. ADAMSON. I was asking the gentleman from Illinois to yield to me to ask a question.

Mr. SAUNDERS of Virginia. Mr. Chairman, am I recognized?

Mr. MANN. I yielded the floor to the gentleman from Georgia.

Mr. POU. Mr. Chairman, the regular order.

The CHAIRMAN. The regular order is on the appeal.

Mr. DOOLITTLE. I demand the regular order.

Mr. BURNETT. Mr. Chairman, may I have one minute?

Mr. ADAMSON. Mr. Chairman, the gentleman from Illinois had the floor, and he is willing to answer. After I rose the gentleman yielded the floor.

Mr. MANN. I have yielded the floor.

Mr. ADAMSON. I would like to ask him a question.

Mr. DOWELL. Mr. Chairman, this is all out of order.

Mr. HAMLIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMSON. If the gentleman is afraid to answer the question, all right. I addressed the Chair long before he yielded the floor.

Mr. HAMLIN. If this is all proceeding by unanimous consent, then I object.

Mr. HARDY. Mr. Chairman, a parliamentary inquiry.

Mr. SAUNDERS of Virginia. Mr. Chairman—

Mr. HAMLIN. Have I the right to object?

The CHAIRMAN. The Chair thinks so.

Mr. HAMLIN. Then I object.

Mr. SAUNDERS of Virginia. I have not submitted any proposition yet, and therefore no objection can be made in advance of the proposition. I want to submit a proposition—

The CHAIRMAN. The committee will be in order.

Mr. SAUNDERS of Virginia. Mr. Chairman, several gentlemen, including the gentleman from Illinois [Mr. MANN], have submitted remarks relating to this subject matter, which is certainly one of exceeding importance. The line of argument of the gentleman from Illinois was that he suggested that, while the Chair is technically right, this body, which is to sit as a court of appeal on the matter of whether it is or is not technically right, shall admit him to be technically right and yet decide the other way.

Mr. POU. And so change the rules.

Mr. SAUNDERS of Virginia. Because that will be the effect of their action.

Mr. POU. I should like to ask the gentleman if it is not a proposition to change the rules?

Mr. SAUNDERS of Virginia. That is the very proposition I am trying to present to this body.

Mr. POU. And to change them in an irregular way?

Mr. BURNETT. Mr. Chairman, if the Chair is right, then he is right, and it is a cowardly thing to try to overrule a righteous decision without changing the rule itself.

SEVERAL MEMBERS. Regular order!

Mr. ADAMSON. A parliamentary inquiry, Mr. Chairman.

Mr. SAUNDERS of Virginia. Mr. Chairman, in order that I may proceed briefly, I ask unanimous consent to speak for three minutes on this subject matter.

Mr. BENJAMIN L. FAIRCCHILD. I object.

SEVERAL MEMBERS. Regular order!

Mr. ADAMSON. A parliamentary inquiry.

The CHAIRMAN. The committee will be in order. It is impossible to transact business with every Member on his feet. The gentleman from Georgia wishes to submit a parliamentary inquiry. The gentleman will state it.

Mr. ADAMSON. In voting upon the appeal from the decision of the Chair, is not the committee individually as much bound by the precedents as is the Chairman?

The CHAIRMAN. The Chair is not ready to decide that.

Mr. MANN. Nobody would think that.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the decision of the committee?

Mr. MANN. Mr. Chairman, I demand tellers on the vote.

Tellers were ordered, and the Chairman appointed Mr. MANN and Mr. CRISP.

The committee divided; and the tellers reported—ayes 136, noes 117.

Accordingly the decision of the Chair was sustained.

The CHAIRMAN. The Clerk will proceed with the reading of the bill.

Mr. LENROOT. Mr. Chairman, I move to strike out the last word. In view of this ruling of the Chair, and the action of the committee upon it, I want to suggest that the Committee on Rules ought to convene immediately and amend this rule. [Applause.] I want to take a moment to give my reasons for it. We are now placed in the position that, however unjust some of the items in this bill are, the chairman of the committee can arise in his seat on the floor and say, "The Treasury Department must have this money. If you strike out this item, there is no way to get that money." No new amendments can be proposed, even by the committee itself, to supply revenues in place of any items that the House in its wisdom may seek to strike out. For instance, it has been suggested that a little further on in the bill there ought to be a tax upon the three million and more automobiles in this country. The House is helpless now to propose any such thing. Is the House of Representatives in this, the greatest crisis that our country has ever known, going to permit itself to be helpless to legislate and powerful only to veto? [Applause.] Does the chairman of the committee think that any such thing should be done, that the Committee on Ways and Means should be greater than the House of Representatives itself? Gentlemen, if in the wisdom of the House some item of this bill should be stricken out, and then the House, in striking it out, should say, "We do not desire to embarrass the Treasury, and in its place we will propose something else;" under the situation as it now exists there is only one way in which this can be remedied, and that is for the Committee on Rules to meet immediately and propose an amendment to this rule. And I want to remind gentlemen upon that side of the aisle that this rule is a Democratic piece of handiwork. The situation never could have arisen when the Republicans were in power. And now, when it is working such a great injustice, is it too much to ask of you Democrats in this exigency to amend this rule so that the House will be permitted to exercise its will?

Mr. KITCHIN. I ask unanimous consent to have just three minutes.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent for three minutes. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent that I may have five minutes following the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. KITCHIN]?

There was no objection.

Mr. KITCHIN. Mr. Chairman, the House is not in any such situation as the excitement of the gentleman from Wisconsin would have you believe. Why, you can raise \$100,000,000 or \$200,000,000 more right in this bill. The gentleman had the privilege of offering an amendment to increase the tax on whisky and on tobacco. He did increase the tax on incomes \$60,000,000. He could have made it \$100,000,000 more. He could have offered an amendment to raise the tax on excess profits \$200,000,000. He did not do it. All these items, and

hundreds of items in this bill, are open to amendment. He can move to increase them. The entire tariff provision is subject to increase. He can move to increase any one item in the tariff bill. Why, there is no such situation as he suggests—

Mr. LONGWORTH. Mr. Chairman, when we reach the stamp tax, under the decision which the Chairman has just made, have I the right to offer an amendment to put a stamp tax on bank checks?

Mr. KITCHIN. No; you would not have under this ruling. The gentleman from Wisconsin says that the rule is the handiwork of the Democratic Party in the Sixty-second Congress. I wish to remind the gentleman that President Taft himself, when he was President of the United States, in a letter written to Mr. McKINLEY, chairman of the Republican congressional committee, suggested a rule like this. He said in that campaign he wanted to revise the tariff, but could not do it. He said:

Of course, that will be impracticable unless Congress itself shall adopt the parliamentary rule, as I hope it will, that a bill to amend one schedule of the tariff can not be subject to amendment by adding changes in any other schedule.

[Applause on the Democratic side.]

The gentleman from Wisconsin did not oppose this rule, nor did a single gentleman on that side of the House. That rule was voted on without a protest from any man in the House.

Mr. MANN. The gentleman will do me the honor to say that he is mistaken about that; many of us opposed it.

Mr. KITCHIN. A majority did not oppose it. Not enough opposed it to call the yeas and nays on it.

Mr. MANN. The gentleman is again mistaken.

Mr. KITCHIN. I challenge you to look at the RECORD and show that the gentleman from Illinois [Mr. MANN] or the gentleman from Wisconsin [Mr. LENROOT] opposed that rule, because it was following the suggestion of their President. I thought that I ought to say that much. [Applause on the Democratic side.]

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for five minutes.

The CHAIRMAN. Is there objection?

Mr. HARDY. Reserving the right to object, I want two minutes myself. We have heard from that side—

Mr. MANN. I hope the gentleman will not do that. The gentleman from Pennsylvania started to do the same thing and withdrew it. It is not the practice of the House to make trades.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, I am not concerned so much as to the operation of this rule at the present time as I am in raising revenue equal to eighteen hundred million dollars, as requested by the Secretary of the Treasury to carry on the war in Europe. I am interested in making that great burden of taxation as equitable as possible. I reserved the right in the Committee on Ways and Means to offer an amendment to this bill to tax cotton. I kept the faith this morning by offering an amendment, and the result is well known to you. It was not intended in the preparation of this measure that cotton should be taxed. Everything manufactured from cotton is taxed, and is to be taxed more in this bill, but unmanufactured cotton, a wealth producer to the extent in 1916 of \$1,500,000,000, does not pay one cent of tax. I might be charged with sectionalism if I said more on this line at this time.

I do not now intend to make the argument I had it in mind to make on the merits of the amendment, but I do intend to read a few hurriedly prepared lines instead. It is all I can do in five minutes, and will help, I hope, to a better understanding of the effect of the recent ruling of the Chair as it relates to cotton. [Applause.]

COTTON IS FREE.

In fixing your taxes to pay for the war,
A trifle of billions, unheard of before,
Be sure to distribute the burden around
And catch every fellow who ought to be bound—
The rich man, the poor man, your good self, and me—
But don't you tax cotton,
For cotton is free.

Double up all the taxes on incomes and such,
And take all the profits from industry's clutch;
Insurance and business, tax higher and higher,
Till each corporation shall gasp and expire;
But ever and always remember to be
A friend of King Cotton,
For cotton is free.

Put taxes on whisky, wines, soda, and beer;
Let "Old Prohibition" resume his good cheer;
Cigars and tobacco—but never the leaf—
Let them pay for war and our common relief;
The cigarette smoker—he'll gladly agree—
But don't you tax cotton,
For cotton is free.

Let shippers pay tax for the goods they transport;
Let passengers pay, or to walking resort;
Add taxes to those who must message by wire;
Tax automobiles from the top to the tire;
Tax talking machines till they yell like high C—
But don't you tax cotton,
For cotton is free.

The "movies," the ball fans, the boys in the club,
Are taxable stuff and can stand for a rub;
Like perfumes and powders and troches and pills,
They are all patriotic and like to pay bills,
So let them contribute, for happy they'll be—
But don't you tax cotton,
For cotton is free.

Another suggestion: Stamp taxes on deeds,
That ought to help make up the Government needs;
And 8 cents a pack on your cards, which the same
Will help if you let Uncle Sam in the game;
Take these and life's earnings, whatever they may be—
But don't you tax cotton,
For cotton is free.

Tax people who write for the use of the mails;
Let rates go up higher—who writes never quails;
All parties, all nations, are now in accord
In praising the pen as more fierce than the sword,
So pile on these taxes where welcome they'll be—
But don't you tax cotton,
For cotton is free.

And here's a suggestion: Just call it "our bit";
Tax all manufactures, so we don't get hit;
Lay on, old Macduff, when it comes to the mill
On that proposition vote "aye" with a will;
Tax high the whole workshop from Alpha to Z—
But don't you tax cotton,
For cotton is free.

We've had a good season, our crop has not failed;
We've put by some profits, and have some more baled;
We've had a few censuses—Congress is kind,
And "field demonstrations" have not gone behind;
The war-risk insurance has helped on the sea—
But don't you tax cotton,
For cotton is free.

So pile on the taxes and pile them up high;
Tax everything found 'twixt the earth and the sky;
Raise money for Balfour and sturdy old Joffre,
They're right on the job, and you've no time to loaf;
"Special privilege to none" our great war cry shall be—
But don't you tax cotton,
For cotton is free.

[Laughter and applause.]

Mr. HARDY. I ask unanimous consent that I may proceed for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that he proceed for three minutes.

There was no objection.

Mr. HARDY. Mr. Chairman and gentlemen, there are some narrow minds that fail while they talk about equal rights and all that to realize the first element of it. I am in favor of the rule as it stands on the statute book, notwithstanding the furor and frenzy of the gentleman from Wisconsin [Mr. LENROOT] for its repeal. This very amendment illustrates its wisdom, for I had an amendment to the amendment to offer which would equalize the burden, if the raw product of the farmer of the South was to be taxed, by putting a tax on corn, wheat, potatoes, the products of the farmers of the great West, and coal, the product from the gentleman's own country, and then, of course, it would be defeated, as it ought to be. But for the rule which the Chairman has just enforced we could clutter up this bill by a thousand proposed amendments, gotten up here on the floor, that would keep us discussing them for days and weeks, and small minds would vent their sectional spleen ad nauseam.

The gentleman from Pennsylvania [Mr. MOORE] speaks of the inequality of not taxing cotton, because we tax cloth made of cotton. He knows that the taxes on the manufactures of cotton are in the main to the detriment of the cotton producer. We groan under the fact that we raise cotton and must sell it in the open markets of the world and that we must buy our own cotton products when they come back to us as clothing in the closed markets of the gentleman from Pennsylvania, yet he pretends that he does not see that. I am sorry that this question came up in a form that made it a sectional one. It is strange and sad to me that all of the favor the gentleman's resolution finds is from a section that does not raise cotton. If the proposition was to tax wheat, the line-up would be different, but why should the wheat farmer not be taxed as well as the cotton farmer? Both wheat and cotton are necessities of life. Cotton is a great food product as well as a clothing product. Why should you go to the farmer who buys his stuff in the closed market and put a direct tax on his product, whether it be wheat or cotton, while you put a tax on competing articles to raise the manufacturers' prices? The truth is that all of the western men in the House are interested with the southern men in letting the farm products, the raw materials of the country, be free of any direct taxation, even though they can not be protected by a special benefaction. You can not protect your wheat, you can not

protect our cotton, you can not raise the price of either by a tariff on the same products. But this gentleman, in the height of his folly, wants not only to protect his own industries, but to impose a special burden of a special tax on our industry. It seems to me that we have had enough of this sectional pettifoggery. I think the gentleman only meant buncombe. He was not in earnest. He knew that the cotton farmer and the wheat farmer and the corn farmer and the potato farmer all stand alike, furnishing the necessary production of farm products, but he did not dare include wheat and corn because he did not dare face the indignation of the West, and of course he did not include coal because that comes from his own district. Of course his coal can be taxed just as much as the cotton, but that is another matter. Oh, no; he does not want to raise any revenue in that way, anxious as he is to raise revenue, which is the poor hypocritical reason he gives for his proposition.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Clerk read as follows:

SEC. 600. That there shall be levied, assessed, collected, and paid—
(a) Upon all automobiles, automobile trucks, automobile wagons, and motorcycles, and automobile, motorcycle, or bicycle tires (including inner tubes) sold by the manufacturer, producer, or importer a tax equivalent to 5 per cent of the price for which so sold: *Provided*, That from the tax which otherwise would be imposed upon a manufacturer, producer, or importer of automobiles, automobile trucks, automobile wagons, or motorcycles there shall be deducted the amount of any tax paid under this subdivision upon the tires thereon at the time of sale.

Mr. KELLEY of Michigan. Mr. Chairman, I move to strike out the section.

Mr. KITCHIN. Mr. Chairman, before that amendment is put I have a committee amendment to make it clear that they will have the deduction of 5 per cent upon tires.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 26, lines 5 and 6, by striking out the words "the amount of any tax paid under this subdivision upon the tires thereon at the time of sale" and inserting "an amount equivalent to 5 per cent of the amount paid for the tires, including the inner tubes, on such vehicles by such manufacturer, producer, or importer."

Mr. KITCHIN. That makes it clear that the man deduct his 5 per cent upon the tire.

The CHAIRMAN. The question is upon the amendment.

The committee amendment was agreed to.

Mr. KELLEY of Michigan. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Pages 25 and 26, strike out paragraph (a) of section 600.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and amendments thereto close in one hour.

Mr. MANN. Mr. Chairman, reserving the right to object, I suggest that the demand for time upon this side will be one hour.

Mr. KITCHIN. Then I ask unanimous consent that the debate upon this paragraph and all amendments thereto close in two hours, one half of that time to be controlled by myself and the other half by the gentleman from Michigan [Mr. KELLEY].

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this paragraph and all amendments thereto shall close in two hours, one-half of the time to be controlled by himself and one-half by the gentleman from Michigan [Mr. KELLEY]. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. Mr. Chairman, I desire to be recognized for 20 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 20 minutes.

Mr. KELLEY of Michigan. Mr. Chairman, the motion which I have made is to strike out the paragraph which imposes a 5 per cent tax on the gross sales of automobiles and automobile trucks.

Before I enter into a discussion of the automobile industry and the effect of the proposed tax upon it, I want the House to have clearly in mind just what the proposal is. In the first place, under this bill an automobile company is required to pay the corporation tax of 4 per cent and the excess-profits tax of 16 per cent just the same as other corporations. In addition to the corporation tax and the excess-profits tax, this bill proposes to levy a gross-sales tax of 5 per cent on the selling price of every automobile and truck. It is estimated that this proposed 5 per cent tax on automobiles, trucks, and tires will produce approximately \$80,000,000 in revenue.

To show the full extent of the discrimination against the automobile industry, let us take two corporations, one engaged in making automobiles and the other in making some article of commerce not included in Title VI of this bill. Let us assume that each corporation has an actual investment of \$1,000,000, gross sales of \$2,000,000, and a profit of \$200,000 before deducting any taxes levied under this bill. The automobile company would pay a tax of \$105,760 under this bill, while a corporation engaged in another line of business, with the same capital, the same gross sales, and the same profits, would pay \$35,120. In the example which I have given the burden falling upon the automobile company would be practically three times as great as that falling upon the other company, although the actual capital and profits of both are the same. It is to the wisdom and justice of this proposal that I desire to direct the attention of the House.

It is said that this bill comes before the House with the indorsement of the full committee. Under ordinary legislative conditions a unanimous report from any of the leading committees of the House in favor of the passage of a bill would carry great weight with the Members of this body. This is particularly true of bills reported from the Committee on Ways and Means, a committee which takes high rank in the House, and whose members are held in the very highest esteem. The House naturally attaches great weight to the action of such a committee, because it is presumed that the committee has thoroughly investigated the subject of the proposed legislation and that the action recommended is based upon well-digested and thoroughly established facts. Unfortunately it seems to have been impossible for the committee to pursue the usual course in the preparation of this bill. It was first taken up by a subcommittee, which, according to the press, sat in secret, keeping all information as to their proceedings concealed even from other members of the committee. Later it was taken up by the full committee and shortly thereafter reported to the House. Although every vital interest of the country is affected by this bill, no hearings were held, no testimony was taken, and no investigation conducted.

With all proper respect for the members of the Committee on Ways and Means and with a full appreciation of their splendid abilities, I do not believe that it is within the capacity of any committee of Congress, no matter how able or distinguished, to legislate safely or wisely upon all the subjects carried in this bill without testimony, without inquiry, and without investigation. A bill so prepared must of necessity contain provisions based upon "first-blush" conclusions, springing in part from unsupported personal opinion or perhaps unsuspected prejudice, or at the best from views supported only by superficial and fragmentary information.

As might be expected under the circumstances many provisions of this bill furnish ample evidence of superficial consideration and hasty conclusions. Title VI of the bill undoubtedly furnishes the most brilliant example of this. An examination of this title shows that for purposes of taxation the bill groups together 9 or 10 classes of articles, which in the judgment of the committee apparently are so similar in character and service and perform so similar a function in the life of the Nation that they can be properly grouped together and taxed in the same manner. This list of articles should be carefully examined by the Members of the House. It is made up of automobiles and trucks, musical instruments, moving-picture films, jewelry, pleasure boats, sporting goods, patent medicines, perfumery, cosmetics, and chewing gum. It will be seen that under the provisions of the bill automobiles and trucks are classified with the piano player, motor boats not used in trade, the phonograph, moving-picture films, tennis racquets, golf balls, golf sticks, baseball bats, footballs, fishing rods, checkerboards, pool tables, playing cards, hair oils, talcum powder, and chewing gum.

Those who have built up the great automobile industry of the country until it ranks in importance and in value of product next to the steel industry in manufactures will undoubtedly be highly gratified to know that upon the authority of a great committee of Congress the automobile is at least equally important and vital to our national life as chewing gum, talcum powder, and hair oil.

The fact is that the Committee on Ways and Means has done itself a great injustice in taking the automobile industry out of the list of great industries, where it of right belongs, and putting it in a group of manufactures of a wholly different character. The automobile is not a plaything like a phonograph or a fishing rod or a tennis racquet. It is a great independent, individual agent of transportation and trade. The average price of an automobile is \$605. This is but little more

than the price of a first-class team of horses and equipment at the present time. The cheaper grades of automobiles like the Ford are scarcely more expensive or more of a luxury than a good horse and equipment.

Mr. HULBERT. Will the gentleman yield at that point for a very brief interruption?

Mr. KELLEY of Michigan. I will.

Mr. HULBERT. I want to call the gentleman's attention to the fact that on page 27 of this item an exemption is made in the case of motor boats or other vessels not used or intended to be used for trade, and I want to ask why this exemption is made for motor boats when they do not make any such exemption for automobile trucks and automobile wagons used for trade?

Mr. KELLEY of Michigan. What the gentleman from New York says is absolutely true. They have included in this list with perfumery and chewing gum the automobile truck, one of the great agencies of transportation and trade in every State in the Union, and the point I want to make right here is that this classification, upon its face, shows that the distinguished Committee on Ways and Means gave little or no consideration to this great industry which they have picked out for this unusual and extraordinary burden. I do not know how they arrived at the conclusion that automobile trucks, talcum powder, and chewing gum should be classed together for purposes of taxation.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. KELLEY of Michigan. I will.

Mr. SMITH of Michigan. Does the gentleman think that automobile trucks are as necessary as silk stockings?

Mr. KELLEY of Michigan. Well, that depends upon conditions a great deal. [Laughter.] Sometimes one would be more necessary than the other. But, gentlemen, the point I want to make is simply this, and I want the members of the committee to be in a most serious frame of mind while I am discussing it, because it is a serious proposition not only for those engaged in the business but for the country as a whole—

Mr. ANDERSON. Will the gentleman yield?

Mr. KELLEY of Michigan. Not now.

The CHAIRMAN. The gentleman from Michigan declines to yield.

Mr. KELLEY of Michigan. The automobile is not an instrument of amusement like the piano player. It is a great agency of transportation.

There are in existence in this country more than 3,500,000 automobiles and trucks carrying State licenses, or on the average one car for every 29 persons—men, women, and children. In the great agricultural States of Iowa and Nebraska there is one automobile for every 13 persons. The farmers of the great Middle West apparently do not consider the automobile in the same class with golf balls, tennis racquets, and chewing gum. They consider it a great economic agency of transportation for themselves, their families, and their products. [Applause.] Nobody knows the value of an automobile better than the men who live in the country. It is actually transforming country life by destroying the isolation of it. Within the next 10 years the automobile, the telephone, the rural carrier, and good roads will stem the tide of population which has been steadily flowing during the past few years from the country to the city. The automobile adds to the comfort, the prosperity, and the contentment of rural life. It is solving the question of the rural church and the rural school. It takes city people to the country and country people to the city, thus making country and city one. Yet this bill, drawn in a hurry, puts this great agency of commerce and trade and social advantage in the amusement class with golf and tennis. On one of the public buildings in the city of Washington, just which building I do not now recall, there is carved in stone a statement which I commend to the consideration of the Committee on Ways and Means. It reads in substance: "Of all the inventions that have ever sprung from the brain of man, those which have abridged distance and destroyed space have conferred the greatest blessings on the human race." This is a conception which I am sure was not taken into account by the framers of this bill.

From whatever point of view the automobile industry is considered it can not be regarded otherwise than as a great national industry closely interlaced with our whole industrial, social, and economic life. It has brought into being in the last 15 years the greatest army of skilled mechanics that the Nation has ever known, and these skilled men draw the best wages paid anywhere on the face of the earth. They in themselves are a great national asset at a time like this, when the battles of the world depend upon the genius and skill of industry even more than on the valor of men.

The volume of business done by the automobile industry is so great and affects the life of the country in so many ways that it is most difficult to comprehend and measure it. In 1916 there

were manufactured 1,525,578 cars, valued at \$921,378,000, or an average price per car of \$605. During the same period there were manufactured 92,130 motor trucks, valued at \$166,650,273, or an average price of \$1,809 per truck. This makes a total output of automobiles and trucks in 1916 of 1,617,708, valued at \$1,088,028,273. There are in the United States 25,924 dealers, 23,686 garages, 12,171 automobile machine shops, 5,675 companies having automobile supply departments, 2,503 companies handling automobile supplies exclusively, 231 companies manufacturing automobiles, 364 companies manufacturing trucks, and more than 800 companies manufacturing automobile parts. The following tables will show the distribution of dealers, garages, and manufacturers by States:

Distribution of car, truck, and engine manufacturers in the United States.

State.	Auto- mobiles.	Com- mercial vehicles.	Engines.	Total.
California.....	4	14		18
Colorado.....	1	1		2
Connecticut.....	4	3	2	8
Delaware.....				
District of Columbia.....				1
Georgia.....		2		2
Illinois.....	23	43	4	62
Indiana.....	28	12	5	39
Iowa.....	1	11		11
Kansas.....	1	1		2
Kentucky.....	2	3		4
Louisiana.....	1	1		2
Maine.....		1		1
Maryland.....		2		2
Massachusetts.....	7	14		17
Michigan.....	47	43	14	99
Minnesota.....	3	36		37
Missouri.....	5	9		13
Nebraska.....	1	2		3
New Hampshire.....		1		1
New Jersey.....	3	7		10
New York.....	22	43	6	65
North Carolina.....		1		1
Ohio.....	34	43	5	75
Oregon.....	1			1
Pennsylvania.....	13	27	7	42
Rhode Island.....		1		1
Texas.....	1	1		2
Virginia.....	1	1		2
Washington.....	2	5		5
West Virginia.....	1	2		3
Wisconsin.....	6	14	7	25
Canada.....	19	15	1	27
Total.....	231	364	51	575

Dealers, garages, machine shops, and supply houses in the United States.

State.	Deal- ers.	Garages.	Machine shops.	Compa- nies having supply depart- ment.	Supplies exclu- sively.	Total.
Alabama.....	172	109	74	37	35	278
Arizona.....	86	82	51	24	12	152
Arkansas.....	174	96	59	29	18	245
California.....	1,066	1,211	739	200	151	2,032
Colorado.....	346	312	177	80	22	520
Connecticut.....	394	431	211	50	70	713
Delaware.....	65	62	27	11	5	90
District of Columbia.....	57	56	36	8	24	140
Florida.....	246	272	163	64	45	464
Georgia.....	315	266	123	33	46	549
Idaho.....	151	100	53	23	19	207
Illinois.....	1,857	1,645	968	390	131	2,889
Indiana.....	984	795	409	247	65	1,497
Iowa.....	1,619	1,322	681	360	64	2,196
Kansas.....	986	774	380	266	33	1,445
Kentucky.....	291	230	82	62	24	413
Louisiana.....	120	67	45	31	18	170
Maine.....	279	262	124	80	19	456
Maryland.....	222	242	125	75	36	403
Massachusetts.....	771	828	421	180	141	1,520
Michigan.....	986	822	349	132	88	1,535
Minnesota.....	1,155	833	458	271	59	1,550
Mississippi.....	133	84	50	40	13	193
Missouri.....	810	639	413	222	81	1,310
Montana.....	240	205	117	60	14	345
Nebraska.....	810	647	285	218	29	1,091
Nevada.....	57	52	28	19	4	84
New Hampshire.....	192	214	107	59	10	319
New Mexico.....	102	73	42	33	78	223
New Jersey.....	621	844	411	192	6	1,170
New York.....	2,003	2,217	1,172	456	321	3,735
North Carolina.....	306	233	111	85	21	421
North Dakota.....	537	339	198	119	9	703
Ohio.....	931	1,347	542	425	172	2,589
Oklahoma.....	385	311	125	136	27	581
Oregon.....	205	231	130	49	30	315
Pennsylvania.....	1,677	1,682	776	452	113	2,673
Rhode Island.....	85	141	91	16	19	262
South Carolina.....	156	113	58	48	19	248

Dealers, garages, machine shops, and supply houses in the United States—Continued.

State.	Dealers.	Garages.	Machine shops.	Companies having supply department.	Supplies exclusively.	Total.
South Dakota.....	442	308	155	35	7	584
Tennessee.....	188	136	75	20	40	285
Texas.....	626	488	267	47	87	1,059
Utah.....	88	62	33	15	15	143
Vermont.....	187	156	83	33	11	286
Virginia.....	230	158	111	41	44	391
Washington.....	356	318	168	25	54	599
West Virginia.....	199	143	52	24	13	246
Wisconsin.....	1,016	874	410	135	47	1,822
Wyoming.....	76	56	37	13	2	103
Hawaii.....	6	7	3	1	9
West Indies.....	25	20	5	1	1	32
Canada.....	854	760	358	3	95	1,252
Mexico.....	8	11	3	1	2	15
Total.....	25,924	23,686	12,171	5,675	2,503	40,912

Some people who have given the automobile industry only a superficial consideration seem to have an idea that it is located out in the region of the Great Lakes and that whatever benefits flow from it are confined to that region. Those who have such an idea have no comprehension of the automobile business. In the first place, the building of an automobile is the most complex of all industrial processes. More operations are required in the building of an automobile than any other product of industry. This fact has led to specializing in the manufacture of parts. The automobile manufacturer, at the present time, does but little more than assemble the parts which have been manufactured by others. By highly specializing the manufacture of parts is done at a much lower unit cost than could be done if every automobile manufacturer attempted to supply himself with all the parts entering into the manufacture of an automobile. The wheels, the engines, the tires, the springs, the bodies, the tops, the electrical equipment, the lamps, the windshields, and scores of other parts are, as a rule, no longer made by the manufacturer of automobiles, but by parts manufacturers. Some of these corporations manufacturing parts are as large and have as much capital invested as the automobile manufacturer himself. I have in mind one engine factory which makes all the engines for 27 different automobile companies. The manufacture of parts is not centralized like the manufacture of automobiles, but, on the contrary, is carried on in almost every section of the country. The fact is that there is no industry in America that scatters its benefits into every section of the country to a greater degree than the automobile industry. I suppose that if the Committee on Ways and Means sought to pick out an industry which dovetails into the greatest number of other industries, and which, if anything happened to it, would carry down with it more classes of business than any other industry in America, they could not have hit upon a better industry for that purpose than the automobile industry.

The quantity of material used annually in the automobile business is a matter of constant amazement to those who have examined the figures. In 1916 the automobile industry used \$20,000,000 of brass, purchased mainly in Kentucky, New England, New York, Pennsylvania, and Wisconsin. More than \$32,000,000 of copper was purchased in New England, Michigan, Wisconsin, Montana, and other Western States; \$25,000,000 of cotton fabric from the cotton mills of New England and the South; \$22,000,000 of coal and coke from Pennsylvania and West Virginia; \$5,000,000 of glass from Pennsylvania, Ohio, and West Virginia; \$26,000,000 of tin from Pennsylvania, Ohio, and West Virginia; \$7,500,000 of zinc from Missouri, Colorado, and Nevada; \$16,500,000 of lead from Colorado and Missouri; \$10,000,000 of hardware from New York, Illinois, Pennsylvania, and New England; \$16,800,000 of oil from Oklahoma, Texas, and Ohio; \$9,000,000 of mohair from Texas and Oregon; \$24,000,000 of hides and hair from Illinois, Nebraska, and Missouri; \$42,600,000 of electrical equipment from New York, New England, and Pennsylvania; \$150,000,000 of lumber from Tennessee, Arkansas, Mississippi, Georgia, and other Southern and Western States; and \$250,000,000 of iron and steel from Alabama, Minnesota, Illinois, Ohio, Pennsylvania, West Virginia, and Maryland. It is believed by many that not less than 2,000,000 men are employed in factory, mill, and mine, directly and indirectly, as a result of the development of the automobile industry. Of course, it is not possible to secure accurate data on this point. In view of the magnitude of the figures just given, Congress should give most careful consideration to any proposal affecting this great industry adversely.

But it is said that the automobile business is in a very prosperous condition; that the profits are very large; and that a 5 per cent tax on gross sales could be paid out of the profits without in any way injuring the business. It is true that certain corporations have made great profits in the automobile business. The Ford Co. is one of the leading corporations of the world. The story of the development of the Ford plant reads like a dream or a fairy tale. The success of the Ford business is so well known that most people think of the Ford when discussing the question of automobile profits. It must be remembered, however, that while Mr. Ford has made a magnificent success through a rare combination of mechanical, scientific, and organizing genius, thousands of others have sunk fortunes in the business. Seven hundred and eighteen companies have failed or gone out of business during the last five years. One hundred and thirty-three of these companies have failed or gone out of business in the last two years.

MOTOR VEHICLES MANUFACTURING COMPANIES THAT HAVE FAILED OR RETIRED FROM THE BUSINESS SINCE 1912.

Automobile Co. of California, San Francisco, Cal.; Abbott Motor Co., Detroit, Mich. (succeeded by Consolidated Car Co.); Abell Automobile Truck & Manufacturing Co., Newark, N. J.; Abendroth & Root Manufacturing Co., Newburgh, N. Y.; Abersch & Co., Milwaukee, Wis. (retired from automobile business); Acme Motor Car Co., Reading, Pa.; Acorn Motor Car Co., Cincinnati, Ohio; Adams Bros. Co. (The), Findlay, Ohio (reorganized as Adams Truck, Foundry & Machine Co.); Adams Co. (The), Dubuque, Iowa; Acrocar Co., Detroit, Mich.; Akron Motor Car & Truck Co., Akron, Ohio; Allen Kingston Motor Car Co., New York, N. Y.; Alpena Motor Car Co., Alpena, Mich.; Amalgamated Motor Corporation, Alhambra, Cal.; American Cycle Car Co., Bridgeport, Conn. (succeeded by Trumbrill Motor Car Co.); American Commercial Truck (Inc.), Kingston, N. Y.; American Eagle Motor Car Co., Brooklyn, N. Y.; American Locomotive Co., New York, N. Y. (retired); American Manufacturing Co., Chicago, Ill. (succeeded by Partin Manufacturing Co.); American Motor Co., Brockton, Mass.; American Motor Truck Co., Detroit, Mich.; American Motor Truck Manufacturing Co., San Francisco, Cal.; American Motors Co., Indianapolis, Ind.; American Steam Truck Co., Saginaw, Mich.; American Voiturette Co., Detroit, Mich.; Amplex Motor Car Co., Mishawaka, Ind. (reorganized as Amplex Manufacturing Co.); Angus Automobile Co., Nelson, Neb.; Anbut Motor Car Co., Detroit, Mich.; Argo Electric Vehicle Co., Saginaw, Mich. (succeeded by American Electric Car Co.); Armore Motor Car Corporation, New York, N. Y.; Atlantic Vehicle Co., Newark, N. J.; Atlas Motor Car Co., Springfield, Mass.; Automatic Registering Machine Co., Jamestown, N. Y.; Auto-cart Co., Hallowell, Mo.; Auto Motor Co., Columbus, Ohio; Automobile Cycle Car Co., Detroit, Mich.; Automobile Manufacturing & Engineering Co., Traverse City, Mich. (succeeded by Evans Motor Car Co., Nashville, Tenn., also failed); Auto Tri Manufacturing Co., Buffalo, N. Y.; and Avery Co., Peoria, Ill. (business continued).

H. H. Babcock Co. (Inc.), Watertown, N. Y.; Badger Motor Car Co., Columbus, Ohio; Baker-Bell Motor Co., Philadelphia, Pa.; Bantam Motor Co., Boston, Mass.; W. M. Bean, Malden, Mass.; Behlen Sons & Co., Cincinnati, Ohio; Bell Locomotive Works, Yonkers, N. Y. (retired from the business); Bell & Waring Steam Vehicle Co., New York, N. Y.; Bellmore Armored Car & Equipment Co., New York, N. Y.; Belmont Motor Vehicle Co., Castleton, N. Y.; Bonham Manufacturing Co., Detroit, Mich.; Benton Motor Car Co., Benton, Ill.; L. J. Bergdoll Motor Co., Philadelphia, Pa.; Berkshire Motors Co., Pittsfield, Mass.; Bert-viet Motor Car Co., Reading, Pa.; Beat Manufacturing Co., San Leandro, Cal.; Beyster-Detroit Motor Car Co., Detroit, Mich.; Bingham Manufacturing Co., West Park, Ohio; John H. Blacker & Co., Chillicothe, Ohio; B. F. Board Motor Truck Co., Alexandria, Va.; Bond Tri-Car Co., Los Angeles, Cal.; Borland-Grannis Co., Chicago, Ill. (succeeded by American Electric Car Co.); Briggs-Bretroiter Co., Detroit, Mich.; Brightwood Motor Manufacturing Co., Springfield, Mass.; Bree Electric Vehicle Co., Cleveland, Ohio (succeeded by American Electric Car Co.); Bronx Electric Vehicle Co., New York, N. Y.; Brooks Manufacturing Co., Saginaw, Mich. (succeeded by Duryea Manufacturing Co., also out of business); Brooks Motor Car Co., Buffalo, N. Y.; Brown Commercial Car Co., Peru, Ind.; Brown-Sautter Motor Truck Co., Newark, N. J.; Brunn's Carriage Manufacturing Co., Buffalo, N. Y.; Buckeye Wagon & Motor Car Co., Dayton, Ohio; H. H. Bucklen, jr., Motor Truck Co., Elkhart, Ind.; Buffalo Electric Vehicle Co., Buffalo, N. Y.; Burg Carriage Co., Dallas City, Ill.; Burns Bros., Hagerstown, Md.; G. W. Bushnell Press Co., Thompsonville, Conn.; and Byron Motor Co., Pueblo, Colo.

C. de L. Engineering Works, Nutley, N. J.; Cady Co., Canastota, N. Y.; California Automobile Co., Los Angeles, Cal.; California Motor Car Co., Oakland, Cal. (succeeded by Cole California Car Co., also failed); Cameron Manufacturing Co., Beverly, Mass. (succeeded by Cameron Manufacturing Co., West Haven, Conn.); Canton Buggy Co., Canton, Ohio; Carhartt Automobile Corporation, Detroit, Mich.; Carrier Car Co., Dayton, Ohio; Carroll Motor Car Co., Strasburg, Pa.; Case Motor Car Co., New Bremen, Ohio; Cass Motor Truck Co., Port Huron, Mich. (succeeded by Independent Motors Co.); Catsaqua Motor Car Works, Catsaqua, Pa.; Central Car Co., Connerville, Ind.; Century Electric Car Co., Detroit, Mich. (succeeded by Century Manufacturing Co.); Chalfant's Sons, John H., Lenover, Pa.; Champion Motor Car Co., St. Louis, Mo.; Champion Wagon Works, Owego, N. Y.; Chautauque Motor Co., Dunkirk, N. Y.; Chelsea Manufacturing Co., Newark, N. J.; Chester County Motor Co., Coatesville, Pa.; Church-Field Motor Car Co., Sibley, Mich.; Church Motor Car Co., Chicago, Ill.; Chicago Business Car Co., Chicago, Ill.; Chicago Coach & Carriage Co., Chicago, Ill.; Chicago Commercial Car Co., Chicago, Ill.; Chicago Electric Motor Car Co., Chicago, Ill. (succeeded by Walker Vehicle Co.); Chicago Motor Wagon Co., Chicago, Ill.; Cine Motor Car Co., Cincinnati, Ohio; Clark-Carter Co., Jackson, Mich. (succeeded by Cutting Motor Car Co., also out of business); Clark Motor Car Co., Shelbyville, Ind.; Clark Motor Co., Buffalo, N. Y. (succeeded by Buffalo Electric Vehicle Co., also failed); Clark Power Wagon Co., Lansing, Mich.; Cleburne Motor Car Manufacturing Co., Chelburne, Tex.; Cleveland Auto Sales & Manufacturing Co., Columbus, Ohio; Cleveland-Gallon Truck Co., Cleveland, Ohio; Cleveland Motor Truck Co., Cleveland, Ohio; Club Car Co. of America, New York, N. Y.; Coates Commercial Car Co., Goshen, N. Y.; Cosy-Mitchell Automobile Co., Chicago, Ill. (succeeded by Motor Co.); Cohees Automobile Co., Cohees, N. Y.; Colburn Automobile Co., Denver, Colo.; Colby Motor Co., Mason City, Iowa (succeeded by Standard

Motor Co., Minneapolis); Coleridge Commercial Car Co., Detroit, Mich.; Colonial Electric Car Co., Detroit, Mich.; Columbia Electric Co., The Knightstown, Ind.; Columbia Motor Car Co., Hartford, Conn.; Columbia Vehicle Co., Washington, D. C.; Columbus Buggy Co., Columbus, Ohio (succeeded by New Columbus Buggy Co.); Colvia, L. H., Muncie, Ind.; Comet Cycle Car Co., Indianapolis, Ind.; Commercial Motor Car Co., Detroit, Mich.; Commercial Motor Car Co., Sam Houston, Tex.; Commercial Motor Co., Minneapolis, Minn.; Commercial Motor Truck Construction Co., Newark, N. J.; Commercial Motors Co., Chicago, Ill.; Consolidated Motor Car Co., Cleveland, Ohio; Consolidated Motor Car Co., Atlanta, Ga.; Continental Engineering Co., Chicago, Ill.; Continental Motors Corporation, Buffalo, N. Y.; Cooper Machine Works, Brooklyn, N. Y.; Corbin Motor Vehicle Co., New Britain, Conn.; Cortland Motor Wagon Co., Pittsfield, Mass.; Covell Manufacturing Co., Boston Harbor, Mich.; Cowles-MacDovell Pneumobile Co., Chicago, Ill. (succeeded by Pneumobile Motor Car Co., Anderson, Ind., also failed); Crane Motor Car Co., Bayonne, N. J. (succeeded by Simplex Auto Co., New Brunswick); Cray Motor Car Co., Detroit, Mich.; Crescent Motor Car Co., Carthage, Mo.; Crescent Motor Co., The Cincinnati, Ohio; Cricket Cycle Car Co., Detroit, Mich. (succeeded by Motor Products Co.); Criterion Motor Car Co., Kent, Ohio; Crown Commercial Car Co., Louisville, Ky. (succeeded by Hercules Motor Car Co.); Crown Motor Car Co., Louisville, Ky.; Croxton Motor Car Co., Washington, Pa.; Croxton Motor Co., Cleveland, Ohio; and Cutting Motor Car Co., Jackson, Mich.

Dain Manufacturing Co., Ottumwa, Iowa; Daniels Motor Car Co., East St. Louis, Ill.; Dauch Manufacturing Co., Sandusky, Ohio; Davis Flyer Co. (not Inc.), Milwaukee, Wis.; Davis Motor Co., Anderson, Ind.; Day Auto Co., Detroit, Mich.; Dayton Auto Truck Co., Dayton, Ohio (succeeded by Durable Dayton Truck Co.); Dayton Cycle Car Co., Joliet, Ill. (succeeded by Crusader Motor Car Co.); Dayton Electric Car Co., Dayton, Ohio; Dayton Motor Car Co., Dayton, Ohio (bought by Maxwell Motor Co.); Deal Motor Vehicle Co., Jonesville, Mich.; Decatur Motor Car Co., Decatur, Ind. (succeeded by Grand Rapids Motor Truck Co.); De Cross Cy Car Co., Cincinnati, Ohio; De Loach Manufacturing Co., Atlanta, Ga.; De Luxe Motor Car Co., Detroit, Mich.; Denniston Co., Buffalo, N. Y.; De Temple Motors Co., Anderson, Ind.; Detroit Cyclecar Co., Detroit, Mich.; Detroit River Boat & Car Co., Wyandotte, Mich.; Diamond Motor Car Co., Chicago, Ill.; Dixie Motor Car Co., Frederick, Okla.; Doyle's Sons, Austin, Chicago, Ill.; Dragon Automobile Co., Philadelphia, Pa.; Dunlap Manufacturing Co., Columbus, Ohio; Duplex Motor Truck Co., Philadelphia, Pa.; Duquesne Motor Car Co., Pittsburgh, Pa.; Durocar Manufacturing Co., Alhambra, Cal. (succeeded by Amalgamated Motor Corporation, also failed); Duryea Motor Co., Saginaw, Mich.; and Dusseau Fore & Rear Drive Auto Co., Toledo, Ohio.

Eastern Power Truck Co., Providence, R. I.; Eastern Machine Co., South Boston, Mass.; Eclipse Truck Co., Franklin, Pa.; Economy Car Co., Indianapolis, Ind. (succeeded by International Cycle Car Co., New York City, also failed); Economy Motor Car Co., Joliet, Ill.; Edgemont Machine Co., Dayton, Ohio; Edison Electric Vehicle Co., Lawrence, Mass.; Edwards Motor Car Co., Long Island City, N. Y.; Electric Omnibus Co., Troy, N. Y.; Electric Vehicle Co., Louisville, Ky. (bought by Kentucky Wagon Manufacturing Co.); Elgin Light Car Co., Fenton, Mich.; Elk Motor Truck Co., Charleston, W. Va.; Elkhart Motor Car Co., Elkhart, Ind.; Elmer Auto Corporation, Elkhart, Ind.; Elmore Manufacturing Co., Clyde, Ohio (bought by General Motors Co. and discontinued); Emerson Contracting Co., New Brunswick, N. J.; Enterprise Machine Co., Chicago, Ill.; Epperson Commercial Truck Co., St. Louis, Mo.; Erwin Motor & Machine Co., Philadelphia, Pa.; Euclid Motor Car Co., New York City, N. Y.; Evans Motor Car Co., Detroit, Mich.; Everts Machine Co., Hartford, Conn.; Evansville Automobile Co., Evansville, Ind.; Everitt-Metzger-Flanders Co., Detroit, Mich.; Erbank Electric Transportation Co., Portland, Oreg.; and Ex-Cel Motor Truck Co., Jamesburg, N. J.

F. A. L. Auto Co., Chicago, Ill.; F. S. Motors Co., West Allis, Milwaukee, Wis.; Falcon Cyclecar Co., Staunton, Va.; J. D. Fato Co., Plymouth, Mich.; W. H. Fauber, New York City, N. Y.; Fewick Motor Car Co., Sioux Falls, S. Dak.; Fenton Cyclecar Co., Fenton, Mich. (succeeded by Koppin Motor Car Co., Detroit, also failed); Findlay Carriage Co., Findlay, Ohio (succeeded by Grant Motor Co.); Findlay Motor Co., Findlay, Ohio; C. J. Fischer Co., Detroit, Mich.; Flagler Cyclecar Co., Chicago, Ill. (in receiver's hands); Flanders Electric (Inc.), Pontiac, Mich.; Flanders Manufacturing Co., Chelsea, Mich.; Flanders Motor Co., Detroit, Mich.; Flyer Motor Car Co., Detroit, Mich.; Fort Wayne Auto Manufacturing Co., Fort Wayne, Ind.; Franklin Boller Works, Troy, N. Y.; and Fuller Power Truck Co., Delphos, Ohio.

G. J. G. Motor Car Co., White Plains, N. Y.; Gage Manufacturing Co., Los Angeles, Cal. (succeeded by Union Car Co.); Gaylord Motor Car Co., Gaylord, Mich.; General Industrial & Manufacturing Co., Indianapolis, Ind.; Geneva Auto Co., Geneva, N. Y.; Grabowsky Power Wagon Co., Detroit, Mich.; Grand Rapids Motor Truck Co., Grand Rapids, Mich. (succeeded by Parcel Post Equipment Co.); Grant-Lees Machine Co., Cleveland, Ohio; Great Southern Auto Co., Birmingham, Ala.; Greyhound Auto Co., Orange, Mass.; Greyhound Cycle Car Co., Toledo, Ohio (succeeded by States Motor Car Co., also out of business); and Grant Automobile Co., Orange, Mass.

Haborer & Co., Cincinnati, Ohio; James T. Halsey, Philadelphia, Pa.; B. E. Harris, Chicago, Ill.; Hart-Kraft Motor Co., York, Pa.; Hatfield Auto Truck Co., Elmira, N. Y.; Hauber Wagon & Auto Works, St. Marys, Iowa; Havers Motor Car Co., Port Huron, Mich.; Hawkins Cycle Car Co., Xenia, Ohio; Hayward Wagon Co., Newark, N. J.; Heine-Velez Agency, San Francisco, Cal.; Henderson Motor Car Co., Indianapolis, Ind.; Henry Motor Car Co., Muskegon, Mich.; Hercules Motor Truck Co., Boston, Mass.; Hercules Motor Truck Co., Detroit, Mich. (succeeded by Alma Motor Truck Co.); Hercules Motor Truck Co., Grove City, Pa.; Herman Bros., Chicago, Ill. (succeeded by Tulsa Automobile Manufacturing Co.); Hermes Motor Car Co., Cincinnati, Ohio (succeeded by De Grose Cycle Car Co., also failed); Herreshoff Light Car Co., Troy, N. Y.; Herreschoff Motor Co., Detroit, Mich.; Hester Motor Truck Co., New York, N. Y. (succeeded by Roland Gas Electric Co., also failed); Hoff Motor Car Co., La Crosse, Wis.; Holly Motor Co., Mount Holly, N. J.; Norner Handy Wagon Co., Detroit, Mich.; Howard Motor Car Co., Connersville, Ind.; Howe Engine Co., Indianapolis, Ind. (business continued); and Haselton Motor Car Co., Butler, Pa.

Ideal Motor Car Co., Indianapolis, Ind. (succeeded by Stutz); Imperial Automobile Co., Jackson, Mich. (succeeded by Mutual Motors Co.); Imperial Electric Motor Co., Philadelphia, Pa.; Independence Motor Co., Hyattsville, Md.; Independent Harvester Co., Plano, Ill.; Indiana Motor & Manufacturing Co., Franklin, Ind. (succeeded by Martindale & Milliken); International Cycle Car Co., New York City,

N. Y.; Inter-State Automobile Co., Muncie, Ind. (still in business); and Ivey Motor Truck Co., Buffalo, N. Y.

J. & M. Motor Car Co., Lawrenceburg, Ind.; Jarvis-Huntington Automobile Co., Huntington, W. Va.; Jefferson Motor Car Co., Detroit, Mich.; Jenkins Motor Car Co., Rochester, N. Y.; Jewell Carriage Co., Cincinnati, Ohio; Joerast-Thies Motor Car Co., St. Paul, Minn.; Johnson Service Co., Milwaukee, Wis.; Joliet Automobile Truck Co., Joliet, Ill. (succeeded by Dayton Cycle Car Co.); and Jones Cycle Car Co., Maloon, Detroit, Mich.

K-D Motor Co., Boston, Mass.; KaDix Motor Truck Co., Newark, N. J.; Kalamazoo Motor Vehicle Co., Kalamazoo, Mich. (succeeded by Columbia Motor Truck & Trailer Co., Pontiac, Mich.); Kanawha Automobile Truck Co., Charlestown, W. Va. (succeeded by Elk Motor Truck Co., also failed); Kansas City Vehicle Co., Kansas City, Mo.; Kaufman Buggy Co., Miamisburg, Ohio; Kecten Motor Co., Detroit, Mich.; Koenen Manufacturing Co., Long Beach, Cal. (formerly Koenen Motor Truck Co., also failed); Kendle Motor Car Co., Philadelphia, Pa.; Kenmore Manufacturing Co., Chicago, Ill.; Kimball & Co., Chicago, Ill. (retired); Kinnear Manufacturing Co., Columbus, Ohio; Kirby Motor Car Co., Detroit, Mich.; Kline Motor Car Corporation, Richmond, Va., and York, Pa. (resumed); Knickerbocker Motor Truck Co., New York City, N. Y.; Knox Automobile Co., Springfield, Mass. (succeeded by Knox Motors Co.); Kopp Motor Truck Co., Buffalo, N. Y.; Koppin Motor Co., Detroit, Mich.; Kratzer Automobile Co., Allentown, Pa.; O. F. Kress & Son, Lawrence, Mass.; Krickworth Motor Truck Co., Chicago, Ill. (succeeded by the Krick Co.); and Kritt Motor Car Co., Detroit, Mich.

L. A. W. Motor Truck Co., Findlay, Ohio; L-P-C Motor Co., Racine, Wis. (receiver); Lagerquist Carriage & Automobile Co., Des Moines, Iowa; Lane Motor Vehicle Co., Poughkeepsie, N. Y.; Lanpher Carriage & Automobile Co., Carthage, Mo.; Lansden Co., Newark, N. J.; La Vigne Cycle Car Co., Detroit, Mich.; Lewis Motor Truck Co., Oakland, Cal.; Lexington Motor Car Co., Connersville, Ind. (succeeded by Lexington-Howard Co.); Light Commercial Car Co., Marietta, Iowa; Light Motor Truck Co., Detroit, Mich.; Linfrank Motor Manufacturing Works, Brooklyn, N. Y.; Little Motor Car Co., Flint, Mich. (succeeded by Republic Motor Co.); Lincoln Motor Car Co., Lincoln, Ill.; Lincoln Motor Car Works, Chicago, Ill.; Lincoln Motor Truck Co., Sacramento, Cal.; Lion Motor Car Co., Adrian, Mich.; Longest Bros. Co., Louisville, Ky.; Los Angeles Cyclecar Co., Los Angeles, Cal.; and Los Angeles Motor Truck Manufacturing Co., Los Angeles, Cal.

M. & P. Electric Vehicle Co., Detroit, Mich.; McCord Auto Co., Chicago, Ill.; McIntyre Co., W. H., Auburn, Ind.; MacInnie Bros., Toledo, Ohio; Manistee Motor Car Co., Manistee, Mich.; Marathon Motor Works Co., Nashville, Tenn.; Marquette Motor Car Co., Marinette, Wis.; Marion Motor Car Co., Indianapolis, Ind. (succeeded by Mutual Motors Co.); Marquette Motor Vehicle Co., Chicago, Ill.; Martin-Coulter Co., Pittsburgh, Pa.; Mason Motor Co., Waterloo, Iowa; Matheson Auto Co., Wilkes-Barre, Pa.; Maxim Tri-Car Manufacturing Co., Port Jefferson, N. Y.; Maxwell-Briscoe Motor Co., Tarrytown, N. Y.; Megow, C. F. Co., Milwaukee, Wis.; Mechanics Machine Co., Rockford, Ill.; Merchants Automobile Co., Chicago, Ill.; Mercury Cyclecar Co., Detroit, Mich.; Mercury Motor Co., Long Island City, N. Y.; Meteor Motor Car Co., Battendorf, Iowa; Meteor Automobile Co., Mount Vernon, N. Y.; Metropolitan Motors Corporation, Port Jefferson, N. Y.; Metropolitan Automobile Co., Chicago, Ill.; Michaelson Motor Truck Co., Minneapolis, Minn.; Michigan Auto Co., Kalamazoo, Mich.; Michigan Buggy Co., Jackson, Mich.; Michigan Motor Car Co., Kalamazoo, Mich.; Michigan Steam Motor Co., Detroit, Mich.; Middleboro Automobile Exchange, Middleboro, Mass.; Middleby Automobile Co., Reading, Pa.; Midland Motor Car Co., Moline, Ill.; Mier Carriage & Buggy Co., Ligonier, Ind.; Miller Car Co., Detroit, Mich. (now Kosmeth Co.); Miller Machine Co., Defiance, Ohio; Milwaukee Auto Truck Co., Milwaukee, Wis.; Milwaukee Cycle Car Co., Milwaukee, Wis.; Missouri Motor Car Co., St. Louis, Mo.; Modern Motor Truck Co., St. Louis, Mo.; Monarch Motor Co., Detroit, Mich. (succeeded by Monarch Motor Car Co.); Moore Motor Truck Co., Philadelphia, Pa.; Moore Motor Truck Co., The Toledo, Ohio; (removed to Waterville, Ohio; out of business); Moore Motor Truck Co., F. L., Los Angeles, Cal. (succeeded by Pacific Metal Products Co.); Mora Power Wagon Co., Cleveland, Ohio; Morgan Motor Truck Co., Worcester, Mass.; Morse Motor Car Co., Brookline, Mass.; Motokart Co., Tarrytown, N. Y. (reorganized as Motokart Manufacturing Co., New York); Motor Car Manufacturing Co., Indianapolis, Ind. (succeeded by Pathfinder Co.); Motor Conveyance Co., Milwaukee, Wis.; Motor Truck Co., St. Paul, Minn.; Motor Vehicle & Marine Construction Co., Sewaren, N. J.; Motor Wagon Co. of Detroit, Detroit, Mich.; Muelhauser Machine Co., Cleveland, Ohio; Multiplex Manufacturing Co., Berwick, Pa.; and Muncie Motor Truck Co., Muncie, Ind.

Nauman Co., Milwaukee, Wis.; Nelson-Brennan-Peterson, Detroit, Mich.; New Columbus Buggy Co., Columbus, Ohio; New Departure Manufacturing Co., Bristol, Conn.; New Primo Motor Works, Atlanta, Ga.; New York Motor Wagon Works Co., Avondale, N. J.; Newark Automobile Manufacturing Co., Newark, N. J.; Nonpareil Motor Truck Co., Newark, N. J.; Norwalk Motor Car Co., Martinsburg, W. Va.; and Nyberg Automobile Works, Anderson, Ind.

O. K. Motor Truck Co., Detroit, Mich.; Ohio Falls Motor Co., New Albany, Ind.; Ohio Motor Car Co., Cincinnati, Ohio (succeeded by Crescent Motor Co., also failed); Oklahoma Motor Truck Co., Tulsa, Okla.; Oliver Motor Truck Co., Detroit, Mich.; Omaha Motor Car Co., Omaha, Neb.; Omaha Tractor & Engine Co., Omaha, Neb.; Only Car Co., New York, N. Y.; Orson Automobile Co., New York City, N. Y.; Otto-Mobile Co., Mount Holly, N. J.; S. Overholt Co., Galesburg, Ill.; Owego Car Co. (Inc.), Owego, N. Y.; and Owosso Motor Co., Owosso, Mich.

P. H. P. Motor Truck Co., Westfield, Mass.; Packers Motor Truck Co., Wheeling, W. Va.; Paige-Detroit Motor Car Co., Detroit, Mich. (resumed); Palmer & Singer Manufacturing Co., Long Island City, N. Y.; George W. Parsons Co., Newton, Iowa; Partin-Palmer Motor Car Co., Detroit, Mich.; Peninsula Motor Co., Saginaw, Mich. (bought by General Motors Co. and discontinued); Penn Auto Co. (not incorporated); Philadelphia, Pa.; Penn Motor Car Co., Newcastle, Pa.; Penn-Unit Car Co., Allentown, Pa.; Pennsylvania Auto Motor Co., Bryn Mawr, Pa.; Perfix Co., Milwaukee, Wis.; Petrol Motor Car Co., Milwaukee, Wis.; Philadelphia Truck Co., Philadelphia, Pa.; Phipps Electric Vehicle Co., Detroit, Mich.; Phoenix Auto Works, Phoenixville, Pa.; Pickard Bros. Motor Car Co., Brockton, Mass.; Piggins Motor Truck Co., Racine, Wis. (succeeded by Piggins Bros. Motor Truck Co.); Pitt Motor Truck Co., Pittsburgh, Pa.; Pneucar Co., Washington, D. C.; Pitt Manufacturing Co., Hartford, Conn.; Poss Motor Co., Detroit, Mich.; Powell Engine Corporation, Brooklyn, N. Y.; Powercar Automobile Co., Cincinnati, Ohio; Power Vehicle Co., Milwaukee, Wis.;

Pratt, Carter, Sigbee & Co., Detroit, Mich.; Pratt Manufacturing Co., Joliet, Ill.; Premier Motor Manufacturing Co., Indianapolis, Ind. (in receiver's hands); Primo Motor Co., Atlant., Ga.; Prince Motor Car Co., Cleveland, Ohio; Princess Motor Car Co., Detroit, Mich.; Pullman Motor Car Co., York, Pa. (resumed); and Pungs Finch Auto & Gas Engine Co., Detroit, Mich.

Quakertown Auto Co., Quakertown, Pa.
R. C. H. Corporation, Detroit, Mich.; R. & S. Manufacturing Co., Cedar Rapids, Iowa; Rainier Motor Co., New York, N. Y.; Randall Manufacturing Co., Baltimore, Md.; Randolph Motor Truck Co., Flint, Mich.; Ranger Automobile Co., Chicago, Ill.; Rassel Motor Car Co., Toledo, Ohio (succeeded by Toledo Motor Truck Co., also out of business); Read Motor Car Co., Detroit, Mich.; Rector Engineering Co., New York, N. Y.; Red Arrow Auto Co., Orange, Mass.; Red Shield Rustler Power Car Co., Detroit, Mich. (succeeded by Auburn Motor Chassis Co.); Remington Standard Motor Car Co., New York City, N. Y.; Richard Auto Manufacturing Co., Cleveland, Ohio; Richmond Cycle Car Co., Richmond, Va.; Rider-Lewis Automobile Co., Anderson, Ind.; Ritz Cycle Car Co., Sharon, Pa.; Robson Manufacturing Co., Galsburg, Ill.; Rockford Motor Truck Co., Rockford, Ill.; Rodefelf Manufacturing Co., Richmond, Ind.; Rogers Motor Car Co., Richmond, Ind.; Rogers Motor Car Co., Omaha, Nebr.; Roland Gas-Electric Co., New York, N. Y.; and Royal Tourish Car Co., Cleveland, Ohio.

S. G. V. Co., Reading, Pa.; S. M. Motor Co. (Inc.), Detroit, Mich. (succeeded by Benham Manufacturing Co.); Sandusky Auto Parts and Truck Co., Sandusky, Ohio; Savage Factories, M. W., Minneapolis, Minn.; Savage Motor Co., Detroit, Mich.; Sebring Motor Car Co., Sebring, Ohio; Seitz Auto and Transmission Co., Wyandotte, Mich.; Sellers Motor Car Co., Hutchinson, Kans.; Senator Motor Car Co., Pittsburgh, Pa.; Schacht Motor Car Co., Cincinnati, Ohio (succeeded by Schacht Motor Truck Co.); Schmidt Bros. Co., Chicago, Ill.; Schubert Wagon Co., August, Oneida, N. Y.; Schumler Motor Car Co., St. Paul, Minn.; Scioto Auto Car Co., Chillicothe, Ohio; Sharp Arrow Auto Co., Trenton, N. J.; Sibley Motor Car Co., Detroit, Mich.; Simplex Auto Co., New York City, N. Y.; Smith Auto Co., Topeka, Kans.; Smith Co., A. O., Milwaukee, Wis. (retired); Somers Motor Truck Co., Boston, Mass.; Sommer Motor Co., Bucyrus, Ohio; Southern Automobile Co., Fort Worth, Tex.; Southern Auto & Equipment Co., Atlanta, Ga.; Speedwell Motor Car Co., Jackson, Mich.; Spoerer's Sons Co., Carl, Baltimore, Md.; St. Louis Car Co., St. Louis, Mo. (retired); Standard Electric Car Co., Jackson, Mich.; Standard Gas-Electric Power Co., Philadelphia, Pa. (succeeded by Vulcan Motor Devices Co.); Standard Motor Truck Co., Warren, Ohio; Stanley Motor Car Co., Detroit, Mich.; Star Motor Car Co., Ann Arbor, Mich.; Star Motor Car Co., Indianapolis, Ind.; Star Tribune Motor Sales Co., Detroit, Mich. (succeeded by O. K. Motor Truck Co.); Starbuck Auto Co., Philadelphia, Pa. (resumed); Staver Carriage Co., Chicago, Ill.; Steel Swallow Auto Co., Jackson, Mich.; Stephenson Motor Truck Co., Milwaukee, Wis.; Sterling Motor Co., Detroit, Mich.; Stevens-Duryea Co., Chicopee Falls, Mass. (retired); Stickney Co., Chas. A., St. Paul, Minn.; Storage Power Battery Co., San Francisco, Cal.; Streater Motor Car Co., Streater, Ill. (succeeded by Barley Manufacturing Co.); Suburban Motor Car Co., Detroit, Mich. (succeeded by Palmer Motor Car Co.); Sultan Motor Car Co., Springfield, Mass.; Swanson Motor Car Co., Chicago, Ill.; Symonds Auto Truck Co., Chicago, Ill.; and Symonds Motor Wagon Works, Hyde Park, Mass.

Tate Gas-Electric M. V. Co., Jersey City, N. J.; Tegetmeier & Riepo Co., New York City, N. Y.; Tell Manufacturing Co., Medford, Mass.; Terre Haute Motor Co., Terre Haute, Ind.; Thomas Elevator Co., Chicago, Ill.; E. R. Thomas Motor Car Co., Buffalo, N. Y.; Toledo Carriage Woodstock Co., Toledo, Ohio; Toledo Cycle Car Co., Toledo, Ohio; Toledo Electric Vehicle Co., Toledo, Ohio; Toledo Motor Truck Co., Toledo, Ohio; Tone Car Corporation, Indianapolis, Ind.; Frank Toomey & Co., Newark, N. Y.; Tractor Engine Co., Trenton, N. J.; Traveler Auto Co., Evansville, Ind.; Traveler Motor Car Co., Detroit, Mich.; Tribune Motor Co., Detroit, Mich.; Triumph Manufacturing Co., Detroit, Mich.; Tuller Manufacturing Co., Kansas City, Mo.; Tulsa Auto & Manufacturing Co., Tulsa, Okla.; Twin City Motor Car Co., St. Paul, Minn.; and Twombly Car Corporation, New York, N. Y.

Union Motor Truck Co., San Francisco, Cal.; Universal Machinery Co., Milwaukee, Wis.; Universal Motor Co., Denver, Colo.; Universal Motor Co., Washington, Pa.; Universal Motor Truck Co., Detroit, Mich. (succeeded by Universal Service Co.) and United States Motor Constituent Co.'s (reorganized as Maxwell Motor Co.); Alden-Sampson Manufacturing Co., Detroit, Mich.; Brush Runabout Co., Detroit, Mich.; Columbia Motor Car Co., Hartford, Conn.; Courier Car Co., Dayton, Ohio.; Dayton Motor Car Co., Dayton, Ohio.; Maxwell-Briscoe Motor Co., Newcastle, Ind.; Maxwell-Briscoe Motor Co., Providence, R. I.; and Maxwell-Briscoe Motor Co., Tarrytown, N. Y.

V-C Motor Truck Co., Lynn, Mass.; Van Anken Electric Car Co., Chicago, Ill.; Van I. Commercial Car Co., Grand Rapids, Mich.; Van Motor Car Co., Grand Haven, Mich.; Van Motor Wagon Co., Elgin, Ill.; Vandewater & Co., Elizabeth, N. J.; Vaughn Motor Car Co., Kingston, N. Y.; Victor Automobile Co., Ridgeville, Ind.; Victor Motor Truck Co., Buffalo, N. Y.; Victor Motor Car Co., St. Louis, Mo.; Victory Motor Car Co., San Jose, Cal.; Vulcan Manufacturing Co., Painesville, Ohio; and Vulcan Motor Car Co., Detroit, Mich.

W. F. S. Motor Car Co., Philadelphia, Pa.; Wade Commercial Car Co., Holly, Mich.; Wagenhale Motor Co., Detroit, Mich.; Wahl Motor Car Co., Detroit, Mich.; Waller Motor Truck Co., Minneapolis, Minn.; Ware Motor Vehicle Co. (not inc.), St. Paul, Minn. (succeeded by Twin City Four-Wheel Drive Co.); Warwick Motors Co., Newark, N. J.; Warren Motor Car Co., Detroit, Mich.; Wasatch Motor Manufacturing Co., Salt Lake City, Utah; Washington Motor Vehicle Co., Washington, D. C. (succeeded by Columbia Vehicle Co., also failed); Waterville Tractor Co., Waterville, Ohio; Wayne Light Commercial Car Co., New York, N. Y.; the Webb Co., Allentown, Pa.; Webb Motor Fire Apparatus Co., St. Louis, Mo.; Weber Auto Truck Manufacturing Co., Louisville, Ky.; Weber Motor Vehicle Co., Louisville, Ky.; Welch Motor Car Co., Pontiac, Mich. (bought by General Motor Co. and discontinued); Wenonah Motor Car Co., Bay City, Mich.; Westfield Motor Truck Co., Westfield, Mass.; Westman Motor Truck Co., Cleveland, Ohio; Westone Cycle Car Co., Los Angeles, Cal. (succeeded by Homer Laughlin Engine Corporation); White Star Motor & Engine Co., Brooklyn, N. Y.; White-side Commercial Car Co., Newcastle, Ind.; Whitmore & Co., Dayton, Ohio; the Whitwood Corporation, Weedsport, N. Y.; Whyland-Nelson Motor Car Co., Buffalo, N. Y.; Willet Engine & Truck Co., Buffalo, N. Y.; Winkler Bros. Manufacturing Co., South Bend, Ind.; Woodburn Automobile Co., Woodburn, Ind.; Woodworth Motor Truck Co., Providence, R. I.; Woolston Auto Transfer Co., Riverton, N. J., and Wyckoff, Church & Partridge, Kingston, N. Y. (succeeded by Vaughn Car Co., also failed).

It must not be forgotten that there are at the present time 438 manufacturers of automobiles and automobile trucks in the United States. Of this number 12 corporations manufacture 80 per cent of the entire output. Had the Committee on Ways and Means made an investigation of the situation they would have found that a large number of automobile companies have not earned during the past year net profits sufficient to pay a 5 per cent tax on gross sales. In the automobile business in prosperous times the gross sales are about double the capital invested in the business. In order therefore to pay a gross sales tax of 5 per cent the company would have to make at least a net profit of 10 per cent on the actual capital invested. Many automobile manufacturers have never done this. The Committee on Ways and Means have made no investigation of the matter and have no facts which they can give the House, except in the case of a few large companies, respecting the ability of automobile manufacturers to pay a tax of 5 per cent on gross sales.

But it is said that the automobile manufacturers will add the 5 per cent gross-sales tax to the selling tax of the car and thereby pass the tax on to the consumer. This is very much more easily said, however, than done. No doubt the automobile manufacturer in most cases will add the tax to the selling price of the car if he can do so. General conditions of business, however, will determine very largely the advisability of attempting to increase the price of the car by the amount of the tax. The automobile business is apparently the first industry in the country to feel the effects of a general policy of curtailment and caution pervading the business world since our entry into the European war. A large percentage of the purchasers of automobiles of a grade ranging from \$750 and upward are car owners already. Had there been no agitation in the country for curtailing expenses, there would probably have been the usual activity in the automobile market. Dealers throughout the country, however, are now reporting that many customers who had planned on buying new cars have decided to use the old cars another year. At any rate, dealers report that there has been a tremendous falling off in sales during the past few weeks. Obviously, under such conditions, it would not be an easy matter to further advance the price, as such action would undoubtedly result in further discouraging sales. From present indications there is bound to be a serious falling off in the volume of business until war conditions become settled and until many of the business uncertainties occasioned by our entrance into the war have cleared away. If this falling off of business becomes too serious, embarrassment is likely to overtake many of the smaller automobile companies, as well as the manufacturers of parts who supply the material. The automobile manufacturer has placed his orders for parts based upon a certain estimated production. The parts manufacturer has placed his order for materials based upon orders received or expected from the automobile manufacturer. The material is made up according to special design, and in most cases is useless except for the company which placed the order. Ordinary business intelligence is all that is needed to comprehend the fact that if you seriously interfere with production at the top you will set in motion a chain of disaster reaching back to the manufacturer of parts, to the jobber of material, to the mill producing the material, to the banker furnishing the credit, and on to the forest and the mine.

This is a rather serious time for the automobile industry. It is serious with or without the proposed tax on gross sales. The anxiety among the manufacturers is sincere and should not be lightly passed over by Congress. It is possible that a great manufacturer like Mr. Ford could absorb this tax. Mr. Ford indeed might consider it to be his patriotic duty to do so. His great corporation buys in large quantities and is efficiently organized in every branch of his business. He makes great savings in freight by scattering assembling plants throughout the country. He buys his material under the most favorable conditions, and as a rule discounts his bills for cash. He might be able and willing to absorb this tax. But the smaller manufacturer, operating in a much more expensive way, with a vastly increased overhead expense per car, might find himself in a position where he could not absorb the tax without bankrupting his business. On the other hand, if he adds the tax to the selling price of his car, his competitor, who has not increased the price of cars, may take away his customers and thus destroy his business. If the Committee on Ways and Means had deliberately set out to ruin the small automobile companies and throw their business to a few great concerns, they could not have selected a better instrument to accomplish that purpose than this bill. If this bill becomes a law, it will give an impetus to a movement to consolidate and monopolize a great industry, which is now one of the most highly com-

petitive industries in America. No such action as this should be taken by Congress. Or if it is to be taken, it should be only after careful investigation and thorough inquiry into all the conditions surrounding this great industry.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KELLEY of Michigan. I will take five minutes more.

Mr. NORTON. Will the gentleman yield?

Mr. KELLEY of Michigan. My time is so short I am sorry that I can not. I know my friend from North Dakota will excuse me.

I want to remind the Democratic side of the House that they have always professed to be enemies of monopoly. The way you vote on this proposition will be a test of your sincerity. A large number of automobile companies have never been able to make a net profit of 5 per cent upon their gross sales. Such companies will be driven out of business under the provisions of this bill. The automobile business is practically the only great industry that is not to-day in the hands of a monopoly. The men in the automobile business have themselves set their faces against monopoly. If the smaller concerns are forced out of business by excessive taxation, there will be nothing left for them to do except to knock at the door of the big corporations and say, "Take us in in order that we may avoid financial ruin." No such situation should at least be created by operation of law. The Democratic side of this House ought not to permit this legislation to go through.

And as for the Republican side of the House, I should like to inquire when we started in destroying American business and American enterprise without investigation and without inquiry? When did it become the policy of the Republican Party to pass legislation, the effect of which we know nothing? It has been our boast all the years that we were in power that we were the friends of labor and capital and that we wanted industry to flourish in the country. I see before me the distinguished ex-Speaker of the House [Mr. CANNON]. In all the 40 years that he has been a Member of this body I do not believe that he has ever before seen Republican members of the Ways and Means Committee subscribe to a bill aimed at a great industry employing hundreds of thousands of men and having an annual output of more than a billion dollars, without taking one line of testimony or without being able to give the House any facts which can justify the proposed action. We Republicans at least ought to stand by our historic policy of supporting and protecting American industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KELLEY of Michigan. Just for a minute. When the Republican Party came into control in this country we were a purely agricultural people, but under our policies the country has grown and prospered until it is the greatest manufacturing, the greatest mining, and the greatest agricultural country in the world. Under our policies of protecting, building up, and fostering industry in America this country has come up from the lowlands until it now occupies a commanding place among the nations of the world. [Applause.] As Republicans let us stick to our historic policy of taking care of the Nation's industries and guarding the welfare of the millions of men in their employ. [Applause.]

What, then, should be done in the matter? What am I asking the House to do at this time? Simply to treat the automobile industry just like every other great industry of the Nation. The automobile companies ask no special favors. They are entirely willing to do their full share in providing funds for carrying on the war. They ask nothing further than that they may be permitted to contribute on the same bases as the United States Steel Corporation, the Bethlehem Corporation, the sugar-refining corporations, the great packing houses of Chicago and Omaha, the Standard Oil Co., the International Harvester Co., and other great industrial institutions. There is no reason why any of these great corporations should be given more favorable consideration than the automobile industry.

In conclusion I desire to remind the House that we are just starting in upon a great war, and it is important that we shall conserve and hold together all the industries of the Nation. While individuals and corporations must contribute generously toward the expenses of the war, the utmost care should be exercised to collect the necessary revenue with the least possible disturbance to business. Let the Government take this year such part of the profits of industry as may be needed. Next year it may be necessary to take a larger part than this year. Before the war is over it may be necessary to take all the profits of industry or even to take capital itself. But at the very beginning of the war let us see to it that no great industry is destroyed, but that all are conserved and built up in order that all present and

future demands for funds to prosecute the war may be quickly and easily supplied. [Applause.]

Mr. MADDEN. Mr. Chairman, I would like to have 5 or 10 minutes, if there is any time left.

Mr. KELLEY of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. MADDEN. Mr. Chairman, when I was a boy, I can remember very well that every street leading out of the center of the city of Chicago was lined with beautiful shops, in which were employed the boys and the girls of the neighborhood. Each shop dealt in a different sort of commodity. We had the harness shop, the dry-goods shop, the shoe shop, the gent's furnishing goods, the hat store, and so on. All the property on the streets where these shops were located had good value. It was a good tax-paying property. The customers of the shops which lined these streets were the people who lived in the neighborhood. Each shop employed anywhere from 5 to 10 or more young men and young women. Their trade and their success depended in a large measure upon their habits and upon the friendly interest which the people of the neighborhoods took in them.

Later on the great department stores began to be established, and very soon after that began to be the case first one and then another of these little-shop keepers was obliged to abandon his business. He was compelled to apply to a department store for a position as manager of a department. The boys and girls whose morals had been looked after by the people of the neighborhood in which they lived and in which they were employed found themselves compelled to go and take employment in those department stores. When they found employment in those establishments they found themselves compelled to take half the compensation which they had formerly received. They were checked into the store every morning like pieces of baggage and checked out of the store every night in the same way. Nobody knew them. They were known only by a number. Their moral welfare was not looked after. They were allowed to run at large to find the means by which they could support themselves in addition to the meager sums which they received for their work.

The tax that is now proposed to be imposed upon the automobile industry of the United States will produce exactly the same sort of a condition that was produced by the change which I have described. You are going to center the automobile business, which is now scattered all over the United States, and transfer it from the hands of individual owners into the control of two or three or four or five great capitalists, and the men and women who are employed by the individual owners to-day will find themselves compelled to walk the streets looking for employment. You are going to create a monopoly in this line of industry such as we have not seen before in this country in a given line; and yet you claim you are in favor of doing away with monopoly, granting special privileges to no person and to no corporation. Still you are driving every independent operator who employs his capital and labor throughout the country in this great industry out of the business in which he is engaged.

You are imposing a gross-sales tax upon this great industry, and by the terms of the bill through which you impose it you compel the man who pays the tax to pay it without any opportunity whatever of charging it against his business. If he builds an automobile that costs him \$900, and he sells it for \$1,000 and is compelled to pay a tax of \$150, he is not permitted to charge this \$150 as a part of his expenses, and so he loses \$50 between the making of the automobile and its sale, and you have put him out of business, and you have destroyed the opportunity of the Government of the United States to collect the tax on the excess profits which he otherwise would have made. You have destroyed the man, destroyed his opportunity for success, you have destroyed the opportunity of the men and the women employed by him to make a livelihood, you have destroyed the chance of the Government of the United States to collect the money necessary to finance the war. This is an unjust and unjustifiable tax and ought by every sense of justice to be stricken from the bill. [Applause.]

Mr. KITCHIN. I yield five minutes to the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Chairman, this item in this bill yields the enormous sum of \$68,000,000.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. KELLEY of Michigan. I should like to know on what basis the gentleman figures that \$68,000,000. The whole gross automobile sales were \$1,000,000,000.

Mr. DOREMUS. Eight hundred and forty million.

Mr. KITCHIN. If the increase continues this year as it did last year, and as it has from January 1 to April 16 of this year, it will exceed that sum.

Mr. KELLEY of Michigan. Does not the gentleman have to assume that the automobile business will increase this year as it did last year in order to obtain that sum.

Mr. RAINEY. I will explain that. In 1914, when the unit value of automobiles was about the same as it is now, the output of automobiles from 338 establishments in the United States—and that was the number of them in that year—was 573,114. We have reliable statistics of the output for 1909, and it was 127,287 automobiles. In 1909 there were 315 establishments. In other words, in the five years from 1909 to 1914 there was an increase in the number of establishments engaged in the automobile industry of 23, and there was an increase in their output of nearly 400 per cent. In 1916 we had 454 establishments engaged in the manufacture of automobiles, and their output was 1,303,400 automobiles, an increase in output in seven years of over 1,000 per cent.

The statement has been made on the floor that in the last five years a number of establishments engaged in the manufacture of automobiles have gone out of business, but the fact remains that from 1909 to 1916 there has been an increase in the number of establishments of from 315 in 1909 to 454 in 1916.

The value of the automobiles manufactured in 1909 was \$165,099,400. In five years the value of the output was increased until the aggregate value amounted to \$465,042,000. But in 1916 this industry, which they say is in danger if we place this tax upon it, manufactured and placed on the market automobiles to the value of \$1,000,069,000. If the ratio of increase in the output of automobiles continues in the future as in the past few years, we will get much more than the experts estimate we will be able to get out of this industry.

Stand on any one of the magnificent boulevards of this city and count the automobiles as they pass. Yesterday I was on Sixteenth Street in this Capital City, and going in each direction there was a continual procession of automobiles for hours during the pleasant sunshine of yesterday afternoon, thousands and thousands of them passing, and not one in one hundred engaged in commercial business. Practically every one of them was out for pleasure riding. Now, of course, that was Sunday, but you can go out this afternoon and you will find the same number of automobiles driving up and down any one of these boulevards here in this Capital City, and if you pick them out as you pass you will find that on week days not ten out of every one hundred will be engaged in trips for anything except pleasure. Men living in the suburbs of this city along street car lines are driving to their business every day in automobiles, consuming in gasoline and lubricating oils alone for each trip more than their street car fare would amount to if they came in on a street car. Automobiles are still to a very large degree luxuries, and this industry, so well able to stand it, ought not to escape this tax.

Mr. DOREMUS. Will the gentleman yield for a question?

Mr. RAINEY. Yes; I yield to my friend.

Mr. DOREMUS. Of all the automobiles that the gentleman saw upon the boulevard yesterday, was there one of them that is subjected to a dollar of taxation under this bill?

Mr. RAINEY. I am calling attention to the fact that the American people are tremendous consumers of automobiles, and they do not care particularly how much those machines cost. Expenses in connection with the purchase of automobiles and their operation do not deter the American people in these prosperous times, destined to become still more prosperous as we expend these billions of money—

Mr. HULBERT. Will the gentleman yield for a question?

Mr. RAINEY. Yes; for a question.

Mr. HULBERT. I probably owned one of the automobiles that the gentleman saw on Sixteenth Street yesterday. I pay a tax on that automobile to the State of New York of \$15 per year. As far as I can see, I will not pay any tax under this bill. I would be very glad if my automobile and all other automobiles in use now were taxed for horsepower. [Applause.] But what I would like to know is this: I would like to know upon what theory the committee framed this bill and provided for a tax of 5 per cent upon motor trucks and automobile wagons used for commercial pursuits, not of the character that the gentleman saw on Sixteenth Street yesterday, and at the same time exempted motor boats used for commercial purposes from the payment of any tax?

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield right there?

Mr. RAINEY. Yes.

Mr. GREEN of Iowa. To relieve the mind of my friend from New York, I will say that he will find that under the provisions of this bill he will be taxed on his automobile.

Mr. HULBERT. I should like to have the gentleman indicate the section which imposes the tax.

Mr. GREEN of Iowa. He will have to pay about \$10 each year on tires.

Mr. HULBERT. On tires?

Mr. GREEN of Iowa. Yes.

Mr. HULBERT. But you have not got any provision in the bill taxing the automobile for horsepower, and I should like to see a provision of that character.

Mr. RAINEY. I will say to the gentleman that his automobile will probably wear out in a year or two, and he will then have an opportunity to buy another.

Mr. HULBERT. I have not got that kind of a car.

Mr. RAINEY. And when he buys another car he will have an opportunity to pay this tax that he so patriotically expresses himself as willing to pay. And so every man in this country who expends from \$360 up to thousands of dollars for an automobile will have the opportunity hereafter to pay this tax if the automobile owners refuse to pay it out of their profits and pass it on to him. We consumed in this country in 1916, 20,000,000 barrels of gasoline in the operation of automobiles alone, more than we consumed in any other year, and the cost of gasoline had gone up 70 per cent. It makes no difference to the owner of an automobile whether gasoline costs him 15 cents a gallon or 25 cents a gallon, he uses exactly as much and accomplishes just as much mileage.

Mr. HULBERT. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. HULBERT. I propounded an inquiry to the gentleman in regard to the discrimination between the automobile trucks for commercial purposes, which are taxed, and motor boats used for commercial purposes, which are not taxed. I would like to know if the gentleman in this time has had an opportunity to consider and answer the question?

Mr. RAINEY. If I have the time I will discuss motor boats, but we are now discussing automobiles.

Mr. HULBERT. Why are the automobile trucks and wagons used for commercial purposes taxed?

Mr. RAINEY. Because they can stand this tax. A man who is willing and able to go to the more expensive and more convenient and more profitable way of carrying on his business is able to pay this increased cost made necessary by this bill.

Mr. HULBERT. One more brief question. Do you remit or omit the tax on motor boats used for commercial purposes because they can not stand the tax?

Mr. RAINEY. The gentleman, if he knows anything about motor boats, knows that the question of what a motor boat is is a pretty difficult proposition. When you put a motor in a boat it is a motor boat. The little fisherman who operates a boat that costs him \$8 or \$10 in a western river puts in a movable motor to operate his boat. Does the gentleman want to reach a little boat made out of planks operated by a fisherman engaged in catching the fish that makes living cheaper in the city of the gentleman from New York [Mr. HULBERT] in order to gratify any desire he may have for war revenue?

Mr. HULBERT. The gentleman does not make any distinction other than the fact that he is not able to define what a motor boat is, but I call his attention to the fact that where they are used for pleasure purposes—

Mr. RAINEY. It makes no difference, so far as my discussion is concerned, whether we reach down and get every kind of a motor boat or not. The fact remains that as to this industry it is demonstrated that it is able to stand it in this war period. We will probably collect a tax of over \$68,000,000 on account of this item, and it will not injure the industry of manufacturing automobiles in this country in the least. Men will buy just as many cars as they ever did before, and they are willing to pay more.

Mr. MEEKER. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. MEEKER. The gentleman from Michigan said the other day that there has been no investigation on the part of your committee as to whether or not these men could stand this tax.

Mr. RAINEY. If the figures I have given do not convey to the minds of those present the idea that an industry which has increased its output from 1909 to 1916, 1,000 per cent—in seven years from one hundred and sixty-five millions to over a billion

dollars—can stand this tax, then I am afraid I can not make it plain.

Mr. KELLEY of Michigan. Mr. Chairman, I yield five minutes to my colleague [Mr. CRAMTON].

Mr. CRAMTON. Mr. Chairman, I am not going to attempt to add anything in the way of information concerning the output of automobiles and the industry in general to what has been presented to you by my able colleagues, Mr. DOREMUS, Mr. NICHOLS of Michigan, and Mr. KELLEY of Michigan, for they come from districts where many of these factories are located and have well presented the facts. There is not a factory in my district, so that I can not be said to speak for constituents of mine engaged in the manufacture of automobiles, and I shall endeavor for a few minutes to call to your attention some considerations concerning the meaning of this to the automobile industry and to the Nation, and the welfare of the Nation we are all interested in.

The great principle upon which this bill has been framed is that "we need the money." I subscribe to that doctrine so far that I am going to vote for the bill, even though it contains things that I do not relish at all.

But there is another great principle that is paramount even to that, and that is the principle that a method of taxation should not be adopted that will defeat itself, that will ruin an industry, and that will cause disaster to the country when we need to have the country prosperous.

Now, what are the reasons advanced for this particular tax? One, offered by the gentleman from North Carolina [Mr. KITCHIN], urges that it is a tax upon a luxury or a semiluxury. The other has been urged in private conversation and alluded to on the floor by the gentleman from Illinois [Mr. RAINEY] and others—that it is being levied because the automobile manufacturers are making a lot of money. These two reasons contradict one another, and the facts contradict both of them.

First, that the automobile is a luxury. Well, suppose it is a luxury, what is the theory upon which we put taxation upon luxuries? Is it to penalize the manufacturer or to penalize the consumer? Do we put the tax on the man who makes the article or the tax upon the man who uses it because he can afford to pay? We all know that the tax on a luxury should be upon the man who uses the article and can afford to pay. As a matter of fact an automobile is no more an article of luxury or an article of semiluxury than a cake of ice is. The cake of ice the poor man uses, and it is a necessity. The rich man can take it and pack it around his bottle of champagne and it is a luxury. It depends upon the use.

I wish my friend the gentleman from Illinois [Mr. RAINEY] who started out late Sunday afternoon and counted the automobiles—and counted mine four or five times as it went up and down Sixteenth Street—would get out in Detroit early in the morning—impossible, perhaps, at 4 o'clock—and see the men who raise the truck in the truck gardens around Detroit, who drive in 10 or 15 miles. They used to take a horse and start at 12 o'clock midnight and get in there at daylight. Now they leave at 3 o'clock in the morning and are home again at 9 o'clock and do a day's work. Talk about fish and the motor boat; these automobiles bring the garden truck a radius of 10 or 20 miles greater and help to reduce the high cost of living. [Applause.]

I say the automobile is not a luxury. You ask the creamery that collects its cream from the farmers throughout a certain section by automobile trucks instead of by the old team method, when, instead of using the creamery, the farmers' wives set up the pans of milk and skimmed the cream and churned it into butter or made their boys do it, as is my recollection. The automobile is not a luxury except in rare cases, and if you are taxing it as a luxury take the suggestion of the gentleman from New York [Mr. HULBERT] and exempt those that are used for commercial purposes. Again, to speak of that stream going up and down Sixteenth Street yesterday, I was in it more or less, and I saw not only the automobiles of the rich, but I saw some little old "bugs" going up and down there, little old automobiles that go through 40 hands to the present purchaser, a laboring man probably, working for two or three dollars a day, who had his family out for an airing on Sunday, a thing just as necessary to him as anything else. In the bill, when you are treating of the necessities, in Title V you have an express provision that the tax upon them shall be passed on to the consumer. Railroad transportation, freight, electricity, gas, and all those things, must be passed on to the consumer. There is no such provision here; and while our friend from Illinois [Mr. RAINEY] assumes that we will pass this on to the consumer, he does not tell us how it is going to be done. In fact, there is an implication in the bill against it, because it is provided that the manufacturer must himself pay it to the Government. And, furthermore, you exempt the Federal Government and the State

and county governments from any charge for electricity or transportation made as against their agents under Title V. There is an appropriation of \$75,000,000 in one of our appropriation bills here with which to buy automobiles for the Government for war purposes. If this tax is passed on to the consumer, in that one item you have a tax of 5 per cent on \$75,000,000 that is going to be passed on to the Government, and no exemption is provided. Oh, no; they do not expect it to be passed on to the consumer. Furthermore, if it is passed to the consumer and collected by the manufacturer, a minor discrimination arises. The man who manufactures electricity and collects the bill from the customer, for no charge whatever, performs the function of collecting the tax for the Government.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KELLEY of Michigan. Mr. Chairman, I yield the gentleman five minutes more.

Mr. CRAMTON. Mr. Chairman, the man who collects the electric bill turns the tax upon it over to the Government, the 5 per cent, and he does it without charge to the Government for the services. The man who sells an automobile and collects the tax on it for the Government would pay for the privilege of collecting the tax for the Government. If it was a \$1,000 automobile and he passes the tax to the consumer by charging the consumer \$50 more than he would have had to pay ordinarily, then the manufacturer would have to pay a tax, not upon the \$1,000 but upon \$1,050, and instead of paying the Government the \$50 which he collects from the customer, he would pay the Government \$52.50. Oh, you do not intend the tax to be passed on, but it is to be paid by the manufacturer.

Second, they say this is to be a tax upon the profits of the manufacturer. The other day we were talking about electricity and about passing on that charge to the consumer or having it paid by the manufacturer. The gentleman from Missouri [Mr. BORLAND] I think represented the sentiment of the committee perhaps when he said that the reason they did not provide for payment of the tax by the electric or gas company is that a lot of these corporations can not afford to pay it, their charges being fixed. But we know that a lot of those corporations that manufacture electricity and gas are unquestionably monopolies, and some of them have accumulated vast profits by reason of extortionate rates. But notwithstanding that, we say that because some of them are properly regulated and can not afford to pay the 5 per cent, so, in order to protect those who could not afford to absorb the tax, we exempt all of them, the unconscionable monopolies and all. Here is a case where there is no monopoly, where they are not so protected. They are engaged in competition, and still you are not going to protect the little fellow in the automobile industry. You force him to pay a 5 per cent tax on his gross sales.

Further, it has been pointed out how we tax all these automobile manufacturers otherwise in this bill upon their profits. We tax them upon their net income and upon their excess profits, and then we go to the stockholder and we tax him upon his income derived from dividends. But that is not enough in the case of the automobile manufacturer. You are going to tax him 5 per cent on every dollar that he takes in. This is rank discrimination. Why is it, that if I make a million dollars out of a stock-exchange gambling proposition you only tax me on my net income, but if I am engaged in a legitimate industry, the manufacturer of automobiles and automobile trucks, you charge me not only that same tax upon profits and incomes, but you tax me on the money taken in? It is unjust. It is not a question of choice as to which method of taxation you follow as to the automobile concern, because you tax him both ways, both upon his gross business and upon his profits. It penalizes the manufacturer who, by low prices based on small margin of profit, seeks to make his profits large by volume of business.

Furthermore, it is disastrous, because it must decrease the production, and it must tend to further accentuate the business apprehension in this country at this time, and that means financial disaster, and we can not afford that now.

It is not necessary. The committee can meet again, and they can bring in a tax suggested by my colleague, Mr. FORNEY, a stamp tax on bank checks, which at least will bring in two or three times as much as the automobile tax. Then there is the candy industry. Talk about increases! The growth of the candy industry has been phenomenal. In 1909 the candy industry amounted to \$60,000,000 and in 1914 it had gone up to over \$170,000,000. A thriving industry, a luxury, a curb upon its production would serve to conserve our supply of sugar, an important food product, but it is not touched.

I want to urge this upon the Members of this House. You may not come from a State where they make automobiles. My

district does not, but whatever district you come from, there are probably manufacturing concerns in it. If you adopt this policy of taxing the manufacturer upon his gross receipts, before this war gets far, as you get in new taxes, we may tax the manufacturer of furniture, we may tax the manufacturer of farm wagons, the manufacturer of clothing, and of any article which is no more a necessity than the automobile.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. KITCHIN. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, it is easy to vote for an appropriation, it is often easy to vote for bonds, but it is hard often to vote for taxes to pay appropriations. In some instances it is hard to pay the taxes, and I sympathize with some of the complaints that have been made by parties upon whom the taxes which are proposed by this bill will bear hardly. But in this particular instance we have complaints from parties who will not pay the tax and who are simply afraid that they may pay the tax. Now, let me say at the outset, with reference to this kind of a tax, that a tax upon gross receipts, in my judgment, should never be laid in any case except where it will ultimately be borne by the consumer; and for the same reason it follows, in my judgment, that taxes upon gross receipts should not be levied upon necessities unless that tax is levied by reason of extremities in which the Nation finds itself and the absolute necessity for further taxes as a last resort. Now, let us see what the situation is with reference to the automobile industry. The gentleman from Michigan [Mr. DOREMUS] several days ago addressed the House with almost sepulchral mien and gave a tale of the woes of the automobile companies which cast a gloom over the House which has scarcely been dispelled yet. Now, to-day comes my friend, the other gentleman from Michigan, the genial, delightful Mr. KELLEY, who has so often interested and instructed the House and even charmed us by his eloquence, and he, too, objects to this provision in the bill. So far as Mr. KELLEY is concerned, I think his argument is legitimate, and I shall undertake to answer it. So far as the argument made by Mr. DOREMUS is concerned, I shall not answer it myself, but shall simply quote to you some figures. My friend Mr. KELLEY, I think, has an automobile factory in his district, and I am not finding any fault with either of those gentlemen for coming here and presenting the case of the automobile manufacturer. I realize perfectly well that the pressure upon them would be such that it could not be very well avoided, and, indeed, I would be very glad if I could myself join in with them. It is no pleasure to vote for taxes, but let me call attention—

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. KELLEY of Michigan. I wish to say to the gentleman, as far as my district is concerned, if there are any automobile companies of the United States that could stand and absorb a tax of this kind I presume they might do so, because they are like the Ford, the General Motor, the leading automobile companies of the country, but there are scattered all over the United States small companies—

Mr. GREEN of Iowa. I will answer the gentleman on that, if he will permit me. I prefer to do it rather than for him to do so in my time. I find that the Reo Motor Co. is located in the district of the gentleman. I made an investigation not only on the returns of this company but also of a large number of automobile companies, and I will read some of the results, so that the House should have a knowledge of the terrible situation in which these automobile companies have found themselves. If you have tears, prepared to shed them now. Here is the record of the Reo Motor Co.: Dividends, 1906, 35 per cent; 1907, only 80 per cent; 1909, ran down to 60 per cent; 1910, down to 30 per cent; 1913—we will have to have an explanation of this—10 per cent; 1914, 37½ per cent; 1915, 35 per cent; 1916, 10 per cent to July 1. But that is not half the story. In 1906 they paid a 50 per cent stock dividend; in 1908—the figures are blurred, but I think it is 1908—33½ per cent stock dividend; in 1909, 100 per cent stock dividend; in 1914, a 50 per cent stock dividend; in 1916, 100 per cent on January 10, and I do not know how much more since. Now, some new companies have been started up in the automobile industry under great difficulty, as my friend tells us—very hard to get into this business. One of the new companies is the Paige Automobile Co. That was organized in 1910. In addition to the other dividends, they paid 230 per cent in stock dividends. Now they want to sell more stock, and they announce in their advertisements that if you had invested \$1,000 in Paige stock in 1914 it would have been worth—how much? About a thousand—five thousand? Guess again. Ten thousand? Too low. Twenty thousand? Oh, not near enough. If you had bought

a thousand dollars of stock, it would have been worth now \$36,988. Then there is the Willys-Overland Co., which has been spoken of. The gentleman from Michigan [Mr. DOREMUS] intimated that was in rather bad circumstances. This was one of the most prosperous companies, next to the Ford, but the dividends and profits made out of it are not published as by the Ford company. Next to the Ford, more millionaires have been made through the Willys-Overland Co. than through any other company. The stock of this company issued April 1, 1916, was \$15,000,000 preferred, \$22,500,000 common—mostly water, as usual with common stock. On June 14, 1916, the stock was increased to \$75,000,000 of which \$25,000,000 was preferred stock and \$50,000,000 common stock. For the four years ending December 31, 1915, the net profits of that company were over \$25,000,000, and they made about \$11,000,000 last year—

Mr. DOREMUS. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. DOREMUS. Why does not the gentleman tax those immense profits?

Mr. GREEN of Iowa. We are taxing them.

Mr. DOREMUS. You are not taxing them; you are taxing the gross sales.

Mr. GREEN of Iowa. They will have to pay on the excess profits, although there was an amendment offered by my colleague [Mr. Good] the other day that would have exempted them to a large extent.

The Saxon Motor Co. is one of those that makes a car somewhat cheap in price.

Mr. HARDY. Will the gentleman yield for a question?

Mr. GREEN of Iowa. Yes.

Mr. HARDY. Is the gentleman now basing the right to levy this tax solely upon the immense profits earned? If so, why did not the gentleman base it upon some other industries?

Mr. GREEN of Iowa. No; I am not. I am placing it on a logical basis, as I will explain to the gentleman.

Mr. CRAMTON. The gentleman admits that is not a logical basis?

Mr. GREEN of Iowa. I am sorry the gentleman is not able to see it at this time, but I hope he will be able to do so before we get through.

Mr. MEEKER. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. MEEKER. Will the gentleman explain to the committee why on everything which comes under this title the committee switched from the perfectly legitimate excess-profits tax and went to the gross-sales tax on this commodity? Why adopt a policy which at other times would be indefensible? Simply because we need the money or because it is a sound policy?

Mr. GREEN of Iowa. Not at all. And the committee did not switch. These companies will pay the excess-profits tax.

Mr. MEEKER. That is all right, but why this gross-sales tax? That is what we are trying to find out. Why switch to the gross-sales tax?

Mr. GREEN of Iowa. Automobiles, if not an article of luxury pure and simple, are not a necessity. And because the nature of the trade is such and, as I have shown, produces such enormous profits, the charges will be passed on to the consumer and will not cost the companies 1 cent. That is why we levy this tax. These enormous profits show that even the small companies must make a good profit.

Mr. MEEKER. Does the gentleman insist that on these gross-sales taxes they will get to the consumer?

Mr. GREEN of Iowa. There is no question about it in the world; none whatever.

Mr. KELLEY of Michigan. If that is the policy of the committee, that this should be paid by the consumer, why did not the committee include the 3,500,000 automobiles that are already in existence?

Mr. GREEN of Iowa. The committee does tax the automobiles that are already in existence.

Mr. KELLEY of Michigan. How?

Mr. GREEN of Iowa. By a tax on tires, one of the fairest kind of taxes that will be levied upon them. It will cost every man that owns an automobile from \$2 to \$10, according to the extent he uses his automobile. If he is a rich man, and goes driving over the country for 20,000 or 50,000 miles, he will have to pay more. If he has only a Ford, and uses it only a little, he will pay but a little.

Mr. DOREMUS. Will the gentleman yield for a brief question?

Mr. GREEN of Iowa. Yes.

Mr. DOREMUS. Why is it that you tax the automobile to be hereafter purchased, not only upon the automobile and the tires, while as to the automobiles now in use you tax only the tires?

Mr. GREEN of Iowa. Because that is an annual tax, and the other is a tax that is all paid at once. I am sorry the gentleman can not see it.

Mr. DOREMUS. Would not the tax on the automobile also be an annual tax?

Mr. GREEN of Iowa. It would not.

Mr. DOREMUS. Does the gentleman mean to tell us that they will pay this year and then cease paying? On the automobile already in us, if you levy a license tax upon it, it would only pay for one year?

Mr. GREEN of Iowa. The tax on the tire is an annual tax, and on the automobile, when the manufacturer sells it, is payable once and for all. I want to say, as I understand it—and gentlemen have talked about a tax on the automobiles themselves, a tax that can never be levied with any approach to equity or fairness, because there is no way to do it—that we have a tax here on tires that is absolutely equitable and just, or as near to it as it can possibly be made.

Mr. CRAMTON. Will the gentleman yield for a very brief question on that particular point? The gentleman spoke of taxing cars now in use by the tax on the tires. Milady's limousine is only used by her a little bit in the afternoon while she is calling, and will not pay much tax; but the little old delivery wagon that runs all day and is a necessity will pay the heaviest tax.

Mr. GREEN of Iowa. The gentleman can always find one rare exception, one case out of a thousand, just as I can say as to the real-estate tax in my own State. If I had given a mortgage on a piece of land, I would have to pay as much on it as I did if I did not have any mortgage.

Mr. CRAMTON. Would that not happen more than once in a thousand?

Mr. GREEN of Iowa. Not more than once in a thousand with reference to the limousine.

Now, let me come to the situation here. Why will the automobile manufacturers not have to pay this tax? In the first place, because the tax on gross receipts is almost invariably paid by the consumer. Secondly, because the demand for the automobiles is so great and the profits are so great that the manufacturer can easily put the price on the consumer, and when they can, everybody knows that they will.

Gentlemen, do not worry about the automobile trade dwindling or falling off. There is nothing that people are so unwilling to do without as an automobile. There is nothing that they want so much. Men will mortgage their houses, borrow money, say that they can not send their daughter or their boy to college, but will have an automobile. They will quit buying everything else. It is well known that all lines of trade—and one of them is a line that is taxed also in this bill, that of jewelry—have suffered by reason of the extraordinary expenditures that have been going into the automobiles.

Now, the gentleman from Michigan [Mr. DOREMUS], in speaking of the tax that is imposed by this bill, said that it was "unprecedented, unheard of." That may not be his exact language, but that was the substance of it.

Mr. DOREMUS. I did not say that.

Mr. GREEN of Iowa. You did not say that?

Mr. DOREMUS. Not those words. But I could very properly have done so.

Mr. GREEN of Iowa. Let us see if you could very properly have done so. If the gentleman had investigated the taxes that were levied during the Civil War he would find that he could not say with propriety any such thing. The 5 per cent tax on gross sales was imposed on numerous articles at the time of the Civil War. A large number of industries were taxed then at the rate of 5 per cent, and the gross sales were taxed in the Civil War in such form that the tax was a great deal harder to bear than this. The tax was imposed not only on what the dealer sold but also on what he had.

Mr. DOREMUS. In the Civil War, in addition to those taxes, did they also impose an excess-profits tax and a gross-sales tax?

Mr. GREEN of Iowa. Yes. There was a dollar a barrel on crude oil, which, I think, was about what it was worth at that time, and there was a tax of 20 cents a gallon on refined oil, which was worth about \$1 a gallon at that time. In addition to that, there was a tax of 2½ per cent on gross sales of refineries. Gentlemen talk as though we were imposing some unheard-of scheme of taxation. The real fact is that, so far as the taxes contained in this bill are concerned, compared with those levied in the time of the Civil War, the Government is not laying even its little finger on the taxable resources of this country as compared with the way it reached out with both arms and both hands into the pockets of the people at that time. People nowadays do not know anything about the taxation of that time, and they will not know it by this bill. They will not know it unless they look back and study the actual taxes that

were imposed on the people at the time of the Civil War. Now, those taxes did not ruin the manufacturers in the time of the Civil War; on the contrary, they prospered exceedingly.

Mr. GREEN of Iowa. Now, I want to call the attention of the committee to another statement that has been repeatedly made on the floor, although it has nothing to do with the question immediately before the House. It was stated, with reference to what has been called the retroactive income feature that is contained in this bill. It is said that that kind of a tax had never been heard of before. But the committee in levying the taxes imposed by this bill had abundant examples and precedents before them, and they learned something from the experience that was gained at the time of the Civil War. Exactly that same kind of an income tax was levied in 1864, when an additional income tax over and above the income tax that had previously been levied was imposed on July 4, 1864, upon the incomes of 1863.

Now, gentlemen of the House, this tax can be stricken out; but what is proposed in lieu of it? What is it that the gentlemen offer? They say they would put another tax still on automobiles, a tax that would impose the same amount to be paid upon the old rattletrap as upon the fine new machine, and they think that would be more fair and more just. I do not think so. I think that this tax should be levied just as it is, where it will fall upon the man who wants a new car.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield there for a question?

Mr. GREEN of Iowa. Yes.

Mr. KELLEY of Michigan. What would the gentleman say to allowing an exemption of 8 per cent profits before this tax is levied?

Mr. GREEN of Iowa. Oh, I think that would be perfectly proper if I thought the manufacturer would have to pay the tax; but believing as I do that in any event he will not pay the tax, but pass it on to the consumer—

Mr. KELLEY of Michigan. Would not that be fair to lay it on another producer?

Mr. GREEN of Iowa. He will not have to pay the tax.

Mr. KELLEY of Michigan. That is your side of it.

Mr. GREEN of Iowa. Why, gentlemen, last year a large share of the automobile makers added \$100, which is about twice the tax to be imposed in this bill, to the price of their automobiles, and the people fell over themselves in their haste to get automobiles, notwithstanding the increase in price; and, notwithstanding the raising of the price, the number of automobiles purchased in 1916 was double that of 1915.

Mr. KELLEY of Michigan. Well, having advanced the price once, does the gentleman think they can advance it again?

Mr. GREEN of Iowa. I think the gentleman from Ohio [Mr. LONGWORTH] can give us an instance of that.

Mr. LONGWORTH. I would be glad to give the gentleman this advertisement if he can make any proper use of it.

Mr. GREEN of Iowa. This is an advertisement of the Chandler Automobile Co. It says the price "must advance \$200 by June 30" and advises everybody to get in before the price is advanced. [Laughter.]

Now, gentlemen say that this tax is going to hurt the companies and that they will not be able to do as good a business as they have done before. Let me read to you an extract from the Wall Street Journal of May 17.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GREEN of Iowa. I would like to have about two minutes more.

Mr. KITCHIN. I yield to the gentleman five minutes, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for five minutes more.

Mr. GREEN of Iowa. This article is headed in this manner:

Automobile makers not worried over 5 per cent tax. H. H. Franklin says that there will be a corresponding increase in prices, which buyers can stand, and sales of cars will not be hurt.

It says further on that the "Franklin business for the six months ended May 1, 1917, showed an increase of 1.43 per cent over that of the preceding six months." I read further:

"Even if the proposed 5 per cent tax is put on, and even if it is higher than on other articles," said Mr. Franklin, "it will not be the tax that will hurt the sale of motor cars. The thing that will hurt the sale of automobiles will be the general situation." A 5 per cent tax, according to Mr. Franklin, will merely mean a corresponding increase in automobile prices, which he says the buyers can well stand.

Mr. WASON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. WASON. Does the gentleman know the reason why the president of the company made that statement?

Mr. GREEN of Iowa. No. I am not particularly interested in his reason, except that he says that he is already going to contract for a great many more cars than he made last year.

Mr. WASON. Does the gentleman know that the Franklin people are making a great point on the mileage they get on their cars, and that is the cause of the great increase in the demand for that car over others?

Mr. GREEN of Iowa. Oh, yes.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. GREEN of Iowa. Yes.

Mr. COOPER of Wisconsin. As the gentleman read it, it said that the sales of the last six months were greater than for the preceding six months, not for the corresponding six months of a year ago.

Mr. GREEN of Iowa. I may have stated it incorrectly.

Mr. COOPER of Wisconsin. That would make a very great difference.

Mr. GREEN of Iowa. It is correctly stated in the extract which I read.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. SCOTT of Michigan. Will the gentleman yield?

Mr. GREEN of Iowa. No; I can not yield, for I have not time. I want to finish this. Here is an article from the Washington Post of May 13:

AUTOMOBILE DEALERS IN WASHINGTON OPTIMISTIC OVER BUSINESS OUTLOOK—CAR SALES FOR SPRING 1917 BEAT ALL PREVIOUS RECORDS, ACCORDING TO REPORTS OF LOCAL DEALERS—NO DEPRESSION DUE TO "WAR SCARE."

What is behind the assertions of the automobile manufacturers and dealers advertising that they are now enjoying the greatest business in their history? Is it a sort of optimism prompted by the idea that if they do not keep smiling and telling themselves that business is good the pessimism of panic and the hysteria of hard times will catch them napping? Or is there sufficient behind these assertions to make them worthy of investigation in an effort to find out just what condition this big business is as a result of the declaration of war by the United States?

"Business as usual," the slogan of Great Britain, hardly fits. Business is decidedly unusual, so far as the motor car is concerned. Dealers are not only unloading and selling cars as fast as they arrive, but they are writing and wiring their factories asking if it is not possible to secure additional cars.

It would not be correct to say that the war has had no effect on the industry, at least so far as sales in Washington are concerned.

Dealers admit that when the declaration of war was first made there was some slackening in buying. Prospective purchasers who were about to sign the dotted line on the order blank hesitated about committing the overt act.

Fortunately this condition did not last for long. Within 10 days the public began buying again with the same zest that they had displayed previous to any announcement of hostilities. March and April have been banner months in the business here. Every company reports an increase in business. Dealers who in previous years have during the late winter and early spring months been able to stock a few cars in anticipation of the late spring and early summer business have this year been unable to keep up with the demand.

The automobile industry is not worrying. Where Great Britain industries satisfied themselves with the slogan, "business as usual," one American business, the automobile, finds its business greater than ever.

There are some other trades and businesses that are subject to this same tax. Among others is the jewelry business. According to the statement made by an association to me, the jewelers of this country are not complaining of this tax. They had to pay 10 per cent on their stocks on hand at the time of the Civil War. They do say, however, that if the automobile tax is stricken from this section of the bill, the tax on the jewelry business and all the others ought to go out too, and I entirely agree with them. They say that their profits are nothing like what the automobile manufacturers make, that the demand for their goods is nothing like, and that the extent of the industry is nothing like that of the automobile business. They admit that they are manufacturing a luxury to a certain extent, and they say that the price can be passed on to the consumer just as it always has been with taxes of this kind. I insist that this provision ought to stay in the bill; that with the exception of some of the so-called war babies engaged in the manufacture of munitions there is not a business in the country that is so well able to meet the conditions imposed by the bill. [Applause.]

Mr. KITCHIN. Mr. Chairman, if this automobile tax goes out of the bill, the tax on everything in this section ought to go out of the bill, and taxes in other sections to the amount of perhaps over \$100,000,000 ought to go out of the bill; because outside of this section we collect much over \$100,000,000 of taxes from other articles that are taxed more than 5 per cent ad valorem, some as high as an equivalent of 33½ per cent ad valorem, some over 100 per cent ad valorem. Take tobacco, cigars, cigarettes, smoking tobacco—they pay over 33½ per cent, but everybody knows that the increase in the tobacco tax and the increase in the whisky tax are going to be put on the consumer. The tobacco manufacturer and the distiller are going to add the price to the wholesaler, the wholesaler to the retailer,

and the retailer to the consumer. Take carbonic-acid gas. We are placing a specific tax which amounts practically to 200 per cent, or twice as much as its present selling value, yet the carbonic-acid-gas manufacturers are making little complaint about the size of the tax, because they know they are going to add it to the price to the soda-water man and the bottling establishments throughout the country, and they, in turn, are going to add the price to the retailer, and he in turn in some way to the consumer.

Mr. LONGWORTH. If the gentleman would like to have the exact figures of these various titles, I can give them.

Mr. KITCHIN. Yes.

Mr. LONGWORTH. Under Title III, the war tax on beverages, \$220,000,000.

Title IV, war tax on cigars, tobacco and manufactures thereof, \$70,000,000.

Title VI, war tax on manufactures, which is the section under consideration, \$118,000,000.

Mr. KITCHIN. Every one of those taxes ought to go out if this tax goes out.

The jewelry manufacturer is taxed just like the automobile manufacturer—the same 5 per cent ad valorem. The man who manufactures baseballs and baseball bats is taxed the same as the automobile man. The man who manufactures tennis rackets is taxed the same as the automobile man. The man who manufactures graphophones and talking machines and phonographs, or billiard tables, or pianos or victrolas, is taxed just the same as the automobile man. They have protested, but they have not brought a lobby here to swarm this Capitol, as the automobile manufacturers have. You have to elbow your way through them when you walk through the corridors of the Capitol. Why have they such a powerful influence here? No man is thinking about striking out the jewelry provision or the other provisions of this section. There has not been a suggestion of that kind in this debate; but the automobile manufacturers are strong enough to bring together here an influence to impose their desires and their will upon this body, not in behalf of the Government, but in behalf of their own selfish interests. Why? Because the automobile industry is larger than all the other industries that I have mentioned here combined. They have been able to gather, among the membership of this House, every district that had a little automobile industry, every district that had a little industry that made parts of automobiles and band them together in an assault upon this provision of the bill. They have appealed to the interests of those districts, not to the sense of right or the justice of the individual Members of this House. They told us, as the gentleman from Michigan [Mr. DOREMUS] told us, that if you put this tax upon automobiles the industry is ruined. Why, he pictured here the depressed condition that pervaded the whole automobile industry. He showed us how the Overland people were going to cut down their output, and the Hudson people were going to cut down their output, and the Packard people were going to cut down their output, and he showed to this House a picture not only of depression and stagnation, but of bankruptcy of the automobile industry.

Mr. DOREMUS. Will the gentleman yield for a question?

Mr. KITCHIN. Give me that Overland advertisement there [indicating].

Mr. DOREMUS. Does the gentleman deny that the Packard and the Hudson and the other companies to which I referred have, as a matter of fact, already reduced their output?

Mr. KITCHIN. Gentleman, they have imposed on the credulity and intelligence of the gentleman from Michigan. He tells you that the Packard is going to cut down their output of touring cars. Yes; because they have a tremendously big contract with the Government and can not make them. Is the Hudson Co. going to cut down? No. On May 12, in its statement in the Literary Digest, it says that it is making a special car now, a 1918 model, for \$1,750—\$100 advance—but is unable to turn out many of them this year because the exacting demand of the public for their other cars will require the full capacity of their plant. Now, the gentleman from Michigan does not know any better. He has not investigated it like we have, but he takes their word for it.

Mr. DOREMUS. Will the gentleman yield?

Mr. KITCHIN. My time is about up and I want to refer to other facts relative to the automobile industry.

Mr. DOREMUS. We will give you all the time you want.

Mr. KITCHIN. Then I will teach the gentleman something about automobiles and give him some statistics of which he seems ignorant. [Laughter.]

Mr. DOREMUS. Oh, I do not think the gentleman from North Carolina can tell the difference between a mud pan and a carbureter. [Laughter.]

Mr. KITCHIN. Now, let me read the gentleman what the Willys-Overland Co. says and compare it with what the gentleman says. He declares they have been compelled to cut down their output and this bill will put them in bankruptcy. I have here a double-page advertisement in the Literary Digest of April 14, 1917, in which they say that in 1914 they made 48,473 cars; in 1915 they made 93,724 cars, nearly 100 per cent increase; in 1916 they made 142,807; and at the rate they have been producing from January 1, 1917, to April 14, 1917, they say they will make 200,000 cars this year, an increase over last year of 67,000 cars. And an increase over 1915—in two years—of more than 106,000 cars—more than 100 per cent! This is what they said on April 14, 1917, when they wanted you and me to buy one of their cars. Did they tell the truth then, or have they imposed upon the gentleman's credulity?

Mr. DOREMUS. I will answer the gentleman—

Mr. KITCHIN. I will yield to the gentleman for a question, but not for a speech.

Mr. DOREMUS. I will answer the gentleman in my own time.

Mr. KITCHIN. I think the Willys-Overland Co. told the truth then. Now, the Franklin Car Co.—what do they say? The president of that company just a few days ago in the Journal of Commerce stated that this 5 per cent was not going to hurt the automobile industry; that it would not prevent the sale of a single car; and he said that they could stand it, because they could and would put it on the purchaser.

Now, let us see about the Hudson and the Packard, to which the gentleman referred as ruined and bankrupt victims of this bill if it passes. A Hudson car, with the manufacturer's profit added, leaves the factory at the price of around \$1,250. Before it reaches you or me it goes up to \$1,650. Does anybody suppose that this little \$62.50 tax on a \$1,250 automobile, with the manufacturer's profit added, with a margin of \$400 between that and the purchaser's buying price, is going to prevent the sale of the automobile or going to bankrupt the company even if it pays the whole tax without passing it on to the dealer or purchaser? But you and I know it will add that tax to the price.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. GREEN of Iowa. The stock of this concern was originally \$100,000, increased first to \$1,000,000 by \$900,000 stock dividend. On November 10 and August 13 it was increased by another million-dollar stock dividend.

Mr. KITCHIN. And the gentleman from Michigan, even with such facts, has been imposed on to such an extent that he honestly believes this small tax will ruin them. Let me tell you something more about this automobile industry. In 1914, 573,000 cars were made in this country; in 1915, 703,000 cars; in 1916, 1,303,000 cars, or nearly 100 per cent increase in the last year, and yet they would have us believe that the automobile industry is in a depressed condition and can not stand this tax.

What about the value? In 1914 the value was \$465,000,000; in 1915, \$625,000,000; and in 1916, \$1,069,000,000! And still they would have this House believe that the industry is in a depressed condition and can not stand this tax.

Let me return to the Packard Co. Their regular touring car sells for \$3,150. That car will have to pay a tax of \$132.50. The car when it leaves the factory with the manufacturer's profit added is sold to dealers or selling agent for about \$2,650. The margin between the manufacturer's price, with the profit added, and the paying price by the consumer is about \$500. Do you not know, gentlemen, that if one wants to buy a \$1,650 car that \$62.50—the 5 per cent on the manufacturer's price—if put on one is not going to stand in his way? He is going to buy it in spite of the tax even if added to the price of the car. If one is going to give \$3,150 for a Packard, the tax of \$132.50, if added to the price, is not going to stand in his way, and if it did, let the Packard Co. take off some of that \$500 profit between them and the consumer. Let the Hudson people take off some of the \$400 profit between the manufacturer's price and the ultimate purchaser. Why, gentlemen, there is not a tax in this bill more just and fair and less burdensome and more easy to pass on to the purchaser than this tax on the automobile.

As I said the other day, in the Civil War there were men down here and men in Congress protesting and using just the same arguments that the gentleman from Michigan [Mr. DOREMUS] and the gentleman from Michigan [Mr. KELLEY] are using to-day. Congress put a tax of 5 per cent ad valorem on paint, a tax of 5 per cent ad valorem on umbrellas, a tax of 3 per cent on cotton goods and on woolen goods and boots and shoes. These interests flocked down here and made the same arguments and made the same prophecies of ruin and disaster to the industries as we hear to-day. But the patriotism

and statesmanship of the Members of Congress stood firm against the appeals of the special interests and the tax was put on.

I do not criticize the gentleman from Michigan [Mr. DOREMUS] or Mr. CRAMTON or Mr. KELLEY for standing up in the House for the industries in their districts and performing a duty which in their judgment they owe them. Their loyalty to these industries should not perhaps be condemned.

But, my friends, I hope there are men enough here who believe in their hearts that in this hour of the Nation's danger their first duty is to their country, their best loyalty is to their Government, rather than to any industry in their district. [Applause.] The gentleman from Michigan the other day upon this floor announced the doctrine that we would better abandon this war than to tax the automobile industry.

Mr. DOREMUS. O, Mr. Chairman, the gentleman does not want to make a misstatement of what I said.

Mr. KITCHIN. I am not. The gentleman did not put it in that stark-naked language, but here is what he said, which means the same thing: He said that rather than do an acknowledged wrong by this bill to an American industry we had better abandon this war. He had been attempting to prove in over a half an hour's speech that it was not only wrong to put this tax on the automobile industry but almost a criminal, sinful outrage to do it. What did he mean by that language? I translate it into the pure, simple English meaning—the only meaning it could have.

Mr. Chairman, if it be the sentiment of this Congress that we should not tax a big, powerful industry in our district and State, because perhaps it is going to hurt that industry, because possibly it is going to prevent that industry from making as much profit as it wants, then we had as well do what the gentleman from Michigan [Mr. DOREMUS] advises us to do—abandon this war. We had as well take off the statute books the war resolution and authorize the President to surrender to Germany and the central powers at once. We can not prosecute the war without money. We can not get the money without taxation.

Mr. DOREMUS and Mr. KELLEY of Michigan have no more right to ask this House to take a tax off an industry in their districts than I have to come to you and ask you to take the additional tax of 100 per cent, 33½ per cent of its real value, off tobacco made in my district. I would be ashamed and I would hate to have my children in after years read in this Record that their father, when their country's life was at stake, fought here on this floor against a tax to help support his Government in her momentous struggle because it was going to hurt an industry in his district. [Applause.]

Mr. KELLEY of Michigan. Mr. Chairman, I ask for a vote upon my amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. KELLEY of Michigan) there were—ayes 48, noes 85.

So the amendment was rejected.

Mr. DOREMUS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. DOREMUS: Strike out the word "and," in line 6, on page 26, and insert in lieu thereof the following:

"Provided, That the tax of 5 per cent shall not be collected until the manufacturers of the articles herein enumerated shall have earned a profit of 8 per cent upon the actual capital invested. For the purpose of this paragraph actual capital invested means, first, actual cash paid in; second, the actual cash value at the time of payment of assets other than cash paid in; and third, paid in or earned surplus and undivided profits used or employed in the business."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

Mr. KELLEY of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. DOREMUS].

Mr. DOREMUS. Mr. Chairman, the gentleman from North Carolina [Mr. KITCHIN] made a very eloquent speech, and yet in the entire course of his remarks he did not deny a single statement contained in my speech the other day. I expressly stated at that time that I was not appealing for the industries that could pay this tax and live. I was appealing for the industries that could not do it and would die. The Packard Co. can stand the tax, the Franklin Co. can stand the tax, and the Hudson possibly can stand the tax, but the gentleman ought to know, if he has made any investigation of this question whatever, that 80 per cent of the automobiles in this country to-day are made by 12 companies, and that 20 per cent of the output is supplied by 438 companies. Take the Hupmobile for example. Last year it made 1.1 per cent upon its entire gross sales.

The president of that company is a former member of this House. He has enlisted in the marines as a private. His patriotism is as great as that of the gentleman from North Carolina. While he has enlisted in the cause of his country the gentleman from North Carolina would crucify the business in which he is engaged. I am willing to put my patriotism or the patriotism of the automobile manufacturers in my district alongside the patriotism of the gentleman from North Carolina. How does he expect that this company, with a gross output of \$10,000,000 last year can pay this tax of 5 per cent upon its output when it earns only 1.1 per cent upon that output? Take the Chalmers Co. Upon its gross output it made a little over 2 per cent last year. You propose to say whether you are willing that this industry shall live. I yield back the remainder of my time.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DOREMUS. I have not time. The reason why I offer this amendment is this: If these manufacturers can not earn 8 per cent upon their capital, surplus, and undivided profits, this tax ought not to be imposed, and there is not a man in this House who will deny it. You will have an opportunity in voting for this amendment to say whether you are willing that this industry shall live. I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back two minutes. The question is on the amendment offered by the gentleman from Michigan [Mr. DOREMUS].

The question was taken; and on a division (demanded by Mr. DOREMUS) there were—ayes 66, noes 92.

Mr. DOREMUS. Mr. Chairman, I demand tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. KELLEY of Michigan and Mr. CRISP) reported that there were—ayes 94, noes 92.

So the amendment was agreed to.

Mr. GILLETT. Mr. Chairman, I have an amendment I desire to offer. I move, in line 23, page 25, to strike out the words "and motorcycles."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. GILLETTS Page 25, line 23, strike out the words "and motorcycles."

Mr. KELLEY of Michigan. I yield the gentleman from Massachusetts five minutes.

Mr. GILLETT. Mr. Chairman, I appreciate after the interest and disturbance excited by the last vote to come to so small an amendment as I have offered does not attract the attention of the House, but it seems to me this amendment to strike out motorcycles is justified by the very arguments that the Ways and Means Committee have made in favor of this section. Their argument for taxing automobiles is based upon two propositions: One is that they are luxuries, and the other is that they are a prosperous and expanding business that can endure the tax. Now, neither of those propositions applies to motorcycles. The motorcycle is not a luxury. It is not used merely as an instrument of pleasure, but most of the motorcycles are used by workmen to carry them to and from their work. The gentleman talked about seeing the parade of automobiles on Sixteenth Street. He did not see any motorcycles in that parade of luxury unless it was a policeman's motorcycle who was watching the expensive automobiles. The motorcycle is an implement of business. When you argue about the expanding and prosperous business of automobiles, that does not apply to motorcycles. In 1913 there were made in this country 75,000 motorcycles. This year there are only made 52,000 motorcycles. They have decreased in production 33 per cent in four years, and, moreover, in 1913 only 5 per cent were exported, while this last year 25 per cent were exported. So the domestic production of motorcycles has gone down 45 per cent in four years. In other words, it is a falling business, not a prosperous and expanding business like the automobile. I suppose the reason is that the automobile with its enormous output can make machines cheap, and so is gradually being built to compete with the motorcycle and is entering its field and is driving it out of business, but the very argument made for taxing automobiles shows that it ought not to be applied to motorcycles because the motorcycle in the first place is the workman's instrument of transportation, and in the next place the makers of motorcycles are manufacturing on a constantly falling market and they are in competition against this enormous development of the automobile which by its very size is able to reduce expenses. Therefore, Mr. Chairman, it seems to me this amendment to strike out the taxation on motorcycles in this section ought to be adopted.

Mr. KELLEY of Michigan. Mr. Chairman, may I inquire how much time we have now?

The CHAIRMAN. Twelve minutes, the Chair is advised.

Mr. BATHRICK. Mr. Chairman—

The CHAIRMAN. The Chair understands that the time is apportioned.

Mr. BATHRICK. I want to speak in favor of this amendment.

The CHAIRMAN. The gentleman can not get it from the Chair, but must get it from the gentlemen who control the time.

Mr. GILLETT. I will yield the gentleman the two minutes I have remaining.

Mr. BATHRICK. Mr. Chairman, I am in hearty agreement with the gentlemen with respect—

Mr. KITCHIN. Mr. Chairman, I thought debate was exhausted.

The CHAIRMAN. The gentleman obtained two minutes from the gentleman from Massachusetts.

Mr. BATHRICK. Mr. Chairman, I am in hearty agreement with the amendment to exempt motorcycles from this 5 per cent taxation, if you are going to exempt automobiles. If there is a man on the floor of this House who has voted to exempt a Packard from the 5 per cent tax, he certainly is willing to exempt the motorcycle, so that the young man who has not money enough to buy a Packard can take a girl on the back seat of that motorcycle and have a good time. I would like to look him in the face if he is not willing. I have ridden down the street in an automobile with four wheels, and it has been a pleasure and a delight to me to see these young men who could not afford to buy automobiles riding on these motorcycles and having some kind of an outing. I will tell you it is not fair to exempt the high-priced automobile from this tax if you are not going to exempt the motorcycle. [Applause.]

I do not think a tax on gross receipts is sound. There is no way of fixing its proper relation to net profit, and therefore it may tax those who have little more than those who have much.

I was glad, then, to see the amendment of the gentleman from Michigan win, but if you will not tax a limousine why tax a motorcycle. The man in a Packard will be able to stand a tax passed down to him by the manufacturer better than the workman whom we meet with the little car on the side of his motorcycle, carrying his wife and baby.

If this gross tax stays in this bill, there must be a business readjustment all down the line. It will hurt until this readjustment takes place, but eventually the consumer must pay. By that fact you may tax the poor man more in proportion than you tax the rich, and I hope this amendment will pass. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. GILLETT) there were—ayes 49, noes 89.

So the amendment was rejected.

Mr. KELLEY of Michigan. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I voted for the resolution of the gentleman from Michigan [Mr. KELLEY] and for the resolution of the gentleman from Michigan [Mr. DOREMUS]. I want to say why. Almost the gentleman from North Carolina [Mr. KITCHIN] made me for a moment see black as white, but I want to make the warning to our people from the South, who from the nature of things represent a special industry that is in a minority in this country, and we saw an illustration of that in the effort to tax that industry because we were in the minority. If we vote for unfair and unjust taxes to-day, some day the chickens will come home to roost when our cotton is attempted to be taxed unjustly and unfairly by Representatives from other sections who are in a large majority in this House. I noted that to-day the gentleman from Michigan [Mr. KELLEY] and Mr. DOREMUS and Mr. CRAMTON, all from districts where automobiles are being built, alone bore the brunt of the discussion here in trying to give their industries simple equality and justice.

We from the South can not afford to vote for anything except a just and fair tax, one that bears equally upon our industry and all others. And it does seem to me that unless you can call the automobile industry one of producing luxuries, or unless it is a monopoly—

Mr. BLACK. Is it not a fact that we have some large automobile factories in Texas?

Mr. HARDY. I think there is one. I think I have heard—

Mr. BLACK. There is a very large one at Wichita Falls.

Mr. HARDY. That may be, but it is not in my district. [Laughter.] It is not my intention to do any wrong, but we see things according to our interests, and every man from the districts where automobiles are manufactured sees this as a foul injustice to his industry, and some day we will appeal for justice. When that time comes I do not want my mouth to be closed, my plea to be answered, by the reply that "You voted for an unjust tax upon an industry that was not in your district." And that is what this vote is. I want to tell you a tax upon gross sales is nearly always unjust. It is unjust unless the article is a luxury or its producer has a monopoly. No man can justify the imposition of a 5 per cent tax upon gross sales, which represents three times the amount of the capital invested, or 15 per cent of direct taxes upon the capital invested in the business. The output of many plants per annum is many times greater than the capital. We hittle or haggle about an income tax. I would rather bear an excess profits tax of 90 per cent than to bear a 3 per cent tax on the property I own, and yet this is 15 per cent tax upon the capital of many of these concerns. Some automobiles are a luxury. If you frame this bill to make it apply to only the automobiles that are luxuries, I will vote for it, but not for the autotruck and autowagon, and the common automobile that the common man uses. Even in war we ought to preserve the principle of equality of taxation as to all legitimate, useful, and necessary industries.

Mr. HULBERT. Mr. Chairman, I have an amendment, which I send to the Clerk's desk.

Mr. CRAMTON. Mr. Chairman, on behalf of the gentleman from Michigan [Mr. KELLEY] I wish to yield five minutes to the gentleman from Michigan [Mr. SMITH].

Mr. HULBERT. Will you let my amendment be read for information?

The CHAIRMAN. Without objection, the amendment will be read.

The Clerk read as follows:

Amendment offered by Mr. HULBERT: Page 25, lines 22 and 23, and page 26, lines 4 and 5, after the word "automobiles," strike out "automobile trucks, automobile wagons."

Mr. SMITH of Michigan. Mr. Chairman, I wish to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Michigan: Page 26, after the word "and," at the end of line 6, add the following: "Provided further, That no sale tax shall apply to any business, or be imposed thereon, when the business to be so taxed shall not have shown any net profit or earning during the preceding year or period for which such business is to be taxed."

Mr. KITCHIN. Mr. Chairman, what is that amendment?

Mr. SMITH of Michigan. Read it again.

The CHAIRMAN. The Clerk will report the amendment again.

The amendment was again reported.

Mr. KITCHIN. I would like to ask how much time is left. I thought it was exhausted long ago.

The CHAIRMAN. The gentleman from Michigan [Mr. KELLEY] has five minutes, according to the figures at the desk.

Mr. KITCHIN. All right.

Mr. SMITH of Michigan. Mr. Chairman and gentlemen of the committee, I would not vote for a tax on the automobile industry that I would not vote for on any other legitimate industry. It is not fair to impose a tax upon that business of 5 per cent and leave out the locomotives, or the passenger cars, or any other prosperous industry. If you imposed that tax simply because the industry was prosperous, I would ask you to look over the Standard Oil Co., and to look over the mail-order houses, and the International Harvester Co. I want to ask you, as a business proposition, whether or not you are in favor, or any reasonable man would be in favor, of imposing a tax upon a business that did not earn any profit? And that is all there is to the amendment I present. We have heard the automobile business compared here with the musical industries, and with the cigar industries, and with the jewelry industries. We have heard the gentleman from Iowa [Mr. GREEN] say that the automobile was not a necessity. If he had gone out in the country and observed the various uses to which they are put, or if he were engaged in business of any kind requiring transportation, or if he would even go down here to the end of Pennsylvania Avenue, in this city of Washington, he would see great trucks there, each one doing the business of three or four teams of horses drawing dirt out of a cellar. Would he think that automobile truck or motor car was a luxury and to be compared with the jewelry business or the cigar business or with a Victrola? That is not all the kind of uses to which it is put. And I am willing to present this amendment and vote for it and have it apply to any other business that does not make a profit, be-

cause I am for the business of the United States and I am in favor of the manufacturing industry. I want the manufacturers to prosper, as I do every other business in this country. I want every business to make a profit, and if it does not make any profit it ought not to pay a tax on its gross sales, because then you drive it out of business and you disturb and destroy the business. If a man is going to be taxed and can not make anything in that business, he will take his money out of it and put it into some securities or investments or into some other place where his profit, interest, or investment will be certain. You are asking him to go into some uncertain business. It is a tax on the business. Then, why not be fair and tax all business alike? There are over 400 of these concerns in the United States that have not made any profit, and they have sold their next year's output without regard to this 5 per cent tax. This 5 per cent tax is more than they can stand, and is more than they have made. You brought in this bill without any hearings by the committee or proper consideration. At first I thought that course was justifiable on account of immediate urgency to get needed money to prepare for the prosecution of the war. We are floating \$2,000,000,000 bonds now, and we have plenty of money. We get paid for our time here and we ought to stay and submit a fair bill, one that will tax industry when it will stand it, if that be deemed necessary, and do justice to all our people. That is the way to do it. That would not do injury to any man or any business. We can afford to be fair. We can never afford to be unfair. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(b) Upon all musical instruments sold—

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent that the balance of the title be read, and that all debate on the title and amendments thereto be closed in 30 minutes after it is read.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that debate on paragraph (b) and all amendments thereto shall terminate at the end of 30 minutes.

Mr. GREENE of Massachusetts. I think more time than that should be granted.

Mr. KITCHIN. I said the balance of the title.

The CHAIRMAN. The Chair was misinformed. The gentleman from North Carolina asks unanimous consent that the balance of this section shall be read, and that the debate—

Mr. COOPER of Wisconsin. Mr. Chairman, I understood that the gentleman from North Carolina asked that the whole title be read. The Chairman said "section."

The CHAIRMAN. The Chair is just getting the facts in relation to that in order to put a correct statement of the request. The gentleman from North Carolina asks unanimous consent that at the conclusion of the reading of the balance of this title, to carry you down to Title VII, at the bottom of page 29, all debate on this title and the amendments thereto close in 30 minutes. Is there objection?

Mr. GREENE of Massachusetts. I object.

The CHAIRMAN. Objection is heard.

Mr. KITCHIN. Mr. Chairman, I ask that the balance of this section be read.

Mr. GREENE of Massachusetts. How far?

Mr. KITCHIN. Down to section 601, page 28. We are reading this bill by sections.

The CHAIRMAN. Down to section 601. Is there any request in connection with that?

Mr. KITCHIN. No; just reading the section.

The CHAIRMAN. Is there objection?

Mr. MEEKER. Reserving the right to object, Mr. Chairman, can amendments be offered?

Mr. MANN. Reserving the right to object, the items in this section are entirely separate from each other. Would it not be better to allow amendments to be offered to the paragraphs?

Mr. KITCHIN. As each amendment is offered, we will dispose of that before we go to other amendments.

Mr. MANN. Then you would jump from one paragraph to another.

Mr. KITCHIN. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The request is withdrawn. The Clerk will read.

The Clerk read as follows:

(b) Upon all musical instruments sold by the manufacturer, producer, or importer for more than \$10 each, and upon piano players, graphophones, phonographs, talking machines, and records used in connection with any musical instrument, piano player, graphophone, phonograph, or talking machine, sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold; and

Mr. MEEKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MEEKER: Strike out the word "and," in line 14, page 26, and insert in lieu thereof the following:

"Provided, That the tax of 5 per cent shall not be collected until the manufacturers of the articles herein enumerated shall have earned a profit of 8 per cent upon the actual capital invested. For the purpose of this paragraph 'actual capital invested' means (1) actual cash paid in, (2) the actual cash value at the time of the payment of assets other than cash paid in, and (3) paid in or earned surplus and undivided profits used or employed in their business."

Mr. MEEKER. Mr. Chairman, the same principle applies in this case as to the other, this amendment being the same as the one offered by the gentleman from Michigan, and which was accepted. The same principle should apply to all these lines of industry on which this extra tax has been paid. When the committee switches from the tax on excess profits to a tax on gross sales they have adopted a policy which, if permitted to go without restriction, may mean, and probably will mean, the absolute wiping out of many of the industries so taxed.

This amendment which is offered here should, I believe, be offered to every paragraph that will be read here if this is adopted. Then the House can say to these men on whom this third tax is to be levied that they shall have at least a fighting chance of 8 per cent profit before this additional tax is placed upon them.

I do not think we need take very much time in the discussion of the amendment, because we are discussing a principle instead of a specific case. If this policy can be put into effect I think the men who have rightfully protested against this gross-sales tax which has been placed upon them, or which would be placed upon them under this title, can feel that at least it will be possible for them to continue in business before they are called upon to pay this tax which the other industries will not pay.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. MOORE of Pennsylvania. I have been wondering whether the adoption of this amendment will mean that designing corporations or designing business men might not be able to avoid the tax by increasing salaries or increasing expenses?

Mr. MEEKER. If I thought that that safeguard were not provided I would not have offered the amendment.

Mr. MOORE of Pennsylvania. Would it be possible by advancing salaries or by juggling accounts to deprive the Government of revenue under this amendment?

Mr. MEEKER. I will ask the gentleman if that would not apply to the amendment already adopted in regard to automobiles?

Mr. MOORE of Pennsylvania. I put the question because the gentleman and others have inveighed against the tax on gross sales. Some people are of the opinion that a tax on gross sales would be a very equitable tax if carried out everywhere in good faith and in proportion. To make exceptions in a tax bill of this kind such as the gentleman proposes in his amendment, and such as the Doremus amendment provides in the case of automobiles, might not be so fair a system.

Mr. MEEKER. I am against taxing gross sales, regardless—

Mr. MOORE of Pennsylvania. I hope the gentleman does not think I am in favor of any of these taxes. I simply realize that we have got to make up a budget of \$1,800,000,000.

Mr. MEEKER. We have been told that thousands of times—I might almost say one billion eight hundred million times. We are not objecting to raising the tax, but the how of the thing is what we are discussing. But when you propose to raise a tax on a man's gross sales, if the 5 per cent tax on his gross sales is going to abolish his profits, you have abolished the man so far as that industry is concerned, and that is what we are talking about. We know we have got to have that \$1,800,000,000. We have been warned about that and have been assured that we must be patriots, but that does not abolish the thing that we are now contending for, namely, a system of taxation that will not destroy a man's business. If you will put this 5 per cent gross

tax on some of these lines of business we know that some of these men will be wiped out of business, for already they are not making any profit, but are struggling for their lives; and the significant thing about the speech of the gentleman from North Carolina [Mr. KITCHIN] was that he only selected a few automobile companies that we know to be prosperous and that would live even under this tax, but he failed to say anything about the 400 automobile manufacturers who would be wiped off the earth. Now, the same thing is true with reference to the jewelry business. A jewelry man came here the other day protesting against this great tax. He said, "I can live. It will mean a burden to me, but it will wipe out my competitors." It is for that reason that this amendment should be adopted throughout.

Mr. KITCHIN. I ask unanimous consent that debate on this paragraph and all amendments thereto be closed in 20 minutes.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes. Is there objection?

Mr. DILL. Reserving the right to object, I have an amendment.

Mr. HULBERT. Reserving the right to object, I have two amendments. May I have seven minutes?

Mr. KITCHIN. I will endeavor to accommodate the gentlemen.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DILL. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DILL: Page 26, strike out lines 7 and 8.

Mr. DILL. Mr. Chairman, the other day I was termed anarchistic because I proposed an amendment by which the incomes of men which will be taxed would be made public the same as their investments now are. To-day, at the risk of being called impractical and sentimental, I dare to speak against taxing those instruments which, as somebody has so beautifully said, "make the common air blossom with melody." I have offered an amendment by which I distinguish between musical instruments by which the hand, the brain, and the skill of an individual produce music and musical instruments by which machines produce music. The two lines which I have moved to strike out refer to musical instruments that are manipulated by the hand and brain of an individual. The amount of revenue which that tax will produce is so small in comparison with the injury it will do that I think the amendment should be adopted.

Badly as this Government needs money with which to finance the war, I think it is a mistake to raise it by taxing the instruments which produce music. Such a tax will bring but a small return in comparison with the injury it will do. I am not a musician. I know little, if anything, about its technique or composition, but I do know something of its power in the hearts and lives of men. There never was a time when the American people needed the inspiring influence of music more than they do now. Why tax the source and thereby discourage its production?

One of the great newspapers of New York, the Evening Mail, has recently called attention to the fact that before the French Revolution the French Government laid a tax on windows, and that one of the marked results was to discourage windows which let the light of day into the homes of the people. It points out further that music is one of the windows of the soul. Shall we discourage the opening of those windows which let such wondrous light into the souls of men and women?

When the infant child first breathes the breath of life its soul is in a crystal case darkened by the blinds of unconsciousness pulled low on every side. The mother by her caresses, her lullabies, and her thousands of indescribable attentions first slightly lifts the shades to let in the light of consciousness and love. Then the father helps to lift them a little more. Then relatives and friends lift them still higher. Then the teacher plays her part and helps let the light of knowledge in, but ever and again music comes to clarify and cheer the life, first of the little child, then of the youth, the man and maid, their home, their family. Then on the way down the other side of the hill of life it gives its solace and its joy and beautifies old age as nothing else can do. To every normal human being of every age and of every condition music expresses thoughts and feelings that neither language, painting, nor sculpture can. I am opposed to doing anything to hinder the production of music. [Applause.]

In the words of the editorial to which I have referred, "America needs music more now than it ever did before in its history."

Music can be made a great unifying, rousing, and inspiring force in the great crisis in which we are living. It can be made to promote patriotism, to stimulate the devotion, to focus the spirit of the Nation."

I want to express the hope that one of the benefits and rewards which will come out of this war, and I fear these benefits will be all too few, will be a new national tune—a tune to which all Americans will respond. Every people have their favorite songs and tunes, songs and tunes which are expressive of and harmonize with their tendencies and their temperament. Governmental rulers and musical leaders sometimes select anthems and songs which they think appropriate, but which too often do not touch the hearts and souls of the common folks. But no folk song ever fails to touch the heartstrings of all. The Irish, the Scotch, the Welsh, the French—in fact, the people of every nationality, including our own Americans—love and sing their folk songs regardless of musical critics or governmental sanction. It seems that it is in war times that this tendency flowers in its fullest form.

Our Yankee Doodle, like Topsy, just grew into the hearts of our Revolutionary patriots after some English troops had played it in derision of the Colonials in 1755. Dixie was written and first sung and placed by Uncle Dan Emmet, a northern man of Ohio, whom I knew personally when I was a boy. It took such a hold on the South that even to this day it is as dear to the soul of every southerner as anything he knows. In 1898, for want of something better, our soldier boys took up the rollicking tune of There'll be a Hot Time in the Old Town To-night, and it became a real part of that war. In the beginning of this world war we are told that English soldiers seized upon Tipperary, an Irish tune, and made it their very own. I do not know what tune will be adopted or is yet to be created which will cheer our boys as they march away to this war, but I am sure there will be some tune which will seem to spring from their very hearts and to give expression to their purposes, and I predict it will not be taken from any opera or cantata, but will be the product of the brain of some one who feels and knows their natures in an intimate way. With such history behind us and such hopes ahead, I protest most earnestly against the imposition of this tax.

I am opposed to laying any tax that will tend to discourage the production of music by the human mind and the human hand, and it seems to me that if we must have this tax on musical instruments we can well afford to distinguish between the instruments that make music by means of machines and the instruments that make music by means of the human hand and the human brain. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. HULBERT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HULBERT: Page 26, line 13, after the word "two," strike out "five" and insert "two and one-half."

Mr. HULBERT. Mr. Chairman, the illogical and indiscriminate theory upon which certain portions of this bill was framed has been heretofore presented by various Members, of unclouded vision, discerning thought, and intelligible argument, whose careful analysis and forceful and scholarly presentation of the facts refute the charge made by at least one member of the committee, that those who had the temerity to protest against the destruction of legitimate business by ruthless legislation were unpatriotic ignoramuses.

A few moments ago I pointed out that, while the committee makes no distinction between the purposes for which automobiles, motor trucks, and motor vehicles may be employed, motor boats and other vessels used or intended to be used for trade are expressly exempt; yet the House refused to recognize the inconsistency of the application of this principle and voted down my amendment to except automobile trucks and automobile wagons used or intended to be used for trade.

So the proposed tax on all musical instruments sold for more than \$10 each, and upon piano players, graphophones, phonographs, talking machines, and so forth, is but another evidence of the fact that the committee has simply adopted as its policy the slogan, "The need of revenue justifies any means for raising it."

The war in Europe is ending its third year, but only beginning so far as our active participation is concerned. We live to learn, and yet we have not sufficiently profited by our experiences to have learned to let the industries which are the lifeblood of our Nation exist.

My understanding is that France, England, and Canada all in turn imposed a tax upon the manufacture and sale of musical instruments, only to find by the wisdom of experience the folly of their action, and repealed the tax.

Education is the impregnable bulwark upon which the security of a republic's happiness and prosperity is founded. At a time when American genius has dedicated its time and talent to the noble principle of placing American music upon the lofty plane established by Beethoven, Goethe, Schiller, Von Wagner, and Strauss, one would expect the great American Congress to recognize the distinction between educational opportunities and the commercial advantages connected with the sale of musical instruments.

Fifty-six thousand pianos are used in music schools and colleges and by music teachers. Shall their replacement or the extension of our musical educational system be penalized by a 5 per cent tax?

Moreover, 85 per cent of all the pianos sold are purchased by people of moderate means, upon whom this tax will fall heaviest.

Again, the cost of metals necessary to the production of musical instruments has increased nearly 300 per cent, and with the increased cost of labor, now leaves a very small margin of profit. Pianos are sold under such conditions that the tax can not in a great many cases be passed onto the purchaser; an enormous number of pianos are sold on the installment plan, which imposes another excessive penalty upon the piano manufacturer who must carry paper for a long term and is actually compelled to pay over his first payment or perhaps advance the amount of the tax to the Government, and should the customer fail to make his payments, necessitating the resale of the instrument, as I read the language used, it does not except the imposition and collection of the payment of another tax upon such resale.

Talking machines have now come to be recognized as the most successful method of learning foreign languages, and their inclusion also places a 5 per cent penalty upon everyone seeking that method of instruction.

Prior to the war approximately 75 per cent of all of the brass instruments used in America were imported from France. The conditions created by the war stimulated American manufacturers to virtually build up a new industry. One concern which I have in mind has contracted to supply the Government with the instruments to equip the bands which will be sent to the trenches with the Army raised by the selective-draft law. This contract was taken upon a 10 per cent basis with no guaranty by the Government upon the wage question, increase of material, and so forth, which have already made a serious inroad upon the expected profit. The imposition of a 5 per cent tax makes the performance of the contract at any profit extremely hazardous.

There are dozens of similar illustrations, but one which I particularly wish to bring to the attention of the committee is the situation which this provision creates with respect to the exportation of musical instruments. There has been introduced, and will be presently considered, the Webb export bill, designed in its purpose to aid American manufacturers to secure a strong hold in the Central, South American, and West Indian countries. France, for instance, has suffered no diminution in the output of musical instruments; but this bill places a handicap tax of 5 per cent upon the American manufacturer competing in the export trade in what is a new field of commercial activity.

I contemplate the provisions of this section with a great deal of uneasiness for the commercial prosperity of a considerable portion of the district which I have the honor to represent. Nearly one-third of all the pianos manufactured in the United States are made in the twenty-first congressional district of New York. They are largely the cheaper grades, where the margin of profit is smallest. And these manufacturers may be made the victims of a species of competition, aided by this 5 per cent tax provision, which the larger manufacturers can, perhaps, assume to pay; so that in the end, by driving out the small manufacturer, a substantial monopoly will be created that will thwart the musical ambitions of those who in the future are unable to regard the purchase of a musical instrument as anything but a luxury.

Hence I have offered two amendments which I hope will appeal to the sense of justice of a substantial majority of the membership of this House, and I trust you will vote for their adoption and avert the disaster with which this great educational industry is threatened. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from New York [Mr. HULBERT].

The question was taken, and the amendment was rejected.
Mr. HULBERT. Mr. Chairman, I offer another amendment.
The Clerk read as follows:

Amendment by Mr. HULBERT: Page 26, line 12, after the word "articles," insert:

"Provided, however, That no tax shall be levied and collected upon any articles herein enumerated in subdivision (b) of section 600 intended for and actually exported beyond the limits of the United States during the pendency of this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. MEEKER. Mr. Chairman, I ask now that the amendment I have offered be read and a vote taken upon it.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Amendment by Mr. MEEKER: Strike out the word "and," in line 14 of page 26, and insert in lieu thereof the following:

"Provided, That the tax of 5 per cent shall not be collected until the manufacturers of the articles herein enumerated shall have earned a profit of 8 per cent upon the actual capital invested.

"For the purpose of this paragraph actual capital invested means (1) actual cash paid in; (2) the actual cash value at the time of payment of assets other than cash paid in; and (3) paid in or earned surplus and undivided profits used or employed in the business."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. MEEKER) there were 35 ayes and 58 noes.

So the amendment was rejected.

The Clerk read as follows:

(d) Upon all positive moving-picture films (containing a picture ready for projection) sold or leased by the manufacturer, producer, or importer a tax equivalent to 1 cent per linear foot; and.

Mr. BORLAND. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. BORLAND: Page 26, line 21, after the word "foot," insert:

"Provided, That this paragraph shall not apply to films used solely for advertising purposes."

Mr. BORLAND. Mr. Chairman, I want to call the attention of the chairman of the committee to this amendment, for I have an idea that he will accept it. The purpose of this paragraph is to impose a tax on picture films that contain pictures. My idea is that such films as are used for advertising solely are intended to come under the paragraph that levies a tax on advertising other than newspapers and periodicals. In fact, they will come under it. All moving-picture-advertising films will be taxed as advertisements, as billboards, and other things are taxed. It is not intended, I take it, to tax them as they do a picture ready for projection.

Mr. KITCHIN. The purpose of the committee is to tax films, whether they are used for advertising or not. We can not distinguish and ought not to do it. A man that sells or leases a film might say that he was doing it for advertising purposes. I think they ought to be taxed.

Mr. BORLAND. Then that is double taxation, if it is intended that they shall pay a tax once as a film and then once as an advertisement.

Mr. KITCHIN. If that is true, if we can argue it is double taxation because it is taxed in that way, there is not an item in this bill that is not doubly taxed, because there is a tariff upon every single article in the bill.

Mr. BORLAND. There is tariff upon this, and that would be treble of taxation.

Mr. KITCHIN. Some of them are taxed so that it is quadruple taxation.

Mr. BORLAND. Mr. Chairman, these films are not designed to be exhibited to attract people to pay an admission fee, but they are paid for by the advertiser. Nobody pays to go to see them. The advertiser pays for their being displayed, just the same as he does in a billboard or a circular.

Mr. FESS. Mr. Chairman, will the gentleman yield for a question?

Mr. BORLAND. Yes.

Mr. FESS. I am not sure that I catch the meaning of this, but would the film manufactured for educational purposes for a display of something in an educational institution fall under this tax?

Mr. BORLAND. Yes; it would. I will state that this covers every film that has a picture on it, whether displayed for profit or free. My amendment simply excludes those that are displayed as advertisements and that are taxed as advertisements.

Mr. FESS. The Agricultural Department has an immense amount of work in that way. Would this take that in?

Mr. BORLAND. Yes; this would apply to that kind of film. What I am discussing in my amendment is that these particular films manufactured for advertising purposes are all taxed in that clause.

Mr. COOPER of Wisconsin. Could the gentleman give an estimate as to the average length of those advertisements?

Mr. BORLAND. No.

Mr. COOPER of Wisconsin. A cent per linear foot, if it is 5,000 feet, would be a considerable tax.

Mr. BORLAND. As a matter of fact, the space occupied by one particular advertisement might not be very much, but the man who is manufacturing the film and getting the business of advertising for that particular film would use up the entire film. He would use up a great many thousand feet. It is exactly the same to him whether he uses 5 feet for a customer or 50 feet.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

(e) Upon any article commonly or commercially known as jewelry, whether real or imitation, sold by the manufacturer, producer, or importer thereof, a tax equivalent to 5 per cent of the price for which so sold; and.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 26, line 25, after the word "and," insert: "Upon platinum used in whole or in part in the manufacture of jewelry sold by the manufacturer, producer, or importer thereof, a tax equivalent to 250 per cent of the price for which so sold; and."

Mr. MOORE of Pennsylvania. Mr. Chairman, I reserve the point of order upon that. I would like to ask whether or not the gentleman from North Carolina intends to make the point of order?

Mr. KITCHIN. I shall not make the point of order upon that if the gentleman does not want me to. I would like to hear the matter discussed.

Mr. LONGWORTH. I think no point of order will be made after discussion, if it be subject to a point of order.

Mr. MOORE of Pennsylvania. I reserve a point of order.

Mr. KITCHIN. As I understand it, the gentleman asks this upon the theory that it is a war measure, pure and simple.

Mr. LONGWORTH. I do.

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the point of order, awhile ago a question was raised as to the propriety of introducing an amendment to tax cotton. The question of germaneness was raised and the Chair held that the amendment was not germane, as no new item could be added to this tax bill. This amendment proposes to add a new item and is not germane under the ruling of the Chair.

Mr. LONGWORTH. Mr. Chairman, I hope the gentleman will postpone his point of order. I might debate the point of order if it were made, but I do not think any gentleman, in view of the fact that this is offered purely as a war measure, will make the point of order.

Mr. MOORE of Pennsylvania. Of course, I would much prefer to reserve the point of order in order that the gentleman may make his statement, because his statement will be equally as important as mine was respecting cotton. I reserve a point of order.

Mr. LONGWORTH. Mr. Chairman, this may seem to be a rather unusual, even extraordinary, amendment to offer to a bill to raise revenue, for it is offered frankly and purely for the purpose of destroying any revenue that may be raised upon platinum used in jewelry. This bill is introduced for the purpose of providing for the national defense, however, and it seems to me that this amendment is entirely in line with objects of the bill, because platinum is a necessary part of the national defense. Platinum to-day is an absolute necessity in the production of high explosives. Platinum is a necessity for making concentrated sulphuric acid, which is thereafter made into nitric acid. It is also an essential for the oxidation of ammonia to nitric acid, the method that is now being pursued in all the European countries in the manufacture of nitrates. Platinum in 1900 sold at about \$10 an ounce. It was less than half the value of gold. To-day platinum sells at \$100 an ounce and more. It has increased in value ten times. To-day it is worth six or seven times the value of gold, and why? Because platinum to-day is used in jewelry for setting precious stones and for other purposes. The platinum supply in this country is almost nothing. We produce no platinum here. We have to import it, and almost all of it comes from Russia. A very small portion comes from Colombia, but only an insignificant amount. The situation to-day in this country is that it is almost impossible to get platinum, because the entire output is used in the manufacture of

jewelry. My amendment is to put a prohibitive tax on the use of platinum in jewelry. Our chemical laboratories throughout the country are having difficulty in getting any platinum. Our Government research bureaus are almost entirely without platinum, and the situation may soon arise, unless we pass a measure of this sort, where we will be in this country without an absolute and prime necessity for the manufacture of high explosives. Does it not seem a shame, gentlemen of the committee, that a fashionable fad, purely a fashionable fad, should bring this country to-day in a state where it may be without an absolute prime necessity for the national defense? A number of people have realized this situation—patriotic people. The Daughters of the American Revolution the other day in convention passed a resolution in which they said, after the whereas, showing the necessity for platinum in this country—

Resolved, That we, the delegates of the Daughters of the American Revolution, appeal to women and the men of America, and we pledge ourselves, to refuse to purchase or accept as gifts for the duration of the war jewelry and other articles made in whole or in part of platinum, so that all the available supplies of this precious metal shall be available for employment where they can do the greatest good in the service of our country.

And I have several other resolutions here from chemical societies, from the National Academy of Sciences, and others. Now, that is all very well as far as it goes, but it is not going to stop the insensate desire of some fashionable women of this country to buy platinum jewelry. Why, to-day the situation in Europe with regard to platinum is such that men and women are taking the platinum fillings out of their teeth and turning them over to the Government for the use of the Government in the national defense. I sincerely hope that I may have the cooperation of my colleague, the lady from Montana, in spreading this doctrine throughout the land. It seems to be plain, gentlemen, engaged as we are in raising revenue to supply provisions for the national defense, that in a matter of this concern it is not our highest duty to see to it that the use of platinum hereafter in jewelry shall be stopped.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONGWORTH. I ask unanimous consent to insert these various resolutions in my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none. The resolutions are as follows:

Resolution passed by the Daughters of the American Revolution.

Whereas the metal platinum is of the greatest importance for scientific and industrial work necessary for the constructive, productive, and defensive work of the country; and

Whereas there is a great shortage in the supplies of platinum available for those purposes, in a very great measure as a result of the extensive use of platinum for jewelry and for other articles of luxury: Therefore be it

Resolved, That we, the delegates of the Daughters of the American Revolution, appeal to the women and the men of America, and we pledge ourselves, to refuse to purchase or accept as gifts for the duration of the war jewelry and other articles made in whole or in part of platinum, so that all the available supplies of this precious metal shall be available for employment where they can do the greatest good in the service of our country.

Resolution passed by the American Chemical Society.

That the attention of the National Council of Defense be called to the scarcity of platinum under existing conditions, and to the great need of the metal, more particularly in the prosecution of the war. We hold that the use of platinum at this time in the production of articles of ornament is contrary to public welfare. Therefore we recommend that an appeal be made to the women of the United States to discourage the use of platinum in jewelry, and that all citizens be urged to avoid its use for jewelry, for photographic paper, and for any purpose whatever, save in scientific research and in the making of articles for industrial need.

Resolutions passed by the platinum committee of the jewelers' vigilance committee.

Whereas the Secretary of Commerce has requested the platinum committee of the jewelers' vigilance committee to bring to the attention of the jewelry trade of the United States the advisability of conserving platinum, in order that our Government may have larger supplies to draw upon for war purposes; and

Whereas the jewelry trade has already clearly expressed its desire and determination to assist our Government to the extent of its ability in bringing the war to a successful termination: Therefore be it

Resolved, That we pledge ourselves to discontinue and strongly recommend to all manufacturing and retail jewelers of the United States that they in a truly patriotic spirit discourage the manufacture, sale, and use of platinum in all bulky and heavy pieces of jewelry; and be it further

Resolved, That during the period of the war or until the present supplies of platinum shall be materially augmented, we pledge ourselves to discontinue and recommend that the jewelry trade discourage the use of all nonessential platinum findings or parts of jewelry, such as scarf-pin stems, pin tongues, joints, catches, swivels, spring rings, ear backs, etc., where gold would satisfactorily serve; and be it further

Resolved, That the jewelry trade encourage by all means in their power the use of gold in combination with platinum wherever proper artistic results may be obtained; and be it further

Resolved, That copies of these resolutions be handed to the Secretary of Commerce, to the trade press, and be sent to all our trade organizations and to the daily press, in order that they may have the widest possible dissemination.

Resolution passed by the National Academy of Sciences.

Whereas there is a great shortage in the supplies of platinum available for scientific and industrial purposes; and

Whereas the shortage is in very great measure due to the extensive use of platinum for jewelry and other articles of luxury: Therefore be it

Resolved, That the National Academy of Sciences in this critical situation, where all the resources of the Nation should be put to the use of those immediately active in the constructive, productive, and defensive work of the country, appeal to the women and the men of America to refuse to purchase or accept as gifts jewelry and other articles made in whole or in part of platinum, and thus to allow all the available supplies of the metal to be used where they can do the greatest good.

Mr. MOORE of Pennsylvania. Mr. Chairman, I reserved the point of order on this amendment because it seemed that it is a case on all fours with that of cotton, also a munition of war equally important to platinum. The Chair ruled the cotton amendment was not germane. While I believed it was germane and that it should have remained in the bill as a source of taxation, I shall not insist upon the point of order in regard to platinum, which I believe is necessary as a war measure.

Mr. MANN. Mr. Chairman, I make the point of order so as to have the ruling of the Chair.

The CHAIRMAN. Does the gentleman desire to discuss the point of order?

Mr. MANN. Well, I know if the Chair had examined the matter he would rule properly on it. If he had not—

Mr. RAINEY. Will the gentleman withhold the point of order or make it?

Mr. MANN. Oh, I make it.

The CHAIRMAN. The Chair understands the amendment offered by the gentleman from Ohio [Mr. LONGWORTH] proposes to tax platinum in any of the forms in which it is introduced into the country at the amount indicated by the amendment—

Mr. LONGWORTH. Mr. Chairman, I submit this is not on all fours exactly with the cotton proposition ruled out of order this morning. It is an item which puts a tax of 5 per cent on the sale of articles commonly known as jewelry. My amendment puts an additional tax on the sale of a certain one of those articles manufactured into jewelry, to wit, platinum. It seems to me it is germane under the ruling of the Chair this morning, entirely germane to the paragraph, because platinum is an article of jewelry, and this is simply an addition to the tax imposed by this bill upon it. I regret that any gentleman should raise a point of order on this proposition, even as a test of the ruling of the Chair on cotton, because this is an absolute necessity, gentlemen. I am informed by the responsible officials of this Government that we are at straits to get any platinum in this country to-day.

Mr. CAMPBELL of Kansas. May I ask the gentleman from Ohio if platinum bears a duty of 5 per cent as—

Mr. LONGWORTH. I am glad the gentleman suggested that. In addition, we have imposed on all articles now on the free list, including platinum, a tax of 10 per cent. Therefore we will put an additional duty of 10 per cent on platinum. Platinum sells at \$125 an ounce, which is the cheapest price for which it can be procured to-day.

Mr. MANN. Mr. Chairman, my friend from Ohio [Mr. LONGWORTH] regrets that anyone should make a point of order upon the amendment. I regret that anyone should seek to use this measure, which is a revenue measure, in order to put any certain kind of business out of business. I quite agree with the gentleman from Ohio about the need of platinum, but there are a great many things connected with the war which we will have to correct by legislation, and I doubt very much the propriety of inserting in a revenue bill, supposed to be actually and purely for the purpose of raising revenue, a provision intended to stop business of any particular kind. There are a good many places where possibly it ought to be done, and I expect we will have some legislation which will cover this identical matter before we are through, giving the President rather complete power over such matters.

Mr. LONGWORTH. If the gentleman will yield there, I think the Government already has that power. The President has authority now to conscript such articles as this, but that will be only so far as our Government is concerned.

That would not help the situation with regard to the platinum now used by the manufacturers of sulphuric acid and other chemicals for which platinum is necessary.

Mr. MANN. I agree with the gentleman. I think the ladies ought to be encouraged. I hope the gentleman from Ohio, who is a substantial character in every respect and a great pet of the ladies, will suggest they turn over their platinum jewelry to the Government.

Mr. LONGWORTH. I will agree to give no platinum jewelry to any of them.

Mr. GREEN of Iowa. There is so much involved in this ruling that if the Chair has not already determined on the ruling I would like to make this comment.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. GREEN of Iowa. As the gentleman from Ohio [Mr. LONGWORTH] has already suggested, we have in this bill a duty on platinum jewelry. This bill refers only to platinum that is used in jewelry. By this amendment the rate we have in the bill is raised. If we can not make an amendment of this kind, this bill would practically have to go through the House without the dotting of an "i" or the crossing of a "t."

Mr. MADDEN. I would like to ask the gentleman if there is not a tax on cotton products in this bill?

Mr. GREEN of Iowa. There is the tariff rate.

Mr. MADDEN. And the same thing that is true with respect to cotton prevails as to this.

Mr. MONTAGUE. Will the gentleman permit me to ask the gentleman from Illinois, Did you propose to amend the tax this morning on cotton?

Mr. MADDEN. Just exactly as we propose to amend this particular tax.

Mr. MONTAGUE. The amendment offered this morning, I will say to the gentleman, was an amendment dealing with facilities furnished by public utilities, advertising, and insurance. There was not anything in the section or the following section relating to cotton.

Mr. LENROOT. It was a new title.

Mr. MONTAGUE. It was technically a new section, a new number, but it was a substantial attempt to amend a section which dealt with a wholly different topic. It is parliamentary legerdemain to call it a new section, for, to repeat, the amendment neither related to the preceding nor succeeding section.

Mr. MADDEN. Is not the same question involved in this?

Mr. MONTAGUE. Here you deal with the question of jewelry, and a substantial element of jewelry is platinum. If you had been dealing this morning with an agricultural schedule, you might have dealt with cotton as being clearly embraced in such a schedule. But you were not doing that, and I do not think there is any analogy between the two amendments.

I beg the gentleman's pardon for taking his time.

Mr. GREEN of Iowa. I agree with my friend from Virginia [Mr. MONTAGUE]. The cases are not parallel at all. Here is an amendment to a specific paragraph relating to the rates obtaining therein. In the other case there was a new title offered in reference to an item, which, if taxed at all, is taxed in the bill in altogether a different manner and on a different principle, and there may be a question whether the tariff tax was any tax whatever. As I said before, unless we can make an amendment of this kind we can make no amendments whatever to the bill.

Mr. FESS. Will the gentleman yield? The subsection he refers to is jewelry?

Mr. GREEN of Iowa. Yes.

Mr. FESS. Which is a manufactured article?

Mr. GREEN of Iowa. Yes.

Mr. FESS. Will it cover any subject of raw material out of which jewelry is made?

Mr. GREEN of Iowa. I should think so—jewelry proper. Does the gentleman mean if it would cover the raw material separately?

Mr. FESS. Yes.

Mr. GREEN of Iowa. The gentleman's amendment does not cover the raw material separately. It applies to platinum alone.

Mr. FESS. It applies to platinum that is not now jewelry.

Mr. LONGWORTH. Mr. Chairman, I ask that my amendment may be again reported.

The CHAIRMAN. The Clerk will report the amendment.

The amendment was again reported.

Mr. LONGWORTH. Mr. Chairman, I simply want to call the Chair's attention to this fact, that there is no mention of a new item or object of taxation. There is no change of method by which jewelry is taxed as such and platinum along with other jewelry. It is simply adding a higher tax on platinum than any other article of jewelry.

Mr. FESS. Will the gentleman yield for a question?

Mr. LONGWORTH. I will.

Mr. FESS. I am not clear. With platinum used in the manufacture of jewelry, is not platinum the raw material?

Mr. LONGWORTH. Just as a diamond is. Jewelry usually means a precious stone of some sort set in some durable material, which in this case is platinum.

Mr. GREEN of Iowa. It applies to jewelry made up.

Mr. FESS. Is platinum raw material or jewelry?

Mr. GOOD. If it is used as a munition, it is jewelry.

Mr. GREEN of Iowa. That is a very sensible answer.

Mr. TILSON. Suppose that there was very little platinum, say a dollar's worth, used in setting a very valuable piece of jewelry.

Mr. LONGWORTH. As platinum is worth \$175 an ounce, the gentleman's supposition is impossible. A watch chain—and there are a number of watch chains that I have seen made entirely of platinum—is an article of jewelry. It may be made of platinum, and in that way the tax under my amendment is a higher tax than it would be if it was a gold chain.

Mr. TILSON. Are there not instances, though, where a very little platinum is used in the setting of a very valuable piece of jewelry? Would the entire piece of jewelry be taxed, although it contained an infinitesimal part of platinum? Would it all be taxed?

Mr. LONGWORTH. No; not the diamond, but the result of the prohibitory tax would be to prevent the platinum from being used for that purpose. That is all I desire to do. I do not want to make it possible to set diamonds or scarfpins in platinum.

Mr. MANN. If the gentleman will yield—

Mr. LONGWORTH. Yes—

Mr. MANN. Platinum is not sold as jewelry by itself. It is sold when it is used for setting precious stones. I say it is not sold for jewelry, but it may be in the case of watch chains. Platinum has taken the place in jewelry for gold in the setting of precious stones. Now there would be no tax at all on the platinum unless we taxed the whole thing. I am not sure that there would be any tax upon it.

Mr. LONGWORTH. Well, if it were sold for the purpose of making jewelry, bought by a jeweler, he would have to pay 250 per cent additional, which would drive it out. It would make the cost of the jewelry so high that it would not be used.

Mr. MANN. No. The gentleman's amendment provides that the manufacturer shall pay the tax. It may be manufacturer, producer, or importer. Now, then, the wholesale dealer who sold the platinum to the jewelry manufacturing concern is not the manufacturer of the platinum, or the importer of the platinum, or the producer of the platinum. When he sells it there is no tax on it.

Mr. LONGWORTH. You mean where the importer—

Mr. MANN. Of course, the gentleman followed the language in the bill?

Mr. LONGWORTH. Yes.

Mr. MANN. That is designed to put the tax on the manufacturer of jewelry when he sells the jewelry. The gentleman's design was to put the tax on the man who sells the platinum to the jewelry concern, not the jewelry concern that sells it to the retailer. But I do not think the gentleman's language will do it.

Mr. LONGWORTH. My design was to make the price of platinum so high to the jeweler that he would not buy it for that purpose.

Mr. MANN. That is the manufacturing jeweler?

Mr. LONGWORTH. Yes.

Mr. MANN. The man who sells it is not the manufacturer or the producer of the platinum, and perchance he is not the importer of the platinum.

Mr. LONGWORTH. I would not be sure as to just what agencies the jeweler buys the platinum from. I presume the large manufacturing jeweler imports it.

Mr. MANN. Where does he import it from?

Mr. LONGWORTH. I will say to the gentleman that negotiations are now going on, as I understand, on the part of the Jewelers' Association of New York to import the platinum that is now in France and pay something like \$150 an ounce for it.

Mr. MANN. If they are taking the platinum out of the teeth of their wives and daughters I do not suppose they would be able to do it.

Mr. LONGWORTH. Those who take it out of their teeth do not do it for profit, but only to help the Government.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. COOPER of Wisconsin. I would like to ask the gentleman from Ohio one question. Platinum is used, is it not, in surgical and optical and scientific instruments?

Mr. LONGWORTH. To some extent.

Mr. COOPER of Wisconsin. Then this taxation would not necessarily relate directly to the item which concerns only jewelry?

Mr. LONGWORTH. No. The gentleman misapprehends exactly what I am driving at. The reason why platinum is so high is on account of its use as jewelry, and the ladies who desire to have a large diamond tiara are not content now with one set in gold. That is too cheap. They want it to be as expensive as possible, and now that platinum has gone up to five or six times the value of gold, it becomes more desirable for that purpose, and that is the reason why it is difficult to get it for articles of necessity.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. COOPER of Wisconsin. Mr. Chairman, on the point of order I call the attention of the Chair and the attention of the gentleman from Ohio [Mr. LONGWORTH] to the last part of paragraph 3 of Rule XXI:

Nor shall any amendment to any item of such bill be in order which does not directly—

Not indirectly, but—

directly relate to the item to which the amendment is proposed.

Now, this item of the bill relates exclusively to jewelry. Jewelry is a manufactured article, an article used for personal adornment. This amendment relates exclusively to platinum. Platinum is a raw material used in the manufacture of surgical instruments, optical instruments, and other scientific apparatus and also in the manufacture of jewelry. But it is not itself jewelry. This item, as I have said, relates exclusively to manufactured articles called "jewelry." These articles may contain gold or silver or platinum or they may contain neither. Platinum does not necessarily relate directly to the subject matter of this item of the bill. It can be used for other purposes than the manufacture of jewelry. It is a raw material.

Mr. MANN. I did not know; but is the gentleman familiar with the amendment, and does he know that it applies only to platinum used in the manufacture of jewelry?

Mr. COOPER of Wisconsin. Yes; but it is platinum, a raw material. It is not jewelry; and the item relates only to "jewelry," a manufactured article.

Mr. MANN. That is true, and the amendment relates only to the platinum used in the manufacture of jewelry and not to other things.

The CHAIRMAN (Mr. SAUNDERS of Virginia). The Chair is very glad to have had the benefit of this discussion on the point of order. The present occupant of the chair has no desire to make any hair-splitting distinctions, but desires to base his ruling on the solid grounds of reason, and sufficient precedent.

This paragraph relates entirely to jewelry. Jewelry may be made from a number of things, gold, silver, precious stones, and other articles. Many of these articles may enter at the same time into the composition of some particular article of jewelry. The amendment of the gentleman from Ohio relates exclusively to the raw material, in this case platinum, and proposes a tax upon that raw material, not upon platinum jewelry. The Chair does not understand that it would be out of order to offer an amendment relating to platinum jewelry, but this amendment relates to the article platinum which is a raw product that is a possible component of jewelry. This section deals exclusively with jewelry. By way of illustration this bill might impose a tax upon ready-made clothes. Wool is a possible element of clothes, but it would hardly be argued, it seems to me, that it would be in order in connection with a tax on ready-made clothes to offer an amendment relating to the imposition of a tariff on imported wool. Yet, as the Chair understands this situation after such attention as he has been able to give it, such an amendment in the case suggested would be in order, provided the point of order to the pending amendment is overruled. The Chair sustains the point of order.

Mr. LONGWORTH. Mr. Chairman, I offer a new amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

Mr. GREENE of Massachusetts. Mr. Chairman, I have an amendment pending.

The CHAIRMAN. Does that amendment relate to this amendment?

Mr. GREENE of Massachusetts. No; not to this amendment.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Ohio [Mr. LONGWORTH].

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 26, line 25, after the word "and," insert: "Upon jewelry composed in whole or in part of platinum, sold by the manufacturer, producer, or importer thereof, a tax equivalent to 250 per cent of the price for which so sold; and."

Mr. MANN. I hope the gentleman will not press that amendment. I fully agree with the gentleman about the use of platinum. I think we ought to conserve it, but there are a great many articles of jewelry made up in retailers' hands in which there is a very small amount of platinum used, with very expensive precious stones. It is putting a rather hard burden upon those jewelers, many of whom can not reset the stones themselves, to have to return them to a manufacturer to take the stone out of the setting, because they can not even resell them back to the manufacturer.

Mr. SHALLENBERGER. Will the gentleman permit an interruption? Is it not true that the national-defense act empowers the Secretary of War to commandeer?

Mr. MANN. I do not know.

Mr. SHALLENBERGER. I will say to the gentleman that it does.

Mr. MANN. I am willing to take the gentleman's word. I know the national-defense act gives a great deal of power, but I did not know about this. But the retail dealer who has a \$500 diamond or a \$50 diamond—I do not think they set many \$50 diamonds alone in platinum—who has that stone and setting can not sell it back to the manufacturer. He can not dispose of it in any way whatever except by himself, perhaps awkwardly, taking the stone out of the setting.

Mr. TILSON. Will the gentleman yield for a question?

Mr. MANN. Yes.

Mr. TILSON. Is it not often a fact that they use very little platinum on the gold, just enough to give it the color of platinum?

Mr. MANN. No; I do not think so. I do not know. Of course, a few years ago gold was used almost exclusively for the setting of precious stones. The fad grew up to use platinum. As soon as platinum became more expensive than gold everybody wanted jewelry set in platinum. We ourselves in the House here bought some when we made presents to some of these nice young ladies who were getting married; but I do not think we ought to endeavor, by crude legislation, perhaps absolutely to ruin retail dealers in jewelry without gaining anything by it.

Mr. LONGWORTH. Ordinarily I would defer to the opinion of the gentleman from Illinois, but in a case like this it seems to me that the urgency of the situation rises very far above the convenience of manufacturing jewelers.

Mr. MANN. This does not relate to manufacturing jewelers.

Mr. LONGWORTH. Or retail jewelers, for that matter. They can very easily unset those precious stones which are set in platinum and substitute gold or some alloy for that purpose. I am informed that new alloys have been invented which are just as beautiful, just as imperishable, and look exactly like platinum. Under ordinary circumstances I would agree that such an amendment as this ought not to go into a revenue bill; but as this revenue bill is designed for the national defense, and platinum is absolutely necessary as a means of national defense, which we are practically without to-day except in our jewelry stores, they can afford to stand the loss, if there be a loss, in the interest of all the people of America.

Mr. KITCHIN. Mr. Chairman, I ask that all debate on this amendment of the gentleman from Ohio close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. RAINEY. Mr. Chairman, this amendment applies to platinum jewelry, and it reaches jewelry in the hands of the manufacturer or producer or wholesaler. Every government engaged in this great war, except the United States, has taken steps to conserve the supply of platinum. It is an absolute necessity in the manufacture of explosives. You can not make any explosives without it, and you can not fight this war without explosives. At the present time there is only one agency in the United States endeavoring to restrict the use of platinum in jewelry, and that is the jewelers themselves who have passed a resolution agreeing that during the period of this war, or until the present supply of platinum is materially augmented, they are going to pledge themselves to discourage the use of the nonessential platinum findings or parts of jewelry. I will put the resolutions in the RECORD.

This is the only attempt in the United States to conserve the platinum here now, and an inventory is now being taken all over the United States in an attempt to locate the supplies of platinum and ascertain how much there is in the United States at this time.

Mr. LEHLBACH. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. LEHLBACH. I have a letter here written by the Secretary of Commerce, Mr. Redfield. Will the gentleman read it, as I will not have the time.

Mr. RAINEY. I have a letter from Mr. Redfield myself. I know the attitude of Mr. Redfield. The Department of Commerce says that this is an industry, and it is the business of the department to encourage all industries. Therefore, inasmuch as there appears to be no need for a larger supply of platinum at the present time than that on hand, this department of the Government takes the position that it ought to continue to encourage this industry as it encourages all other industries. The position taken by the Department of Commerce, however, cuts no figure in my judgment at the present time. The only platinum source of supply we have is Russia, and we do not know how much they have there. We do know that during the progress of the war they have prohibited the export of platinum to any part of the world, even to the United States. Now that we are at war, fighting with Russia as an ally, it is expected that the embargo on platinum will be raised so as to permit it to come from Russia to the United States. But that is no reason why in the interest of those who want to buy expensive jewelry we should not adopt this amendment. Nobody wanted platinum jewelry until it became more expensive than gold. To-day an ounce of platinum is worth five or six times as much as an ounce of gold, and so the very rich who can afford to buy the most expensive jewelry are demanding platinum. If they still demand platinum and this amendment passes they will pay 250 per cent more than they are paying for it now, and that will go into this war fund which we are establishing by this bill. It may not entirely cut off the supply of platinum in the jewelry industry, because the very rich may still insist upon it; but if they do, they are paying part of the great war fund we are creating by this bill.

The mere fact that the jewelers in this country want to continue this particularly profitable business during this war and that the very rich want to continue buying it is no reason why we should not conserve it, and I hope the amendment will be adopted. [Applause.]

Under the permission to extend my remarks I herewith print the resolutions adopted by the jewelers and the comments of the Secretary of Commerce thereon. I print it for the purpose of showing upon what a slender thread hangs this important product in this hour of national peril:

JEWELERS TO SAVE PLATINUM.

Having in mind the present needs of American industries, educational institutions, and sciences for platinum and the possible future requirements of the Government, the jewelers' vigilance committee, after giving the subject careful thought, at the request of the Secretary of Commerce, has adopted the following resolutions:

"Whereas the Secretary of Commerce has requested the platinum committee of the jewelers' vigilance committee to bring to the attention of the jewelry trade of the United States the advisability of conserving platinum in order that our Government may have larger supplies to draw upon for war purposes; and

"Whereas the jewelry trade has already clearly expressed its desire and determination to assist our Government to the extent of its ability in bringing the war to a successful termination: Be it

Resolved, That we pledge ourselves to discontinue and strongly recommend to all manufacturing and retail jewelers of the United States that they in a truly patriotic spirit discourage the manufacture, sale, and use of platinum in all bulky and heavy pieces of jewelry. Be it further

Resolved, That during the period of the war, or until the present supplies of platinum shall be materially augmented, we pledge ourselves to discontinue and recommend that the jewelry trade discourage the use of all nonessential platinum findings or parts of jewelry, such as scarf-pin stems, pin tongues, joints, catches, swivels, spring rings, ear backs, etc., where gold would satisfactorily serve. Be it further

Resolved, That the jewelry trade encourage by all means in their power the use of gold in combination with platinum wherever proper artistic results may be obtained. Be it further.

Resolved, That copies of these resolutions be handed to the Secretary of Commerce, to the trade press, and be sent to all our trade organizations and to the daily press, in order that they may have the widest possible dissemination."

In commenting upon these resolutions Secretary Redfield made the following statement:

"This is wise, patriotic, and unselfish action, for which the merchants and manufacturers are highly to be commended. It will take time to work out fully its beneficial effects to the country. It will disarm adverse criticism of the jewelry trade in this respect and lead to general cooperation with them. Such is the earnest desire of the department. The jewelry business is a part, and an important part, of our commerce. It has acted fairly; its normal needs should be considered fairly. Platinum is required for many uses. Every such use has its just claim. None may urge an exclusive demand. All have a part in our common country, and the Government of that country seeks through the Department of Commerce to secure for all a due and proper share. To this end the considerate course taken by the jewelers will directly contribute."

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent to proceed for three minutes in order to have read a letter from the Secretary of Commerce.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, May 21, 1917.

Mr. MEYER D. ROTHSCHILD,
Chairman Platinum Committee,
Jewelers' Vigilance Committee, New York, N. Y.

MY DEAR SIR: In response to your inquiry let me say that a supply of platinum is available to the Government from several sources: First, from domestic stocks, of which a census is now being made and which it is known can be increased if need be; second, from stock now held by the Government which is available for sale to Government laboratories needing it for Government uses and to outside laboratories at the market price with the understanding that it is to be used for the purposes of the Government; third, from stocks existing abroad known to be available.

No campaign said to be based upon the alleged present needs of the Government can therefore now be properly made looking to the restriction of the use of platinum in jewelry further than the jewelry trade have already voluntarily gone, as expressed in the resolutions adopted by them and which this department has published with its approval.

Yours, very truly,

WILLIAM C. REDFIELD,
Secretary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The question was taken; and on a division (demanded by Mr. KITCHIN) there were—ayes 42, noes 54.

So the amendment was rejected.

Mr. O'SHAUNESSY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 36, line 25, after the word "sold," insert a colon and add the following:

"Provided, That from the tax which would be imposed upon the manufacturer, producer, or importer of jewelry, whether real or imitation, there shall be deducted the amount of tax paid under this subdivision upon any part or parts of such jewelry."

Mr. O'SHAUNESSY. Mr. Chairman and gentlemen of the committee, this is no amendment to escape any tax. It is no amendment to rid an industry of its share of taxation or the burden of this war. An examination of the bill reveals the fact that tires of automobiles are taxed separately, so that when the manufacturer receives the tire he no longer pays the tax. He pays a tax on the automobile. So double taxation for the automobile manufacturer is not in evidence in this bill.

I do not think it ought to be in evidence for any manufacturer in any industry. But this amendment offered by me is designed to relieve the manufacturer of jewelry of double taxation. I have illustrated it in this way: When a manufacturer makes a pendant he pays the tax. He sells it to another manufacturer, who in turn puts some work in it, perhaps adds a chain, and when he comes to sell it he pays a tax of 5 per cent on the selling price. That is double taxation, and I submit to the fair minds of this committee that it is not just.

Mr. MOORE of Pennsylvania. Will the gentleman give a case in point, like the repairing of the watch, for instance? I think I see the gentleman's point.

Mr. O'SHAUNESSY. I illustrate it by the manufacture of the pendant. I sell it to you and you put a chain on it. I pay the tax and you pay the tax, and so it is taxed twice. I sell you a ring, which is taxed, and you put a diamond into it; the diamond is taxed and the ring is again taxed—double taxation.

Mr. MOORE of Pennsylvania. Is it taxed until it is sold?

Mr. O'SHAUNESSY. It is taxed at the time it is sold, which is double taxation.

Mr. MANN. Will the gentleman yield?

Mr. O'SHAUNESSY. Yes.

Mr. MANN. Is there any tax on the repairs of jewelry?

Mr. O'SHAUNESSY. No; it is in the case of the manufacturer. If the principle adopted in the matter of the tire and the automobile industry is to be followed, I think this is a fair case, worthy of consideration.

Mr. MANN. What the gentleman wants to cover is a case where the manufacturer produces, say, gold rings without the setting.

Mr. O'SHAUNESSY. That is it.

Mr. MANN. And he sells them to some jeweler who puts in the setting.

Mr. O'SHAUNESSY. Yes. There are many, many manufacturers—

Mr. MANN. Undoubtedly there are lots in that business. Is there any way of keeping these differentiated so as to know when the tax is paid?

Mr. O'SHAUNESSY. It is provided for in the administrative part of the law by monthly returns to the collector of internal revenue.

Mr. WALSH. Do I understand that the gentleman desires to avoid double taxation?

Mr. O'SHAUNESSY. Exactly.

Mr. WALSH. Does the gentleman think this is the only place in the bill where double taxation is imposed?

Mr. O'SHAUNESSY. Not at all.

Mr. WALSH. Does the gentleman not think that this is rather a poor place to try it out to avoid double taxation—on jewelry and matters of that kind?

Mr. O'SHAUNESSY. I have offered my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

Mr. GREENE of Massachusetts. Mr. Chairman, I am in favor of this amendment, and I think it ought to be adopted. It is the only method by which you can prevent double taxation in this industry, which would be very much injured if the bill remains as it is now written. During the Civil War, I am informed by my colleague on my right, it was the custom to provide just such an amendment as this is, covering a similar case. I think the amendment ought to be adopted, and I should have offered the amendment if the gentleman who is a member of the committee had not offered it.

Mr. KITCHIN. Mr. Chairman, I hope that this amendment will not be adopted. It is entirely different from the automobile case in several particulars, especially in the administrative features. In the case of the automobile tire there can be but one tire and you can keep a check on such sales and administer such a provision, while in the jewelry business there are hundreds of different kinds of operations. Each one is sold separately. The gentleman from Rhode Island illustrated a case of a pendant that is sold. If it is sold to a jeweler by a manufacturer, he puts on that price, and then another man would sell him the chain. It pays the 5 per cent tax. If the jeweler can sell each one separately, as very frequently he does, most frequently, of course, he adds it on to the price that the purchaser has to pay, and if he sells the pendant and the chain both together, he will add on the 5 per cent for the pendant and the 5 per cent for the chain.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. MANN. Would the sale of precious stones be covered by this?

Mr. KITCHIN. Separately, no. I should not think it would.

Mr. MANN. Suppose a wholesale jeweler sells some diamonds, will that sale be covered by this paragraph?

Mr. KITCHIN. I do not so understand.

Mr. MANN. Suppose the wholesaler sells some diamonds.

Mr. GARRETT of Tennessee. Uncut?

Mr. MANN. No; cut.

Mr. KITCHIN. I am not clear about that, whether the diamond itself, without being set, would be covered by this or not.

Mr. MANN. Suppose he sells a setting for a necklace without the stones being sold?

Mr. KITCHIN. I think, then, whoever puts that necklace together would be the manufacturer of that jewelry. It says the manufacturer or importer.

Mr. MANN. Does the gentleman from North Carolina think, then, that the jewelry to come under the terms of this paragraph must be completed jewelry, ready to go into the hands of the final purchaser?

Mr. KITCHIN. I am not clear about that.

Mr. MANN. I have had some little experience in purchasing jewelry, partly for this House. Here is the situation: Every retail jeweler in a large city with much of an establishment buys settings. He buys the stones. He takes the stones out of one setting, which he may have purchased, and puts them in other settings to suit the purchaser. Now, plainly, if the jeweler has had to pay the 5 per cent tax on his setting and the 5 per cent tax on his stones, when he sells the completed article he ought not to have to pay the 5 per cent tax again. That seems to me perfectly patent. Therefore I do not see how the amendment of the gentleman from Rhode Island can do any damage. If they do not pay the 5 per cent tax when they purchase the precious stones to begin with and the setting to begin with, then this does not affect them.

Mr. KITCHIN. Here is what would be the effect of this amendment: As I understand the amendment from the gentleman's discussion of it, here is a chain which is a finished product and here is a pendant. The jeweler buys the pendant from one man and the chain from another. A person comes and wants to buy it from the retailer. The retailer puts both together, and it is said that he had to pay a double tax because the pendant has been taxed and the chain has been taxed, but those are two separate pieces of jewelry.

Mr. MANN. Oh, no.

Mr. KITCHIN. Yes.

Mr. MANN. They are separate, but they are ready for the jeweler to put together; neither one can be used without the other.

Mr. KITCHIN. And the jeweler, if he sells to the purchaser, would recoup himself by putting it on the price.

Mr. MANN. That is another question. If the intention is to tax 5 per cent on the chain you can go in any of the jewelry stores and they will show you a pendant with a chain perhaps, and they will tell you they will put any kind of pendant on the chain that you want and that they will take the chain off and put any kind of a chain on the pendant that you want. If they have paid the tax on both, why should they pay it again because they happen to put them together?

Mr. KITCHIN. I will say to the gentleman—

Mr. MANN. I really think the gentleman ought to take time to consider this before we pass it.

Mr. KITCHIN. I believe if they were unfinished they would not pay the tax. They make a distinction in the tariff law about stones.

Mr. MANN. Here is a pendant that is completed.

Mr. KITCHIN. And here is a chain complete.

Mr. MANN. Even with the loop to be fastened to a chain. Here is a chain that is complete, even to the clasp with which to clasp the pendant.

Mr. KITCHIN. On the pendant if it is sold to a jeweler it is 5 per cent and on the chain if it is sold to a jeweler it is 5 per cent—that is, when it is sold separately—and it is 5 per cent on the completed product. If you put them together it is 5 per cent on the pendant and 5 per cent on the chain.

Mr. MANN. That is a 10 per cent tax.

Mr. KITCHIN. That is what the committee intended and that is what the language means.

Mr. MANN. I am afraid the committee had not investigated the jewelry subject or they would not propose it.

Mr. REED. I understand a diamond, if in a setting, would bear a tax. A ring with a setting in it would be a finished piece. Suppose you should go to one jeweler and buy an unfinished ring upon which there would be no tax. Suppose you would go to another and buy the stone and suppose you should go to the third and say that you had a little repair job and he puts them together?

Mr. KITCHIN. I would not be surprised if it escaped taxation.

Mr. LENROOT. The retailer, the large jeweler, has been suggested. He does not come under the definition of this act as being a manufacturer, producer, or importer, does he?

Mr. O'SHAUNESSY. No; I am speaking about this: Say, there is an assembler of parts made by another manufacturer. The first manufacturer paid the tax and he sends those parts just as he would in any other industry to another manufacturer who puts them together and he pays a tax.

Mr. KITCHIN. He pays the taxes whether he pays them separately or whether he pays by putting them together.

Mr. O'SHAUNESSY. Then the objection I think is this: That we are imposing here a tax of 10 per cent upon this industry, and on other industries a tax of 5 per cent, and I submit to the conscience of the committee that they ought to vote for my amendment.

Mr. GREENE of Massachusetts. I would like to ask the gentleman from North Carolina [Mr. KITCHIN] a question.

Mr. KITCHIN. If a man sells an automobile and an automobile blanket, you are not taxing the automobile and the automobile blanket twice if you sell them together, or the tire on the automobile.

Mr. O'SHAUNESSY. The tire has been taxed, and the manufacturer has been relieved of the payment of the tax on the tire.

Mr. GREENE of Massachusetts. I would like to ask a question of the gentleman from North Carolina, if during all the consideration of this bill I have been to him, asking him to make any changes in it, or whether any manufacturers of jewelry in the State of Massachusetts or in the State of Rhode Island have been to him and asked him to make any changes?

Mr. KITCHIN. The only thing I understood the gentleman to object to was a provision in the bill which appeared to make them pay a tax on the stock they had on hand.

Mr. GREENE of Massachusetts. The jewelry dealers, the retailers, pay the 10 per cent tax that way, and they do not think they ought to pay it. But the manufacturers have not been to you, nor have I.

Mr. KITCHIN. That is true.

Mr. GREENE of Massachusetts. I have a number of manufacturers in my district, and we ask you not to put in this bill a case of double tax, but you insist on putting it in.

Mr. KITCHIN. This is not a double tax.

Mr. GREENE of Massachusetts. It is nothing else. I hope the House will have the sense to vote down the proposition of the gentleman.

Mr. KITCHIN. The only objection I have heard from the jewelers was the section in the bill that proposed a tax upon their stock.

Mr. GREENE of Massachusetts. That was proper. That was what was done during the Civil War—just this same amendment—and if you had held hearings they would have gotten it as a matter of justice. You passed it all over without any hearings at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. O'SHAUNESSY].

Mr. GREEN of Iowa. Just a word, without regard to the merits of the amendment. I want to pay a compliment to the manufacturers or jewelers. They have come in here and said as patriotic citizens they were ready to pay any duty imposed upon them. They, of course, did not want these charges, but they have not objected to the levy of this tax, notwithstanding it is a 5 per cent tax on the gross receipts, and their profits are not considered very extensive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. O'SHAUNESSY].

The question was taken, and the Chair announced that the Chair was in doubt.

Mr. O'SHAUNESSY. Division, Mr. Chairman.

The committee divided; and there were—ayes 30, noes 59.

So the amendment was rejected.

Mr. SLOAN. Mr. Chairman—

The CHAIRMAN. The gentleman from Nebraska [Mr. SLOAN] is recognized.

Mr. SLOAN. I move to strike out the last word, and desire to call the attention of the gentleman from North Carolina [Mr. KITCHIN], the chairman of the committee, to page 26, line 22, which says:

Upon any article commonly or commercially known as jewelry, whether real or imitation, sold by the manufacturer, producer, or importer thereof.

As I understand the intention of that it was to include not only jewelry in the common acceptance of that term, but also jewels. I have been looking up the matter of the definition of the term "jewelry," and I think it would only, as defined here, include that which had been manufactured and made up in combination from metals and precious stones, and so on, but would not include simply diamonds or rubies, or—

Mr. KITCHIN. The gentleman is correct. As I expressed my opinion awhile ago, I am rather inclined to the view that it was the finished product. Since then I have sat down and read the description in the tariff act, and it makes that distinction—finished or unfinished, set or unset.

Mr. SLOAN. Is it the intention to tax the finished jewel?

Mr. KITCHIN. No; I do not think we intended that. I think it had better stay just as it is.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(1) Upon all yachts, pleasure boats, motor boats, or other vessels not used or intended to be used for trade, sold by the manufacturer, builder, or importer, a tax equivalent to 5 per cent of the price for which so sold; and.

Mr. HICKS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HICKS: Strike out the word "and," in line 4, page 27, and insert in lieu thereof the following:

"Provided, That the tax of 5 per cent shall not be collected until the manufacturers or builders of the articles herein enumerated shall have earned a profit of 8 per cent upon the actual capital invested. For the purpose of this paragraph the actual capital invested means (1) actual cash paid in, (2) the actual cash value at the time of payment of assets other than cash paid in, and (3) paid in or earned surplus and undivided profits used or employed in the business."

Mr. HICKS. Mr. Chairman, this amendment is similar to the one offered by the gentleman from Michigan [Mr. DOREMUS] a short time ago and accepted by the committee. A few moments ago I conferred with the genial chairman, the gentleman from North Carolina [Mr. KITCHIN], and I was informed privately, and I suppose confidentially, that he did not believe he could favor this amendment, despite the fact that the committee had already passed a similar one in regard to automobiles.

Mr. KITCHIN. I will say to the gentleman that the House has just voted down the proposition of the gentleman from Missouri [Mr. MEEKER] on the subject of pianos and graphophones.

Mr. MEEKER. That was a different tune played by the musical instruments. [Laughter.]

Mr. HICKS. There is a marked difference, Mr. Chairman, between the proposition offered by the gentleman from Missouri [Mr. MEEKER] and this one. While pleasure boats may be considered a luxury, they can and frequently are converted into aids of defense, and become necessities. We speak of yachts and motor boats; the idea generally being that we are talking about large yachts and pleasure craft of men of means, whereas, as a matter of fact, the yards all over the maritime districts of this country, where they build one yacht 150 feet in length, will make 100 medium-sized motor boats and a thousand small craft like rowboats and small sailing vessels.

It has been the hope and aim of this country to develop our shipbuilding yards all over the Nation. To-day the shipyards in my own district for the most part small concerns, are suffering for lack of business. It is almost impossible for them to make a meager living by manufacturing motor boats or rowboats; and, gentlemen of this House, the motor boats to-day that are 35 or 40 feet in length and upward are being used throughout the length and breadth of our Atlantic coast for the purpose of patrolling and scouting in conjunction with the Navy, and it seems to me we should encourage the building of motor boats which may be used for war purposes as well as for other purposes, and should therefore relieve the builders of this tax.

Mr. KITCHIN. They are exempted under this act.

Mr. HICKS. I hope the committee will accept this amendment.

Mr. MANN. Mr. Chairman, I do not suppose that the provision in the bill would apply to a case where somebody turns his boat over to the Government.

There was a little dispatch in the papers the other day, under date of May 17, a portion of which I wish to read as bearing on this subject. I read:

Capt. Isaac E. Emerson, who was the first commander of the Maryland Naval Reserve, has presented to the United States Government Alfred Gwynne Vanderbilt's former yacht, the *Adriot*, which is said to be worth \$500,000, with the stipulation that it shall be used to patrol only Maryland waters during the present war with Germany.

That is a safe place, by the way. I read further:

Capt. Emerson has also used his influence in having a number of Maryland men appointed officers on the boat. The yacht is now at one of the navy yards being fitted out with the most improved guns in use in the Navy, and when ready for duty will be sent to some station where it can patrol the Chesapeake Bay and its tributaries.

In the center of the war activities! In the Chesapeake Bay! This fine gentleman, to whom credit is due, offering his boat to the Government to get it behind where an enemy's fleet can not possibly reach it and have it in safety during the war.

Mr. MADDEN. At the expense of the Government.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MANN. No; I do not yield. Of course the Government pays the expenses of the Government officers on the boat. I do not believe the statement contained in this article to be true. The article says the boat is to be commanded by the son of one of the Cabinet officers, who, if that be the case, instead of being drafted into the service of the Government of the United States, will be paid to keep out of danger. [Applause.] Because there is no danger in a yacht in the Chesapeake Bay, unless it gets out in the water somewhere [laughter], and the danger will not be from the enemy, but from a lack of nautical ability.

Some one is due to deny the statement in this paper. It has gone all over the United States that men and women's children, their sons, are to be drafted into the Army as private soldiers, but that the sons of Cabinet officers are to be given fat jobs out of danger. [Applause.]

Mr. HICKS. Mr. Chairman, I just want to make the comment that this is not an argument either for or against my amendment. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. HICKS].

The question was taken, and the amendment was rejected.

Mr. HULBERT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HULBERT: Page 27, line 2, after the word "vessels," strike out "not used or intended to be used for trade."

Mr. HULBERT. Mr. Chairman, I desire merely to call the attention of the House to the fact that when that provision was under consideration which provides for a tax on automobiles, the House declined to strike out the words "except automobile trucks or automobile wagons which are intended to be used for the purposes of trade," and that in order to be entirely consistent it seems to me that the House must now strike out the provision which would exempt motor boats not used or intended to be used for trade.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. HULBERT].

The amendment was rejected.

The Clerk read as follows:

(g) Upon all tennis rackets, golf clubs, baseball bats, lacrosse sticks, balls of all kinds, including baseballs, footballs, tennis, golf, lacrosse, billiard and pool balls, fishing rods, reels and lines, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games, except playing cards, sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold.

Mr. MADDEN. Mr. Chairman, I desire to suggest an amendment. Page 27, line 5, after the word "baseball," add the words "and congressional."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 27, line 5, after the word "baseball," insert the words "and congressional," so that it will read "upon all tennis rackets, golf clubs, baseball and congressional bats."

[Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: Page 27, line 8, after the word "lines," insert "sporting rifles, revolvers, pistols, and shotguns, and ammunition therefor."

Mr. KITCHIN. I make a point of order against that, and I will state to the gentleman who introduced it that we have now an extra 12½ per cent on all incomes and profits of manufacturers of rifles, shotguns, and so forth.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

Mr. NORTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NORTON. On what ground was the point of order sustained?

The CHAIRMAN. On the ground that the amendment was not germane to the subject matter or the item.

Mr. NORTON. To the subject matter or the item?

The CHAIRMAN. On the ground that it was germane to neither.

Mr. LONGWORTH. I should like to call the attention of the gentleman from North Carolina to the fact that, as I understand it, there are some committee amendments to this paragraph.

Mr. KITCHIN. In view of the ruling of the Chairman to-day they might go out on a point of order, and I thought it better not to offer them.

Mr. LONGWORTH. Nobody might offer a point of order. I think it would be better to offer one of these amendments, to see whether the committee have the power to get them adopted.

Mr. KITCHIN. I will say to the gentleman from Ohio that I am mightily afraid somebody will make a point of order.

Mr. LONGWORTH. They are good amendments, and I agree with the gentleman from North Carolina that they ought to be adopted. Now, let us see whether we have the power to get them adopted.

Mr. KITCHIN. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from North Carolina offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment: On page 27, line 5, after the word "all," insert the following: "cameras, kodaks," and a comma.

Mr. MADDEN. I make the point of order against that amendment.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

(h) Upon all perfumes, essences, extracts, toilet waters, cosmetics, vaselines, petrolatums, hair oils, pomades, hair dressings, hair restoratives, hair dyes, tooth and mouth washes, dentifrices, tooth pastes, aromatic cachous, toilet soaps and powders, or any similar substance, article, or preparation by whatsoever name known or distinguished, used or applied for toilet purposes, and which are sold by the manufacturer, importer, or producer, a tax equivalent to 5 per cent of the price for which so sold; and.

Mr. ANDERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 27, line 21, strike out the word "and" and insert in lieu thereof the following:

"Provided, That the tax of 5 per cent shall not be collected until the manufacturers of the articles enumerated shall have earned a profit of 8 per cent upon the actual capital invested. For the purposes of this

paragraph actual capital invested means (1) actual cash paid in, (2) the actual cash value at the time of the payment of assets other than cash paid in, (3) paid in or earned surplus and undivided profits used or employed in the business.

Mr. ANDERSON. Mr. Chairman, I have offered this amendment believing that it would appeal to the sense of justice of the House and knowing that it ought to. It is the same amendment which was adopted to the automobile paragraph. There are many reasons why this provision ought to apply to the section to which I have offered it as an amendment which are more potent and which have in them more justice than those which were urged for the amendment as a limitation upon the automobile item.

I understand that it is the theory of this title that it is a tax upon luxuries. I doubt if my persuasive friend from North Carolina will assert that an automobile used for an occasional joy ride is a necessity, while toilet soap and tooth paste and articles of that kind are luxuries. Soap may be a luxury in the State of North Carolina, but it certainly is not in the State of Minnesota. I doubt if my eloquent friend from Michigan will claim that an automobile is a necessity, while the extracts used in every home in this country every day in the year are luxuries.

But I want to come particularly now to the reasons for the statement that there is more justice in applying this limitation to the section to which I have offered it than to the automobile item. The concerns engaged in the business of manufacturing articles included in this item are for the most part not very large and they do business on a comparatively small capital, their greatest asset being business ingenuity and acumen. They are hit by every title in this bill with the exception of two. They pay an income tax; they pay an excess profits tax; they use enormous amounts of alcohol in the product of the extracts and articles of that character. Upon alcohol the tax has been doubled. A great many of the drugs, vanilla beans, and articles of that character that go into the production of this class of articles are subject to a duty of 10 per cent under this bill. The duty in many instances is 75 or 100 per cent higher than the duty now carried in the tariff law.

I submit that when all these different taxes are applied to a business it is not fair, it is not just, that in addition to these taxes so imposed a 5 per cent tax on gross sales should be added. Most of these concerns have attempted to increase their prices, very largely without success, because most of these articles are sold at a fixed price that can not be easily increased. Much of this business is done directly from the manufacturer to the consumer, and because the trade is accustomed to a fixed price for an article it can not be sold at an increased price. Consequently, the manufacturer, in addition to the income tax, the excess profits tax, the corporation tax, and the alcohol tax, and in addition to the tax under every title of this bill with the exception of two, will be obliged to pay this tax on the gross sales.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MEEKER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, it seems practically useless to insist upon these amendments as we go along, and I am wondering what has become of the bunch of automobile patriots that were here a few hours ago. [Laughter.] That was a proposition on wheels that seems to have left us following the vote.

Mr. O'SHAUNESSY. May I suggest to the gentleman that they may have gone off in some of them?

Mr. MEEKER. Now, the result of this thing as it now is—whether it shall apply to a dealer in musical instruments or other articles mentioned—is going to positively work against the small producer and in favor of the big manufacturer. You can not make anything else out of it. The only trouble is that these small concerns have not got the fellows to talk for them and get up the publicity that the big concerns have. No man comes and talks for the small manufacturers in these lines, and many of the articles mentioned are as necessary as are automobiles.

We can not consistently go through here laughingly voting down amendment after amendment and justify that after we have voted to sustain the amendments in regard to automobiles. You take thousands of little concerns over this country engaged in the manufacture of commodities that are named in this section or paragraph, that have simply been holding on for the past year or more under the terrific increase in the cost of materials which go into their products, and this tax will not leave them any competition with the great concerns that are capitalized for millions. I can not understand how any man, whether he be from an automobile district or not, could vote for the amendment as offered by the gentleman from Michigan, and rightfully so, and refuse to put these little concerns in and permit them to make 8 per cent on their capital when everything they are interested in, every material that enters into their article, is taxed.

It is an easy thing to sit here and smile at one another as we vote down these amendments, and joke about it, but I want to say to you gentlemen that there is no section of the bill that is striking at the little manufacturers and the men in the small business for the benefit of the big man in the game so much as this one does.

Mr. KELLEY of Michigan. Is it not true that in all of these contracts that we are now letting on the part of the Government we are allowing the shipbuilders and others a profit of 10 per cent?

Mr. MEEKER. Sure we are, and we are saying to them, you charge all of the expense that you incur in labor and everything else, and add 10 per cent to the gross for your profit, and yet we come along here on these little concerns, many of them with only a few hundred dollars or a few thousand dollars of capital, representing the savings of a lifetime, and because they have not been able to organize and come in here and make a noise as loud as an automobile horn we are setting aside this amendment as though it meant nothing. I tell you gentlemen who for the last 10 days have been talking on this floor about the little man and about the small producer and the poor man, you have not voted on any section or title, the paragraphs of which, if carried through as provided in this bill—unless this amendment is agreed to—will put so many little fellows out of business in wholesale job lots as will this provision. I hope the time has come in this committee when we who talk about the automobile industry will show to the man who manufactures musical instruments and these people named in this paragraph that we are just as much interested in the principles of justice and right as they concern the little manufacturer, as when we talk about the hundreds of millions of dollars involved in the automobile industry. I hope the amendment will be adopted.

Mr. KITCHIN. Mr. Chairman, I am glad that I have found out why the gentleman from Missouri [Mr. MEEKER] voted to relieve the automobile manufacturers of this tax. While he has no automobile manufacturers in the city of St. Louis, he has a great many manufacturers, perhaps more, who manufacture in the city of St. Louis articles specified under this paragraph (h) than there are in any other city in the United States or perhaps in the world. I do not blame him for complaining that the automobile patriots are not present to help him, because he helped them. As his speech indicated, it was a question of you tickle me and I'll tickle you. I will tell the gentleman what Messrs. DOREMUS and KELLEY of Michigan would say in explanation of the difference between the automobile proposition and this proposition. It will be something like this, and I believe this would appeal to the reason of the gentleman. When you pay your 5 per cent on one of these \$1,000 or \$2,000 machines, it means \$50 or a hundred dollars. That is a pretty hard thing, they say, to be passed on to the customer, and perhaps the automobile man would have to lose the \$50 or the hundred dollars, while when you buy a little hair restorative—is that really the gentleman's reason for opposing this? [Laughter.]

Mr. MEEKER. Mr. Chairman, I would like to say to the gentleman that when I begin to vote on the proposition of you scratch my back and I will scratch yours, I hope that they will kick me out of this House.

Mr. KITCHIN. Oh, I hope that the gentleman will not be kicked out. When the gentleman began he will recollect that he asked where all these automobile patriots had gone; but let me proceed with the reason that Messrs. DOREMUS and KELLEY of Michigan will give you. This \$100 or \$200 proposition, you know, is a big tax on just one automobile, but when you come to the question of a hair restorative—it is just 1 cent more—they can pass it on very well to the customer. You buy the bottle and you will only have to pay 1 cent more, and of course it is easy to see that nobody will lose very much.

Mr. MEEKER. I will suggest that whoever buys hair restoratives usually loses his hair.

Mr. KITCHIN. It means just a couple of cents more, and that can be passed along. It does not hurt. It is easy for the manufacturer to do that. Then there is the question of perfumery. Say there is a bottle of violet water. You pay just a cent more. It does not break anybody. A fellow is willing to contribute his little cent and willing for the manufacturer to pass it on to the retailer and the retailer to the consumer. That is the reason they are going to give to you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and (on a division demanded by Mr. MEEKER) there were—ayes 21, noes 64.

So the amendment was rejected.

The Clerk read as follows:

(i) Upon all pills, tablets, powders, tinctures, troches, or lozenges, syrups, medicinal cordials or bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters (except those taxed under section 308 of this act), essences, spirits, oils, and all medicinal preparations, compounds, or compositions whatsoever, the manufacturer or producer of which claims to have any private formula, secret, or occult art for making or preparing the same, or has or claims to have any exclusive right or title to the making or preparing the same, or which are prepared, uttered, vended, or exposed for sale under any letters patent, or trade-mark, or which, if prepared by any formula, published or unpublished, are held out or recommended to the public by the makers, venders, or proprietors thereof as proprietary medicines or medicinal proprietary medicinal articles or preparations, or as remedies or specifics for any disease, diseases, or affection whatever affecting the human or animal body, and which are sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold; and.

Mr. SMITH of Michigan. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

By Mr. SMITH of Michigan: Amend: On page 28, at the end of line 16, add the following:

"Provided further: That such 5 per cent sale tax shall not apply or be collected in cases where the business of such manufacturer, producer, or importer (of medicines) has not produced or earned a net profit during the preceding year or period for which the tax is to be paid of 5 per cent; and."

Mr. SMITH of Michigan. Mr. Chairman, I wish to have read a telegram in my time in reference to this. This is one of the concerns that has no representatives or lobby, and, while it is not in my district, I would like to have a telegram sent to me presented to the House for your information.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DETROIT, MICH., May 17, 1917.

JOHN M. C. SMITH,
Washington, D. C.:

We are in favor of a tax on our postage, we are in favor of a tax on our freight, we are in favor of a tax on our advertising, we are in favor of a tax on railroad tickets, and we are in favor of a tax on our profits, but we are absolutely opposed to a tax on gross sales of medicinal products, because our business can not stand it. Such a tax is discriminatory, unjust, confiscatory, and therefore destructive.

NYAL CO.,
GEO. WILLOUGHBY, Treasurer.

Mr. SMITH of Michigan. This telegram contains the true patriotic spirit. They do not ask to be relieved from just taxation. It was not sent for that purpose. They do not want to be driven out of business. It is not right to ruin anyone or any industry. Their product goes into every sick room in our land. Certainly we should exempt the sick. I hope the amendment will prevail. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

Mr. CRAMTON. Mr. Chairman, I wish to offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 28, line 1, after the word "medicinal proprietary," strike out "medicinal."

Mr. KITCHIN. Mr. Chairman, we accept that amendment. I am glad to have had our attention called to it.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

(j) Upon all chewing gum or substitute therefor sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold.

Mr. LA GUARDIA. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LA GUARDIA: Page 28, line 19, after the word "sold," add the following:

"Upon all candies, chocolates, sweets, or confectionery sold by the box or container a tax equivalent to 5 per cent of the price for which so sold: Provided, That no tax shall be imposed in the case of such candies, chocolates, sweets, or confectionery sold in boxes or containers for 30 cents or less."

Mr. KITCHIN. Mr. Chairman, I make the point of order on the amendment that it is not germane.

The CHAIRMAN. The Chair sustains the point of order.

Mr. DILLON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DILLON: After line 19, on page 28, insert a new paragraph, as follows:

"(k) Upon the sales of any person, partnership, association, or corporation engaged in selling merchandise the major portion of whose business is solicited by mail and whose deliveries are made by mail,

express, or freight, and who issues catalogues of retail prices and known as a catalogue house, a tax equivalent to 5 per cent of the price for which such merchandise is sold."

Mr. KITCHIN. Mr. Chairman, I make the point of order the amendment is not germane.

The CHAIRMAN. The point of order is sustained.

Mr. FESS. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from North Carolina a question. I hear it suggested about this chamber and elsewhere that likely there will be an effort to put 1½ per cent upon all gross sales of all manufactures outside of food products.

Mr. KITCHIN. I do not know; I have not heard the suggestion, except some gentlemen have asked—

Mr. FESS. I have heard it.

Mr. KITCHIN. I do not think it will be in order—

Mr. FESS. I was wondering whether any consideration had been given.

Mr. KITCHIN. Yes; but when you begin to look it over you will find it will be very unjust to some and a very big thing for others.

Mr. FESS. It would doubtless raise an immense amount of money.

Mr. KITCHIN. There is no doubt about that. For instance, the sum of 1 per cent would be 25 per cent of the net income of one manufacturer, while 1 per cent would be 5 per cent of others. We selected taxes that could be most easily passed on to the consumer without any injury to any manufacturer, and we differentiate between necessities. If you put this 1 per cent on gross sales of all you take—for instance, clothes—1 per cent upon clothes, meat, flour, everything of that kind. That is the reason we did not do it—

Mr. FESS. What I had in mind was we had 5 per cent here, and with 1 per cent or 1½ per cent—

Mr. KITCHIN. We did not want to tax manufacturers and producers of food products, wearing apparel, and articles that we considered necessities of life.

Mr. FESS. The committee had really taken that up, then?

Mr. KITCHIN. Yes, sir. And we thought that the articles specified in this title of the bill were in the nature of luxuries and that they could be easily passed on by the manufacturer to the consumer.

Mr. SEARS. Mr. Chairman, I move to strike out the last two words just to make a few remarks.

I listened to the statement of the gentleman from Missouri [Mr. MEEKER] and it struck me with some force, but I think he is unduly alarmed.

During the Spanish-American War, it might be of interest to some of the Members of this House to know, a great many manufacturers of articles referred to by him in his remarks and in his amendment, and also manufacturers of medicines, not only charged the tax that was levied against them because of war conditions but charged the retail druggist 100 per cent profit on said tax. During the recent stamp-tax law, while the same was in force, I had occasion to look into this matter, and a great many manufacturers of toilet articles, face powder, and so forth, where the stamp tax was 20 cents, charged the retail druggist a tax of 40 cents, making a profit of 100 per cent because of the conditions which forced that stamp tax. I would like to see this tax taken out of the bill, if it was possible to secure it, but I realize that it is hopeless. I want to say here and now that I trust the retail druggist, wherever a manufacturer charges him a profit because of this tax made necessary because of the war we are now in, will not deal with that manufacturer. I do not believe any person should make out of another what is really, as a matter of fact, blood money, which it would be in this case as I see it.

My father was in the drug business during the Spanish-American War, and I know whereof I speak, and I also know the tax is so small the retailer can not pass the tax on to the consumer. The stamp tax on a dollar bottle of medicine was so small it was impossible to pass it on, but the manufacturer would charge us 100 per cent profit; and when we would write to inquire about the increased cost, he would answer it was because of the tax the Government was making him pay. I sincerely trust, and I believe, the wholesalers and manufacturers will not do that in this case.

Two years ago when the stamp tax was in force quite a number of manufacturers of toilet articles, and perhaps they were from the city which the gentleman from Missouri [Mr. MEEKER] represents, did not advance the price at all, but stood the burden. I wish I had the names of those manufacturers in order that I might place them in the RECORD; but a larger part of them did charge from 40 to 100 per cent profit because of the tax imposed by the Government.

Mr. GREEN of Iowa. Will the gentleman yield for a question?

Mr. SEARS. I will.

Mr. GREEN of Iowa. The gentleman has possibly made a thorough investigation into this stamp tax, and I intended to do so, but did not. Is not this tax lower in the percentage than the stamp tax in the Spanish-American War on similar articles?

Mr. SEARS. As I recall, it is considerably less.

The Clerk read as follows:

SEC. 601. That each manufacturer, producer, or importer of any of the articles enumerated in section 600 shall make monthly returns under oath in duplicate and pay the taxes imposed on such articles by this title to the collector of internal revenue for the district in which is located the principal place of business. Such return shall contain such information and be made at such times and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

Mr. KITCHIN. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Carolina offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment: Page 28, line 20, before the word "or," insert the word "bulder" and a comma.

Mr. MANN. What is that?

Mr. KITCHIN. They omitted the word "bulder."

Mr. MANN. Where is that used in the section otherwise?

Mr. KITCHIN. Page 27, paragraph (f), line 3.

Mr. MANN. All right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. KITCHIN].

The question was taken, and the amendment was agreed to.

Mr. KELLEY of Michigan. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from North Carolina [Mr. KITCHIN] whether it is his interpretation of this language that the tax is to be paid monthly?

Mr. KITCHIN. Yes.

Mr. KELLEY of Michigan. It says returns shall be made monthly and the tax paid to the collector.

Mr. KITCHIN. To be paid monthly.

Mr. KELLEY of Michigan. The language does not quite state that.

Mr. KITCHIN. We have another section in here that covers all that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 602. That upon all articles enumerated in subdivisions (a), (b), (c), (d), and (f) of section 600 which are on the day this act is passed held by other than the manufacturer, producer, or importer, and intended for sale, there shall be levied, assessed, collected, and paid a tax equivalent to 5 per cent of the price for which sold by the manufacturer, producer, or importer. This tax shall be paid by the person, corporation, partnership, or association so holding such articles.

Mr. LEHLBACH. Mr. Chairman, I think there is a committee amendment to section 606.

Mr. KITCHIN. Mr. Chairman, I ask unanimous consent to read the following section, too, because I have an amendment to strike out both sections.

The CHAIRMAN. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent to read sections 602 and 603 together. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SEC. 603. That upon all articles enumerated in subdivisions (g), (h), (i), and (j) of section 600 which are not in the possession of a retailer on the 1st day of May, 1917, and which, on the day this act is passed, are held and intended for sale, there shall be levied, assessed, collected, and paid, a tax equivalent to 5 per cent of the wholesale price paid therefor. This tax shall be paid by the person, corporation, partnership, or association so holding such articles.

With a committee amendment, as follows:

On page 29, strike out lines 4 to 21, inclusive, and insert in lieu thereof the following:

"SEC. 602. That upon all articles enumerated in subdivisions (a), (b), (c), (d), (e), (f), (g), (h), (i), or (j) of section 600, which on the day this act is passed are held and intended for sale by any person, corporation, partnership, or association, other than a retailer who is not also a wholesaler, and upon all such articles which between April 6, 1917, and the day this act is passed, both inclusive, have been sold to, and on the day this act is passed are held and intended for sale by, a retailer who is not also a wholesaler, there shall be levied, assessed, collected, and paid, a tax equivalent to 5 per cent of the price paid therefor. This tax shall be paid by the person, corporation, partnership, or association so holding such articles. No tax shall be imposed under section 600 upon any article upon which a tax is imposed under this section.

"The taxes imposed by this section shall be assessed, collected, and paid in the same manner as provided in section 1102 in the case of additional taxes upon articles upon which the tax imposed by existing law has been paid."

Mr. KITCHIN. Now, Mr. Chairman, I will say to the House that gentlemen will notice that section 602 of the printed bill

provides that upon all articles enumerated in subdivisions (a), (b), (e), and (f) of section 600, which covers, respectively, automobiles, musical instruments, jewelry, and yachts, the tax is to apply to all the stock on hand in the hands of retailers; and in section 603, embracing all articles enumerated in subdivision (g), (h), (i), and (j), which cover sporting goods, cosmetics, patent medicines, and chewing gum, the tax is to apply to all stock on hand except that which was not in the possession of the retailer on the 1st day of May, 1917.

Now, this amendment changes these provisions so that all the articles specified in sections 602 and 603 in the hands of a retailer, who is not a wholesaler, shall be taxed only upon the amount purchased since the day of the declaration of war, April 6, 1917, and on hand on the day the act passed. For instance, take jewelry. This amendment applies to jewelry and all other articles in the same category that were purchased by a retailer, who is not a wholesaler, since the declaration of war on April 6, 1917, and on hand and intended for sale by such retailer at the time this act passes. It does not apply to any retail stock on hand prior to April 6 or any part of the stock bought or already sold since April 6.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. The purpose evidently is to relieve the retailers from the payment of the tax on stock on hand and not disposed of?

Mr. KITCHIN. Yes; the dealers in musical instruments and the dealers in automobiles.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. Does it tax the wholesaler?

Mr. KITCHIN. Yes. He will have to pay the tax upon the articles that he has in his possession on the day this act is passed.

Mr. MOORE of Pennsylvania. It is to relieve the retailer in the case of goods out of date?

Mr. KITCHIN. Yes. He may have had certain articles on hand for 10 years.

Mr. MOORE of Pennsylvania. This responds to a great many complaints that have come in as to the old and outworn stock?

Mr. KITCHIN. Yes.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield for a question?

Mr. KITCHIN. Certainly.

Mr. MONTAGUE. I understand now that this tax extends only to the merchandise in jewelry which may have been acquired since the 6th day of April, 1917?

Mr. KITCHIN. Yes; and what is on hand. For example, suppose a man bought a thousand dollars' worth of jewelry since April 6, and has sold \$500 of it since then.

Mr. MONTAGUE. I said since the 6th day of April.

Mr. KITCHIN. Yes; since the 6th day of April, and all these other articles in the same way.

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield there?

Mr. KITCHIN. Yes.

Mr. SLAYDEN. I do not think I quite caught the gentleman's explanation. I have had some telegrams about that.

Mr. KITCHIN. This amendment that I am asking the committee to adopt only taxes the merchandise that was purchased by a retailer—who is not a wholesaler—since April 6, 1917, the day we declared war, and which he has on hand at the date of the passage of the act. For instance, as I just stated to the gentleman from Virginia [Mr. MONTAGUE], if a jeweler or a musical-instrument dealer has bought a thousand dollars' worth since April 6 and has on hand of that \$1,000 worth when the act passes \$500 worth, he is only taxed in the \$500 worth.

Mr. SLAYDEN. Suppose he has on hand a part of his stock that was acquired previously?

Mr. KITCHIN. That is exempted.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman permit a question?

Mr. KITCHIN. Yes.

Mr. PARKER of New Jersey. I have just read over that amendment, and that applies only when the man is a retailer and not a wholesaler.

Mr. KITCHIN. Yes. The wholesaler is going to be protected in selling to the retailer.

Mr. PARKER of New Jersey. There are many dealers who are both wholesalers and retailers, and in such cases the tax would apply to the whole stock in their possession. Take the case of Tiffany's, for instance, and others, who sell both wholesale and retail. You tax their entire stock by the first three lines.

Mr. KITCHIN. No; we have an amendment to extend the time of payment until November 1, 1917.

Mr. PARKER of New Jersey. But if you will read the first three lines, upon all stock in hand held by a man who is not a retailer—

Mr. KITCHIN. I will say to the gentleman that the committee prepared the provision in that way in order to prevent a wholesaler from stocking up. The little retailer can not stock up. There is not much profit to the retailer to stock up in anticipation of the passage of this act; but the wholesaler would stock up to the extent of hundreds of thousands of dollars in order to escape this tax; but now he will not do it.

Mr. PARKER of New Jersey. He can not do it if you make it apply to purchases since April 6.

Mr. KITCHIN. It applies to all the stocks which the wholesaler has on hand.

Mr. PARKER of New Jersey. All the stocks which the wholesaler has on hand, no matter if he bought them 10 years ago.

Mr. KITCHIN. By a subsequent amendment we are going to give them until November 1 to pay the tax.

Mr. PARKER of New Jersey. It seems to me it would be better and easier to make the same principle apply to everybody and to make all old stocks free.

Mr. KITCHIN. The wholesaler will pass the tax on to the retailer. The wholesaler does not keep his stock on hand long, but the retailer may have to keep his stock on hand for years.

Mr. PARKER of New Jersey. We only exempt a retailer who is not also a wholesaler.

Mr. KITCHIN. Yes.

Mr. PARKER of New Jersey. And the result will be that if a man is a wholesaler and a retailer his retail stock will be taxed.

Mr. KITCHIN. That is correct.

Mr. PARKER of New Jersey. There are men in New York and other large cities who are wholesale and retail dealers, and who have on hand thousands and hundreds of thousands of dollars worth of jewelry which they bought years and years ago. Take, for instance, such a stock as Tiffany's, in New York.

Mr. KITCHIN. I believe the wholesalers' tax is just if we give them until November 1 to pay it.

Mr. PARKER of New Jersey. I think not. Can we not make it applicable to everybody? I am going to offer an amendment to strike out a part of this.

Mr. KITCHIN. Let me put this proposition to the gentleman: The wholesaler is not going to lose anything by this tax, because as soon as it is put on his whole stock is going to increase in value by 5 per cent, because all of his competitors will raise their prices 5 per cent. Now, as to the stock which he has bought since the passage of the act, or since April 6, his whole stock will increase in value 5 per cent, and he is going to get every bit of it back. It is necessary to protect the Government in this way.

Mr. PARKER of New Jersey. I move to strike out the words—

Which on the day this act is passed are held and intended for sale by any person, corporation, partnership, or association, other than a retailer who is not also a wholesaler, and upon all such articles.

I also move to strike out the words further along—

By a retailer who is not also a wholesaler—

and to insert "any person," so that it will read:

That upon all articles enumerated in subdivisions (a), (b), (e), (f), (g), (h), (i), or (j) of section 600, which, between April 6, 1917, and the day this act is passed, both inclusive, have been sold to, and on the day this act is passed are held and intended for sale by any person, there shall be levied, assessed, collected, and paid a tax equivalent to 5 per cent of the price paid therefor.

That is so as to get rid of that distinction between a wholesaler and a retailer, even if a man is both.

The CHAIRMAN. Will the gentleman from New Jersey indicate to the Clerk just the words which he wishes to strike out?

Mr. LOBECK. While the gentleman is getting his amendment into shape I would like to ask what about mail-order houses which sell jewelry at retail?

Mr. KITCHIN. They are exempted like any other retailers.

Mr. LOBECK. There are large firms that do an exclusively retail jewelry business, and they do it by catalogue, all over the country, such firms as Sears, Roebuck & Co. and Montgomery Ward & Co. They do that kind of business, and they are retailers.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New Jersey.

The Clerk read as follows:

Mr. PARKER of New Jersey moves to amend the committee amendment by striking out the words "which on the day this act is passed are held and intended for sale by any person, corporation, partnership, or association, other than a retailer who is not also a wholesaler, and

upon all such articles"; and by further striking out the language "by a retailer who is not also a wholesaler," and insert in lieu thereof the words "by any person," so that as amended the committee amendment will read:

"Sec. 602. That upon all articles enumerated in subdivisions (a), (b), (c), (f), (g), (h), (i), or (j) of section 600 which between April 6, 1917, and the day this act is passed, both inclusive, have been sold to and on the day this act is passed are held and intended for sale by any person there shall be levied, assessed, collected, and paid a tax equivalent to 5 per cent of the price paid therefor," etc.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from New Jersey.

Mr. LOBECK. Mr. Chairman, I want to offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LOBECK: Amend the amendment by inserting, after the word "association," the words "or mail-order house."

The CHAIRMAN. The first question is on the amendment offered by the gentleman from New Jersey [Mr. PARKER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. PARKER of New Jersey) there were—ayes 10, noes 36.

So the amendment to the amendment was lost.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Nebraska [Mr. LOBECK].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment offered by the gentleman from North Carolina.

The question was taken, and the amendment was agreed to.

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent to return to section 308, to offer an amendment.

Mr. KITCHIN. I thought the gentleman only wanted unanimous consent for five minutes on that question; but if he will defer, I will ask unanimous consent to return to it before the bill is finally passed.

The Clerk, proceeding with the reading of the bill, read as follows:

—TITLE VII.—WAR TAX ON ADMISSIONS AND DUES.

Sec. 700. That from and after the 1st day of June, 1917, there shall be levied, assessed, collected, and paid a tax equivalent to 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, to be paid by the person admitted, and a tax of 5 cents for each admission of each person (except in the case of a bona fide employee and children under 12 years of age), admitted free to any place for admission to which a charge is made, to be paid by the person so admitted: *Provided*, That the tax on admission of children under 12 years of age, where an admission charge is made shall in every case be 1 cent. These taxes shall not be imposed in the case of a place the maximum charge for admission to which is 5 cents.

No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious or charitable institutions, societies, or organizations, or admissions to agricultural fairs all the proceeds of which inure exclusively for agricultural purposes.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word. This exemption in the case of admission where the charge is not more than 5 cents has raised some criticism, on the ground that in many places where a larger charge is now being made they might reduce the admission.

Mr. KITCHIN. Some gentlemen have talked to me about this, and thought that some of these places would reduce the admission from 10 cents to 5 cents in order to escape the tax. I can not conceive of anybody doing that; but if so, it would be a good thing for certain suburbs of cities to get a 10-cent show for 5 cents.

Mr. MOORE of Pennsylvania. I merely raised the question to know whether the gentleman would accept any amendment.

Mr. KITCHIN. I do not think we ought to accept any amendment.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 30, line 2, after the word "admission," insert the word "subscription," and after the word "admitted," on line 6, insert the following: "In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement or a lease for the use of such box or seat in such opera house or place of amusement there shall be levied, assessed, collected, and paid a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder."

Mr. LAGUARDIA. Mr. Chairman, it looks to me as if the committee had overlooked something to tax in New York. The Metropolitan Opera House, in New York City, and opera houses in some of the other large cities in the United States have an annual subscription list for boxes, and the sale of those subscriptions run for years while some of the boxes are held outright. These boxes have a value, sometimes \$100 or \$200 for a performance, and unless you amend this section there will be no tax for the admission of those people, while the people in the gallery and in the house at large will have to pay the 10 per cent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KITCHEN) there were 32 ayes and 18 noes.

So the amendment was agreed to.

Mr. CRAMTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 30, strike out all of lines 3, 4, 5, and 6.

Mr. CRAMTON. Mr. Chairman, just a word in connection with that. I am moving to strike out the provision for a tax upon free admissions by reason of the complications that may arise in the enforcement of it. This exempts only bona fide employees and children under 12 years of age. It will charge a tax upon free admission of a policeman or a fireman who, under the municipal ordinance, may be required to be stationed in the theater; likewise reporters and critics for the newspapers.

Mr. KITCHIN. Policemen and firemen perhaps ought to be exempt, but surely not newspaper men.

Mr. CRAMTON. Certainly as to policemen and firemen.

Mr. KITCHIN. I would be willing to accept an amendment in the case of bona fide employees and children under 12 years of age and officers of the law who are attending upon official business.

Mr. CRAMTON. I am just calling it to the gentleman's attention.

Mr. KITCHIN. I believe that is a good suggestion.

Mr. CRAMTON. It seems to me a little funny if they can not fill the theater at a charge, and they want to fill it free, that you should tax the free admissions.

Mr. KITCHIN. I suggest perhaps we should exempt those State or municipal officers who are attending upon official business.

Mr. CRAMTON. Let me call the gentleman's attention to this, as another possibility—and there may be many possibilities that we will not think of. In my home city there is a State institution for defective children. Oftentimes when some entertainment is given the management will admit the inmates of that institution free as an act of charity. This would place a tax upon each of those inmates.

Mr. KITCHIN. Oh, no; there is another provision which takes care of that:

No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious or charitable institutions, societies, or organizations, or admissions to agricultural fairs all the proceeds of which inure exclusively for agricultural purposes.

Mr. CRAMTON. But this is not a case of that kind. It is where they admit two or three hundred inmates.

Mr. CRISP. They charge other people, but let them in free?

Mr. CRAMTON. Yes.

Mr. KITCHIN. Do you mean that with respect to a regular traveling troupe?

Mr. CRAMTON. Yes. For instance, we will say that Sousa's Band or something of that kind comes there. The management will permit these two or three hundred inmates to go in free and will charge everybody else.

Mr. KITCHIN. I do not know how you would distinguish that from other people; if you would say admitted free for charitable purposes, then might not these newspaper men and Members of Congress get into baseball games as a piece of charity?

Mr. CRAMTON. I would solve it by not putting a tax upon free admissions.

Mr. KITCHIN. Oh, we want to catch these fellows with free tickets. I get a ticket to the baseball game down here, perhaps, because I am a Member of Congress.

Mr. CRISP. How does the gentleman get it? I have not got one.

Mr. KITCHIN. Oh, I have not got it really. I am using that as an illustration.

Mr. TAGUE. How is that going to affect such things as admittance during the day of the charitable institutions to the baseball games? In my city, for instance, the proprietors of the baseball clubs give the poor children free admission, perhaps a thousand of them.

Mr. KITCHIN. In Boston?

Mr. TAGUE. Yes. Two days a week are set aside for that.

Mr. KITCHIN. Then I suggest that somebody would help to raise a little penny for each one of the children to pay. I think the people would do that.

Mr. TAGUE. It is not that the people will not do it, but it is something that occurs there every year, something given to all of the institutions by these proprietors.

Mr. KITCHIN. I will say to the gentleman from Michigan that I believe that a law officer would not come in under this

at all. He has a right to go, and it is not a question of a free admission.

Mr. CRAMTON. What would the gentleman say to this possibility? In the case where they admit free they may instead sell a ticket for 1 penny, and then it will be subject to no tax at all.

Mr. KITCHIN. What? Sell a Member of Congress a ticket for a penny?

Mr. CRAMTON. Yes; to anybody they want to admit free; they can evade the law.

Mr. KITCHIN. How would they evade it? Would the gentleman charge a penny to a baseball game?

Mr. CRAMTON. Say, for instance, to a newspaper reporter.

Mr. KITCHIN. The man who would not comprehend the game might have a reduced price down to a penny; but I do not know.

Mr. CRAMTON. I just want to call it to the gentleman's attention.

Mr. MOORE of Pennsylvania. Has the gentleman heard the news that, for instance, at Coney Island, it is reported by a distinguished Member of this House that they admit people free and charge them 10 cents before they permit them to leave?

Mr. KITCHIN. I saw that in the paper. Under this bill they would be caught. They are bound to enter to get out, and when they get in, if they have any accommodations at all, they are charged for admission, but there is another provision that covers that, anyway.

Mr. MOORE of Pennsylvania. The fact that they are admitted and would pay for admission, a charge for the privilege, does not affect the bill.

Mr. KITCHIN. No; we will collect the tax.

Mr. PARKER of New Jersey. Will the gentleman permit a question?

Mr. KITCHIN. I will.

Mr. PARKER of New Jersey. I would like to ask how in the world the tax is going to be paid by the person admitted. The section says it is to be paid "by the person so admitted." You do not assess it upon the proprietor of the establishment.

Mr. KITCHIN. He collects it. He is to turn it over. Under the law the proprietor collects it and turns it over.

Mr. PARKER of New Jersey. But who is to pay it; it does not say the proprietor is to turn it over?

Mr. KITCHIN. Yes; we have another section that provides for that.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. Will the person who has to pay that 5-cent tax pay it at the time he applies for the ticket?

Mr. KITCHIN. Yes; at the time he enters.

Mr. COOPER of Wisconsin. Of course I understand what it means; but the gentleman will observe the language "and a tax of 5 cents for each admission of each person admitted free to be paid by the person so admitted." He can not get in until he has paid the 5 cents, and yet it says "admitted free."

Mr. KITCHIN. He goes in free, but he pays the 5-cent tax to get in.

Mr. COOPER of Wisconsin. Exactly; but he is not "admitted free." That language ought to read "a tax of 5 cents"—

Mr. KITCHIN. That is the tax; he is admitted free.

Mr. CRAMTON. Mr. Chairman, I would ask to have my amendment voted on. My motion was to strike out. I think I will stand on that, and, if it is voted down, then the gentleman can offer his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAMTON].

The question was taken, and the amendment was rejected.

Mr. KITCHIN. Mr. Chairman, I send to the Clerk's desk an amendment out of an abundance of caution. I do not think it is necessary.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment: Page 30, line 5, after the word "age," insert the words "and municipal officers on official business."

The question was taken, and the amendment was agreed to.

Mr. CRAMTON. Mr. Chairman, I offer the amendment which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. CRAMTON offers the following amendment: Page 30 line 8, after the word "charge," insert "less than the charge for adults."

Mr. CRAMTON. Mr. Chairman, if I may have the attention of the chairman of the committee I will say this seems to me necessary to prevent difficulty in the enforcement of the act. In many cases there are no differences made in the price to a child or an adult. A theater sells a ticket, that is a seat.

Now, if you are going to make a difference in the tax as to whether an adult or a child uses that seat, that is a matter that the theater will not know about perhaps, not even the buyer of the ticket might know when he buys it. Hence, I have limited the children's tax, so to speak, to apply only when the ticket is sold at a special price to a child.

In that case, of course, it should work out all right.

Mr. KITCHIN. That is exactly what we intended here. Wherever a child is admitted that is under 12 years of age, I do not care whether it pays the full price or any other price, it pays a penny more.

Mr. CRAMTON. If Keith's Theater sells me a ticket for my little girl, they require me to pay full price for her.

Mr. KITCHIN. Then you will pay a cent on that ticket if she is under 12 years of age.

Mr. CRAMTON. They have no way of knowing.

Mr. KITCHIN. They would see whether it was all right or not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAMTON].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

No tax shall be levied under this title in respect to any admissions all the proceeds of which inure exclusively to the benefit of religious or charitable institutions, societies, or organizations, or admissions to agricultural fairs all the proceeds of which inure exclusively for agricultural purposes.

Mr. FESS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 30, line 14, after the word "organizations," insert "bona fide chautauquas or lyceum courses operated under a contract with local guarantors."

Mr. FESS. Mr. Chairman, if I can have the attention of the chairman of the committee, I will say that I have offered this amendment to exempt the bona fide chautauquas that are operating under local guarantors. I do not mean by that to exempt any associations that are run primarily for profit, but I wondered whether these many lyceum courses that are run in connection with the Young Men's Christian Associations or with the various churches, or with numerous committees that are created in villages and towns or municipalities, which are really charitable in their character, would fall under the terminology of this paragraph. It says, "Religious or charitable institutions, societies, or organizations." There seems to be some confusion as to whether these lyceum courses would fall under this exemption. The language is not conclusive in its meaning.

I have had a good deal of experience, not in lecturing in chautauquas, for I might say to this committee that I have never been in the employment of any lecture bureau, nor have I ever filled an engagement that was dated by a lyceum bureau under contract. So I am not now speaking in the interest of anyone who might have a commercial interest in lyceum courses.

Mr. FORDNEY. Will the gentleman yield?

Mr. FESS. I will.

Mr. FORDNEY. It was the purpose of the committee to tax where admissions were collected for profit, where those gatherings—

Mr. FESS. Let me ask my friend a question. Here is a school that runs an annual lecture course during the school year, and it is run to secure proceeds to be invested in a library, or in books, or in pictures for schoolroom decorations, or in a musical instrument, or the like of that, for use to the public in educational matters. Would such courses fall within the requirements of this tax?

Mr. FORDNEY. I would not think that would be profit.

Mr. FESS. It surely would. But the profits would be invested for the benefit of the town or school.

Mr. FORDNEY. If it is, it ought to pay, then; if it were profit for a library or school, or any other thing except charitable purposes.

Mr. KITCHIN. The gentleman from Ohio forgets this is no tax upon the chautauquas, but upon the man who attends. It collects his little penny, or 5 cents, or, if it is a dollar, 10 cents. Suppose it is a school, why not collect a war tax?

Mr. FESS. For the last 10 years we have run a chautauqua in connection with Antioch College, but never for profit. It has been a distinctive educational value of vast importance to our entire community.

Mr. KITCHIN. You would pay something for a Chautauqua lecture?

Mr. FESS. We had Speaker CLARK, and Gov. Kelley and others two years ago.

Mr. KITCHIN. They were there for profit?

Mr. FESS. We also had Mr. MADDEN and Senator HARDING.

Mr. KITCHIN. I do not think Mr. MADDEN would charge anything, nor in fact, would CLARK or HARDING—

Mr. FESS. Of course, men can not afford to give their time and talent; but in the main these did that for the sake of the college. Some of them gave their services entirely free, even paying their own expenses. It was purely a matter of personal contribution. If it had been necessary for me to have paid all of those men the usual lyceum price, that 1915 chautauqua would have cost me over \$700 more than the receipts. My 10 years' experience proved that I could not run such an institution without gratuitous service.

Mr. KITCHIN. You would not have had to pay a cent of tax, because those attending would have paid this little toward the support of the Government.

Mr. FESS. I would have had to charge a sufficient additional amount for the tickets that it would have reduced the attendance way below what it really was. Every man of any experience knows you can not charge beyond a ruling price for either season tickets or single admission.

Mr. KITCHIN. Did you charge anything for the admission?

Mr. FESS. We charged \$2.50 for the 10 days, including afternoon and evening programs. Now, I would have had to add—

Mr. KITCHIN. Twenty-five cents.

Mr. FESS. I would have had to make it \$2.75.

Mr. KITCHIN. Do you think you would have kept a single person out of there if you had added 25 cents, they knowing that it was for war tax to help on this war?

Mr. FESS. My dear friend, the very fact that the war is on will make the chautauqua less profitable. People will not be so free to indulge in these instructional courses.

Mr. KITCHIN. The fellow that is going to attend will be glad to pay it.

Mr. FESS. I appreciate the position of the chairman. He places the additional amount on a patriotic basis. My fear is that this very important popular educational institution which must depend upon patronage for its continuance will discontinue. I look upon their cessation as a distinct loss to our country. The Chautauqua platform is a great summer school attended by a very respectable proportion of our population, young and old. It is the platform upon which are freely discussed all questions of national import pro and con. It is an error to regard them as primarily commercial. Were they of that character I should not defend them. In that case they should be made to pay the tax. I fear the tax will discourage the people from attendance. They will not buy the tickets.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. I ask unanimous consent, Mr. Chairman, for three minutes more.

Mr. KITCHIN. Oh, let us get on.

Mr. FESS. Will my friend from North Carolina accept the amendment?

Mr. KITCHIN. No.

Mr. AUSTIN. I suggest that you add Mr. KITCHIN to your list of orators next time. [Laughter.]

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for three minutes more. Is there objection? There was no objection.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes. I yield to the gentleman from Illinois.

Mr. CANNON. Will the gentleman allow me to ask him whether he is going to have the Swiss yodelers?

Mr. FESS. No. I am speaking of a system of public education that is pretty generally established throughout the country which I think will be very largely destroyed by this additional tax. It is not primarily entertainment. It is a public education, suggested by the character of the men that I mentioned a while ago. True we must vary our program so as to suit the community. We usually have musical numbers, some readings, and some entertainment in the evening. But our main program is educational, not entertainment.

Mr. CANNON. Let me ask the gentleman a question.

Mr. FESS. My friend who is interrupting me will likely remember that he had a letter from me inviting him to accept an invitation to come to our place to address our community from our Chautauqua platform.

Mr. CANNON. Yes. Let me ask the gentleman a question, and, if necessary, I will ask to have his time extended.

Mr. FESS. Very well.

Mr. CANNON. I understand that this is a business. The appointments are made in Cleveland, Chicago, and other places, and agreements are made with the people who attend the Chautauquas for so much. In order to get exactly what I mean I understand—and I think I am reliably informed—that some years ago a man who had temporary employment at Harvard—

I do not know just how temporary—with a reputation at one time at Chicago, perhaps having some connection with the University of Chicago—a man went out to one point in Indiana and he proceeded to attack this political party and that political party and this individual and that individual, and when he got through he finished up his lecture by advocating the German policy that obtained in some portions of Germany of trial marriages, and if they did not like it it did not go for anything. Is that called "educational?" [Laughter.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CANNON. I ask that the gentleman from Ohio may have five minutes.

Mr. KITCHIN. Oh, let us get on with this.

Mr. COOPER of Wisconsin. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Wisconsin makes the point of no quorum. The Chair will count. [After counting.] Sixty-four gentlemen are present, not a quorum.

Mr. KITCHIN. Mr. Chairman, I move a call of the House.

Mr. MANN. Oh, do not punish all of us.

Mr. COOPER of Wisconsin. It is now half past 6, and when gentlemen begin talking about Chautauquas and trial marriages I do not see any prospect of getting through to-night. [Laughter.]

Mr. KITCHIN. I hope the gentleman will withdraw his point.

The CHAIRMAN. It is too late to withdraw the point of no quorum.

Mr. CARLIN. Automatically the call takes place now.

Mr. KITCHIN. Mr. Chairman, I will state to the House right now that we will stay here to-morrow night and finish the bill, if possible, if we have to stay up all night. [Applause.] This thing of leaving the impression on the outside world that we are not in favor of taxing ourselves to carry on this war is very lamentable and must stop. [Applause.]

Mr. MANN. I have been urging you for a week to stay here at night.

Mr. KITCHIN. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. If the committee will indulge the Chair for a moment, the Chair would like to say this, that the Chair was in error to-day when he made a ruling on the subject of debating an appeal. It is debatable. The Chair wants to correct that.

Mr. MANN. I knew the Chairman was wrong.

The CHAIRMAN. The gentleman from North Carolina moves—

Mr. LAGUARDIA. Mr. Chairman—

The CHAIRMAN. The gentleman is too late. The gentleman from North Carolina moves that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, 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. 4280) to provide revenue to defray war expenses, and for other purposes, and had come to no resolution thereon.

HOURLY MEETING TO-MORROW—11.30 A. M.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

Mr. MANN. I ask that the gentleman make it 11.30. We have a conference to-morrow morning.

Mr. KITCHIN. Very well.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11.30 to-morrow morning. Is there objection? There was no objection.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, 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. 3330. An act to temporarily increase the commissioned and warrant and enlisted strength of the Navy and Marine Corps, and for other purposes.

EXTENSION OF REMARKS.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the subject I was speaking on when interrupted by the point of no quorum.

The SPEAKER. The gentleman has the right to do that under the general order.

Mr. AUSTIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p. m.) the House adjourned, pursuant to the order just made, until to-morrow, Tuesday, May 22, 1917, at 11.30 a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 4467) to amend the act to regulate commerce, as amended, and for other purposes, reported the same without amendment, accompanied by a report (No. 58), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. COADY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 4503) to fix the status and rights of officers of the Public Health Service when serving with the Coast Guard, the Army, or the Navy, reported the same with amendment, accompanied by a report (No. 59), which said bill and report were 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. JOHNSON of Washington: A bill (H. R. 4614) providing a graduated rate for payment of second-class postage on newspapers, magazines, and periodicals according to rate of subscription price and number of copies circulated through the mails; to the Committee on the Post Office and Post Roads.

By Mr. AUSTIN: A bill (H. R. 4615) authorizing the Secretary of the Navy to acquire possession of a piece of land in Hudson River, State of New York, county of Rockland, known as Round Island; to the Committee on Naval Affairs.

By Mr. KALANIANA'OLE: A bill (H. R. 4616) to ratify, approve, and confirm an act duly enacted by the Legislature of the Territory of Hawaii, creating a commission to increase, conserve, regulate, and control the food supplies of the Territory of Hawaii, and defining its powers and duties and making an appropriation for the purposes thereof; to the Committee on the Territories.

By Mr. FERRIS: A bill (H. R. 4617) to authorize absence by homestead settlers and entrymen, and for other purposes; to the Committee on the Public Lands.

By Mr. HULBERT: A bill (H. R. 4618) to increase the salaries of the United States district attorney and United States marshal for the southern district of New York, and for other purposes; to the Committee on the Judiciary.

By Mr. FITZGERALD: A bill (H. R. 4625) to incorporate the American Academy of Engineers; to the Committee on the Judiciary.

By Mr. EMERSON: Resolution (H. Res. 84) to investigate the cause of the high price of coal; to the Committee on Rules.

By Mr. LENROOT: Resolution (H. Res. 85) repealing paragraph 3 of section 21 of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. KALANIANA'OLE: Memorial from the Legislature of the Territory of Hawaii, for the enactment of a law that will permit the people of Hawaii to elect their governor and the secretary of the Territory; to the Committee on Territories.

Also, memorial from the Legislature of the Territory of Hawaii, asking Congress to provide ways and means for the improvement of Honolulu Harbor to meet the ever-increasing requirements of shipping; to the Committee on Rivers and Harbors.

By Mr. CURRY of California: Memorial of the Legislature of the State of California, relating to needy Indians within the State of California; to the Committee on Indian Affairs.

Also, memorial of the Legislature of the State of California, relative to devoting revenues from national forests to the construction of works for flood control; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of California, relative to the construction and maintenance of a military highway along the Pacific coast from the Canadian to the Mexican border; to the Committee on Military Affairs.

By Mr. KALANIANA'OLE: Memorial of the Legislature of the Territory of Hawaii, asking Congress to pass the Kalaniana'ole bill to give to the Hawaii Legislature the right to put to the vote of the people the question of woman suffrage; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. COOPER of Ohio: A bill (H. R. 4619) granting a pension to Mrs. Lucinda Hollabaugh; to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 4620) granting an increase of pension to Joseph A. Craig; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 4621) granting an increase of pension to Ambrose Wells; to the Committee on Invalid Pensions.

By Mr. MORIN: A bill (H. R. 4622) for the relief of Brig. Gen. Chambers McKibbin, United States Army, retired; to the Committee on Military Affairs.

By Miss RANKIN: A bill (H. R. 4623) granting a pension to Claude Johnson; to the Committee on Pensions.

By Mr. ROBERTS: A bill (H. R. 4624) for the relief of Charles M. Way; to the Committee on Claims.

PETITIONS, ETC.

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

By the SPEAKER (by request): Petition of the Southern Baptist Convention, New Orleans, La., signed by J. B. Gamrell, president, and C. M. Moore, secretary, protesting against increase of tax on intoxicating liquors for revenue, and urging prohibition at least during the war; to the Committee on Ways and Means.

Also (by request), petition of Manufacturer's Association, St. Louis, Mo., protesting against the prohibition of the use of grain in the manufacture of beer, liquors, and beverages; to the Committee on the Judiciary.

By Mr. CAREW: Petition of Central Labor Union and labor organizations, protesting against prohibition as a war measure; to the Committee on the Judiciary.

Also, memorial of American Institute of Mining Engineers and the National Arts Club, favoring universal military training; to the Committee on Military Affairs.

By Mr. CARY: Telegram signed by Messrs. Alsted Kasten Co., Emil Bachman, O. H. Bingenheimer, A. Bloedel, Fred Buege, L. W. Bunde, George Durner, Federal Optical Co., E. L. Feuling, Fink Boszhardt Co., Alfred Fuchs, A. E. Gasch, O. L. Glahn, George Gretzer, H. Hammersmith, J. R. Hample, A. C. Hentschel, Ed. Jensen, J. J. Krieger, Max Krieger, L. Kuesel, Edward Kupper, Anthony Keising, Theodore Leubusher, Lockin Billings Jewelry Co., Otto Logeman, Edward Mass, O. G. Meacha, Arthur B. Meyers, Milwaukee Optical Co., E. H. Motl, Thomas Platzer, T. F. Randolph, E. F. Rohn, E. J. Rohn, August Rack, J. Sauer-mann, Theodore Schelle, Al Schreiber, Schulenberg Bros., R. Seidel, M. Springer, Henry Stretcher, R. Staller, Stouthammer Bros., B. W. Thien, Fred J. Theleman, F. A. Thomas, Theodore J. Welmeyer, William Upmeyer, L. A. Vaness, E. W. Waruke, Joe Wellstein, F. P. Wilde, Henry Zwengel, George Wolfgram, and George H. Doherty, all of Milwaukee, Wis., urging consideration of the brief and suggested amendments to the revenue bill presented by the jewelry committee which appeared before the Senate Finance Committee May 12; to the Committee on Ways and Means.

Also, petition of John Pritzlaff Hardware Co., of Milwaukee, Wis., protesting against Hardwick amendment to Federal reserve act; to the Committee on Banking and Currency.

Also, memorial of the Loan and Building Association League of Milwaukee, Wis., asking exemption of building and loan associations from war revenue tax; to the Committee on Ways and Means.

Also, petitions of the international executive board, United Mine Workers of America, and Titusville Forge Co., of Milwaukee, Wis., against zone system; to the Committee on Ways and Means.

By Mr. CRAGO: Memorial of Market Square Presbyterian Church, of Harrisburg; First Christian Church of Marianna; and Rotary Club of Pittsburgh, Pa., favoring prohibition as war measure; to the Committee on the Judiciary.

By Mr. DALE of New York: Memorial of National Board of Fire Underwriters, favoring daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Wallace & Co. and the Crockery Board of Trade, of New York, against increase in letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of Retail Liquor Dealers' Association, against prohibition legislation; to the Committee on the Judiciary.

Also, petition of the Merchants' Association of New York, against 10 per cent tax on express shipments; to the Committee on Ways and Means.

Also, petition of sundry citizens of New York, opposing the zone system to second-class mail matter; to the Committee on Ways and Means.

Also, petition of the American Bankers' Association, favoring the Hardwick amendment to the Federal reserve act; to the Committee on Banking and Currency.

Also, memorial of New York Association for the Protection of Game, relative to treaty for protection of migratory birds; to the Committee on Foreign Affairs.

By Mr. DOOLING: Memorial of the Merchants' Association of New York, opposing increase of postal rates on second-class matter; to the Committee on Ways and Means.

Also, memorial of the Alumnae Association of the Polytechnic Institute of Brooklyn, N. Y., expressing loyalty and support to the Government; to the Committee on Military Affairs.

By Mr. ESCH: Memorial of farmers and farm owners of Melrose and La Crosse (Wis.) Retail Grocers' Association, relative to food control; to the Committee on Agriculture.

Also, memorial of the New York Association for the Protection of Game, relative to treaty for protection of migratory birds; to the Committee on Foreign Affairs.

By Mr. FREEMAN: Petition of Edwin Lamphere and others, of Old Mystic, Conn., protesting against the use of grain in the manufacture of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of Ernest Wilde and others, of Central Village, Conn., protesting against the use of grain in the manufacture of intoxicating liquors; to the Committee on the Judiciary.

Also, petition of J. M. Potter and others, of Gales Ferry, Conn., against the use of grain in the manufacture of intoxicating liquor; to the Committee on the Judiciary.

Also, petition of J. Franklin Bailey and others, of Durham, Conn., favoring national prohibition during the war; to the Committee on the Judiciary.

Also, petition of Mrs. Lucy Smith and others, of Eagleville, Conn., protesting against the use of grain for manufacture of intoxicating liquors; to the Committee on the Judiciary.

By Mr. GRIFFIN: Petitions of sundry publishers and citizens of New York, against the increase in postal rates on second-class matter; to the Committee on Ways and Means.

Also, petition of Jewelers' Vigilance Committee, relative to the jewelry business in war-revenue bill; to the Committee on Ways and Means.

Also, petition of the American Bankers' Association of New York, favoring Hardwick amendment to the Federal reserve act; to the Committee on Banking and Currency.

Also, petition of Patriotic Educational Guilds, relative to universal military training; to the Committee on Military Affairs.

Also, petition of Retail Liquor Dealers' Association, against prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of Mitchell Wagon Co., relative to method for controlling profits of manufacturers and suppliers on war goods; to the Committee on Military Affairs.

Also, petition of Motion Picture Exhibitors' League of North America and other allied theater interests, concerning suggestion for amendment of House bill 4280, relative to war tax; to the Committee on Ways and Means.

Also, petition of Pathe Exchange, against tax in war-revenue bill and favoring Canadian system of taxation; to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Memorial of United Presbyterian Church of Scraggsfield, Ohio, favoring national prohibition as a war measure; to the Committee on the Judiciary.

By Mr. McFADDEN: Memorial of Universalist Churches of Hop Bottom and Nicholson, Pa., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. MORIN: Petition of the international executive board of United Mine Workers of America, representing 500,000 mine workers, protesting against an increase of rates on second-class mail matter; to the Committee on Ways and Means.

By Mr. NOLAN: Resolutions adopted by Local No. 164, International Molders' Union, San Francisco, Cal., and the Central Labor Council of Alameda County, Oakland Cal.; also protests

of Stationary Engineers, Local No. 64, International Union of Steam and Operating Engineers, and Local Union, No. 1689, United Brotherhood of Carpenters and Joiners, of San Francisco, Cal., protesting against any amendment to the Chinese-exclusion act which would permit the importation to this country of any Chinese for farm laborers; to the Committee on Immigration and Naturalization.

By Mr. PLATT: Petition of members of the Tabernacle Baptist Church, of Poughkeepsie, N. Y., favoring prohibition as a war measure; to the Committee on the Judiciary.

By Mr. PRATT: Petition of Woman Suffrage Party of Schuyler County, N. Y., by Miss Jessie Norton, secretary, favoring the woman-suffrage amendment; to the Committee on the Judiciary.

By Mr. ROWE: Petition of Printed Bookbinders Local Union, No. 3, of New York, N. Y., protesting against increase of second-class postage rates; to the Committee on Ways and Means.

Also, petition of A. Ryder, of Brooklyn, N. Y., protesting against exempting State, county, or municipal officers from payment of income tax; to the Committee on Ways and Means.

Also, petition of H. N. Thomas, of Brooklyn, N. Y., protesting against tax on carbonic acid; to the Committee on Ways and Means.

By Mr. SINNOTT: Petition of 700 citizens and residents of Mansfield, Oreg., favoring legislation against food speculation; to the Committee on Agriculture.

By Mr. STINESS: Petitions of Massachusetts and Rhode Island Retail Jewelers' Association, E. F. Lilley, president, J. Arthur Clem, secretary; B. A. Ballou & Co. (Inc.); the Low, Taussig, Karpeles Co., Maurice J. Karpeles, president; Cohn, Rosenberger (Inc.); Gorham Manufacturing Co.; William C. Greene Co.; M. F. Williams Co.; Cutler Jewelry Co.; S. B. Champlin Co.; Ostby & Barton Co.; E. R. Barker; Wolcott Manufacturing Co.; Markham & Stone; the R. L. Griffith & Son Co.; New England Manufacturing Jewelers and Silversmiths' Association; the Albert Walker Co.; Oscar E. Place & Sons Co.; Thornton Bros. Co.; Wachenheimer Bros.; and Chapin & Hollister Co., all of Providence, in the State of Rhode Island; and Standard Button Co., Clarence L. Watson, president, Attleboro, Mass., favoring amendments to the revenue bill as set forth by the jewelry committee representing the interests of the entire jewelry industry in its brief presented to the Senate Finance Committee May 12, 1917; to the Committee on Ways and Means.

By Mr. VARE: Petition of the Farm Journal, relative to proposed zone postal rates; to the Committee on the Post Office and Post Roads.

Also, memorial of Catholic Total Abstinence Union of Philadelphia and Rotary Club of Pittsburgh (Pa.), favoring prohibition as war measure; to the Committee on the Judiciary.

SENATE.

TUESDAY, May 22, 1917.

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

Almighty God, who sittest upon Thy throne ruling aright, look with infinite compassion upon us. Bless our whole Nation. Fill the people with an ardent desire for the establishment of the liberty of the sons of God, for the welfare of all mankind, and for the coming of Thy kingdom. Guide in the councils of our Nation. Bless every anxious heart awaiting amid uncertainty, with ever-increasing faith in Thy providence, and with patience under trials. Grant to hasten the day when triumph of the right shall come, when all the people shall read in living lines the leadership of God in the midst of this Nation, dedicated to His service. For Christ's sake. Amen.

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

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of the National Board of Fire Underwriters, praying for the enactment of legislation for daylight saving, which was referred to the Committee on Interstate Commerce.

He also presented a telegram in the nature of a petition from the Fruit Growers' Agency of Spokane, Wash., praying that fresh fruit be classified as food and for the exemption of farm laborers from conscription, which was referred to the Committee on Agriculture and Forestry.

He also presented a telegram in the nature of a memorial from the Southern Baptist Convention, held at New Orleans, La., remonstrating against an increase of the tax on intoxicating liquor and praying for national prohibition, which was referred to the Committee on the Judiciary.