

1203. Also, petition of 285 residents of the county of Ionia, Mich., protesting against the passage of House bill 78, or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

1204. Also, petition of 100 residents of Lakeview, Mich., protesting against the passage of House bill 78, or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

1205. Also, petition of 176 residents of Gratiot County, Mich., protesting against the passage of House bill 78 or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

1206. Also, petition of 119 residents of the eighth congressional district of Michigan protesting against the passage of House bill 78 or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

1207. By Mr. WEAVER: Petition of citizens of Hendersonville, N. C., protesting against the passage of House bill 78, Lanford Sunday observance bill; to the Committee on the District of Columbia.

1208. Also, petition of citizens of Old Fort, N. C., protesting against passage of House bill 78; to the Committee on the District of Columbia.

1209. Also, petition of citizens of Tryon, N. C., protesting against passage of the Lanford Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

1210. By Mr. WOOD: Senate Concurrent Resolution No. 6 of the seventy-fifth regular session of the General Assembly of the State of Indiana requesting the Congress to appropriate funds to carry out certain recommendations of the Chief of Staff of the United States Army to be used in the furtherance of the national defense act of 1920; to the Committee on Appropriations.

SENATE

TUESDAY, January 10, 1928

(Legislative day of Monday, January 9, 1928)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Edge	King	Sheppard
Barkley	Edwards	La Follette	Shipstead
Bayard	Ferris	McKellar	Shortridge
Bingham	Fess	McLean	Smoot
Black	Fletcher	McMaster	Steak
Blaine	Frazier	McNary	Stetwer
Blease	George	Mayfield	Stephens
Borah	Gerry	Metcalf	Swanson
Bratton	Gillett	Moses	Thomas
Brookhart	Gould	Norbeck	Trammell
Broussard	Greene	Norris	Tydings
Bruce	Hale	Nye	Tyson
Capper	Harris	Oddie	Wagner
Caraway	Harrison	Owenman	Walsh, Mass.
Copeland	Hawes	Phipps	Walsh, Mont.
Couzens	Hayden	Pine	Warren
Curtis	Hellin	Ransdell	Waterman
Cutting	Howell	Reed, Pa.	Watson
Dale	Johnson	Robinson, Ark.	Wheeler
Deneen	Jones	Robinson, Ind.	Willis
Dill	Kendrick	Sackett	

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

SENATOR FROM ILLINOIS

Mr. DENEEN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator-elect FRANK L. SMITH, of Illinois, before the special committee on expenditures in senatorial elections at its meeting on Saturday last.

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

STATEMENT OF THE HON. FRANK L. SMITH BEFORE THE SPECIAL COMMITTEE ON EXPENDITURES IN SENATORIAL ELECTIONS SATURDAY, JANUARY 7, 1928

Mr. SMITH. Mr. Chairman and gentlemen of the committee, in deference to the notice from the chairman of this special committee I respectfully come before you to make a statement as briefly as the circumstances and the importance of the present matter affecting the people of Illinois and myself will admit.

For 110 years Illinois has been a member of the Union of States which comprise our Nation. More than 7,000,000 people within her borders are directly concerned and affected by the denial of her constitutional

right to full, equal, and continuous representation in the Senate of the United States. Her very motto embraces the theory of our dual form of government that was uppermost in the minds of the patriotic and farsighted men who framed our National Constitution, namely, "National Union! State sovereignty!"

Proudly Illinois has advanced through all the years since she was a loyal county of Virginia, later to become a Territory, and, finally, in 1818, to achieve her high and justly earned distinction of statehood in our National Union. Her history and traditions in support of constitutional government is as glorious as it has been constant and effective. She has never failed to maintain constitutional government and conform to its laws. Her sons have never failed to respond to the call of our country. In peace as in war, at home and abroad, a recital of more than a century of deeds accomplished and devotion unerring for the National Union is the glory of her people and commands the rightful admiration of her sister States.

The denial to Illinois of her inherent constitutional rights, which affects not only this State but, as she earnestly believes, the future welfare of the Nation, is of such grave importance that it makes this a solemn moment. Unimportant as may be my personality as one of the least of the factors in this far-reaching situation, I can not avoid, even if I willed it otherwise, to raise my voice in protest against such denial.

It has been said: "Let no man be sure that the injustice he to-day inflicts on another that to-morrow may not make of him the subject of the same injustice." This maxim applied to Illinois to-day may, and probably will, return again and again to plague other States of our Union.

Our Federal Constitution, as I understand it, provides that the Senate of the United States shall be composed of two Senators from each State, elected by the people thereof for six years, and that no State without its consent shall be deprived of its equal representation in this body. It further provides certain qualifications for membership. No one shall be a Senator who shall be under 30 years of age or is non-resident of the State from which he is chosen. All powers not delegated to the National Government are reserved to the several States and to the people thereof.

The Senate is made the judge of the election of its own Members, and also of whether such Members possess the qualifications set forth in the Constitution. Every Senator upon assuming the duties of his office shall qualify by taking the oath to support the Constitution.

After its Members have been elected and qualified the Senate may punish any of them for disorderly conduct, and by a vote of two-thirds expel a Member therefor.

I feel justified in taking the position that whenever the State of Illinois, or any other sovereign State of this Union, sends to the National Senate its representative who bears the credentials of an uncontested and incontestable election, and possesses all the qualifications for that office that are set forth in the Constitution, that such State has the right to have such representative given the oath to membership.

Neither the Senate nor any nor all branches of the Federal Government has any right or authority to add anything to the qualifications as they are set forth in the fundamental law. If any such power exists it remains in the States or in the people thereof, and neither the States nor the people have yet seen fit to call it into being. Nowhere in the Constitution is the Senate authorized to select its own membership.

I come to this body bearing the credentials of the third State of the Union. I possess all the constitutional qualifications of a Senator. The fact of my election is beyond controversy. I was nominated as the Republican candidate for the office of Senator at a free and equal primary of the Republican voters of Illinois. Under the law of my State any question as to the integrity of my nomination could have been raised in the courts of each of the 102 counties of the State. No contest of any kind was ever instituted, and no suggestion has ever been made but that I was the choice of a large majority of the Republican voters of Illinois.

Between the primaries in April and the ensuing election held November 2, 1926, I was opposed by two able and vigorous candidates. The contest was spirited and even intense, and every charge of every kind and character that has ever been made against me anywhere was laid before the voters of my State, who have known me all my life. The event resulted in my election by a decisive vote. That result was canvassed by the State canvassing board, no contest was made or even threatened, and I was duly certified to the Senate of the United States as the uncontested choice of the electors of my State as one of its Senators.

Further, as indicative of the choice of the people of my State, there is of record here the joint resolution adopted by both houses of the General Assembly of Illinois insisting that her constitutional rights be respected and given effect by my admission to the office to which I was legally elected.

I am not unmindful that perhaps it might be politically expedient, so far as my individual fortune may be concerned, to assume to waive the constitutional rights of my State for the irregular opportunity of trying to convince the distinguished members of this special committee that the certificate of moral fitness, which the people of Illinois

gave me in a general election, was merited. But if individual misfortune shall come by my act of refusing to sanction what I believe to be an unconstitutional proceeding, I shall all my life be comforted with the thought that if at some future time a denial of the rights of my State for the sake of political expediency shall be acquiesced in, it will be the act of someone other than myself. My State has honored me and has a right to expect in return, at whatever personal sacrifice may be the outcome, that I will stand firm in protest against the denial of her rights.

The framers of our Federal Constitution in an unamendable article guaranteed to each State equal representation in the United States Senate. It is my position that Illinois has been deprived of this guaranty.

The framers of the Federal Constitution provided that United States Senators should be elected by the various legislatures. Illinois was one of the first States to propose and affirm that this power should be lodged in the people. My credentials are, therefore, a mandate from the people of Illinois, as a result of a general election against which there never has been nor can there be a charge of fraud or irregularity.

The people again spoke through their representatives in the adoption of resolutions creating the delegation on the constitutional rights of Illinois, which has appeared here. My position is supported by the choice and act of the people, by the act of the general assembly of my State, and by a unanimous opinion of the Supreme Court of Illinois.

In volume 261, commencing at page 413, Illinois Supreme Court Reports, the Supreme Court of Illinois said:

"All persons are equally eligible to office who are not excluded by some constitutional or legal disqualification. * * * Eligibility to office, therefore, belongs equally to persons whomsoever not excluded by the constitution"—

And that—

"the legislature can not establish arbitrary exclusions from office or any general regulation requiring qualifications which the constitution has not required."

The court further says:

"There is a distinction between the office created by the constitution and those created by statute. Where an office is created by statute, it is wholly within the power of the legislature creating it. The length of term and mode of appointment may be altered at pleasure and the office may be abolished altogether."

But the court makes this important distinction:

"It is not so of constitutional office."

The court further reasons:

"It may be true that many persons having the constitutional qualifications are wholly unfit to discharge the duties of many offices within the State, but if the legislature possesses the power to vary the constitutional qualifications for office by adding new requirements or imposing additional limitations, then eligibility to office and freedom of elections depend not upon constitutional guaranties but upon legislative forbearance. If the legislature may alter the constitutional requirements, its power is unlimited, and only such persons may be elected to office as the legislature may permit. In our judgment, when the constitution undertakes to prescribe qualifications for office its declaration is conclusive of the whole matter, whether in affirmative or negative form. Eligibility to office belongs to all persons. In our constitution no other form of stating eligibility to office is found than the declaration that no person shall be eligible who does not possess certain qualifications. The Constitution of the United States is in the same form in this particular, and so are the constitutions of other States. The expression of the disabilities specified excludes others. The declaration in the constitution that certain persons are not eligible to office implies that all other persons are eligible."

My counsel advises that the Supreme Courts of California, Indiana, Maryland, Kansas, Minnesota, Montana, Texas, and Wisconsin have likewise consistently held concerning the power of a legislative body, which is that it may change qualifications for offices created by statute but can not change nor add to nor take from the qualifications named in the constitution.

In view of the action of the people of Illinois, by which they made me United States Senator, and in view of the act of the general assembly creating the delegation on the constitutional rights of Illinois in this matter, and, finally, in view of the interpretations of those constitutional rights by the Supreme Court of Illinois, I doubt whether even this special committee would expect me to depart from my plain duty in this instance by assuming to waive the rights of Illinois that I might participate in what the supreme court of my State has plainly said would be an extraconstitutional proceeding.

Thus I have been honored:

- First. By the preference of my party at the primaries.
- Second. By election at the hands of the people of my State.
- Third. By executive appointment to fill a vacancy in the Senate.
- Fourth. By the General Assembly of Illinois in resolutions adopted.
- Fifth. By the demand of the senior Senator of Illinois.
- Sixth. By the appearance in behalf of the State of the attorney general of Illinois.

Seventh. By interpretation of the Supreme Court of Illinois in support of my position to my right to membership in this body.

Under the circumstances now confronting me I can at this time do neither more nor less than to insist upon the sovereign rights of the State whose credentials I bear. That right is to have the candidate of her choice, who possesses all the constitutional qualifications, admitted to membership in this body, thereby according to my State the equal representation to which she is constitutionally entitled. When that right is granted, then I shall freely, gladly, and unafraid meet any and all charges respecting my moral or other fitness to continue a Member of this distinguished body. But unless and until the right of my State to such full, equal, and continuous representation is first accorded I can not become a party to an unwarranted precedent, nor to any pretended inquiry as to my personal fitness for association with the distinguished men now composing the Senate of the United States.

Great as my ambition to sit in the Senate may have been, and keen as my regret may be for the denial of my right to admission to this body, the duty I owe to the people who have honored me is the thing of highest importance in my life. To keep faith with this people is to me a greater thing than to be a Senator, and I shall keep faith with them, whatever the cost to myself shall be.

To keep faith with my people my course must be compatible with their rights. The people of Illinois know their rights under the Constitution. They know them by the unbroken practice of 150 years. They know them by the traditions which have been handed down from the founding of this Nation. They know them by the history of their country. They know their rights from that instinctive, inherent knowledge which tells all men in their souls whether they are bond or free.

The citizens of Illinois know that if they are a free people of a sovereign State they have the right, upon the day and in the manner prescribed by law, to choose of their own free will whomsoever they please to send as their representative to the Nation's Capital. They know that if they are restricted in this choice by the whim, the caprice, or even the conviction of any power on earth other than themselves that they are not free but are the bondsmen of tyranny.

I am here as their carefully considered and lawfully made choice for Senator. Therefore, in their name, and with full authority from my State and my people, I protest against any invasion of their rights, and demand that their choice of a Senator be respected, and that the Senate of the United States keep the faith of the Constitution which created it by giving to the representative of Illinois the seat justly due him.

If the Senate shall not comply with this demand; if it shall continue to deny to my State the right to have her representative administered the oath of office; and if it shall at last refuse to accord to the third State in the Union the equal representation guaranteed to it by the Constitution, I will have the consolation of knowing that Frank L. Smith refused to compromise the rights of those who have trusted and honored him, even though he might thereby have lost a seat in this august and historic assembly.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 483) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS

Mr. WALSH of Massachusetts. Mr. President, I present a letter from Mr. George Hannauer, president of the Boston & Maine Railroad, of Boston, Mass., which very concisely and clearly presents reasons why certain important changes should be made in the revenue bill now pending before the Committee on Finance of the Senate. I ask that this letter be treated in the nature of a petition, printed in the CONGRESSIONAL RECORD, and referred to the Committee on Finance.

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

BOSTON & MAINE RAILROAD,
Boston, Mass., January 6, 1928.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH:

I should like now to submit for your consideration in connection with the revenue bill (H. R. 1) which passed the House December 15, 1927, two provisions of special interest to the Boston & Maine Railroad, as well as to business corporations generally.

1. Section 13, which (we believe properly) reduced the corporation income tax from the existing rate of 13½ to 11½ per cent.

2. Section 141, which, except as to the taxable years 1927 and 1928, abolishes the present right of affiliated corporations to make consolidated returns.

1. The equity of the corporation-tax reduction is obvious when we consider:

A. That the normal tax upon individuals is only 1½, 3, or 5 per cent, and that while the net income of corporations distributed to stockholders is exempt from this normal tax, payments 12 per cent, 10½ per cent, or 8 per cent greater than would be made upon each dollar of net income earned by the individualistic or partnership form of business are made as a result merely of the use of the corporate business form.

2. Instead of eliminating the provisions for affiliated or consolidated returns, we believe these provisions should be made more generous.

Section 240 of the 1926 act provides: Two or more domestic corporations may be deemed to be affiliated—

(a) If one corporation owns at least 95 per cent of the stock of the other or others; or,

(b) If at least 95 per cent of the stock of two or more corporations is owned by the same interests.

(Stock as used in this requirement does not include nonvoting stock which is limited and preferred as to dividends.)

The object of the provision is set forth clearly in article 631 of regulations 69 under the heading affiliated corporations—

"Consolidated returns are based upon the principle of levying the tax according to the true net income of a single enterprise, even though the business is operated through more than one corporation. Where one corporation owns the capital stock of another corporation or other corporations, or where the stock of two or more corporations is owned by the same interests, a situation results which is closely analogous to that of a business maintaining one or more branch establishments. In the latter case, because of direct ownership of the property, the net income of the branch forms a part of the net income of the entire organization."

In other words, the theory of affiliation and the consolidated return is that of an "economic unit" with all intercompany transactions and relationships eliminated and a resulting balance sheet and profit and loss statement showing the situation as though it were a single business.

Provisions permitting or requiring consolidated returns have been placed in every revenue act since the 1917 act.

When the revenue bill of 1917 was before the Senate the Finance Committee reported:

"While the committee is convinced that the consolidated return tends to conserve, not to reduce, the revenue, the committee recommends its adoption not primarily because it operates to prevent evasion of taxes or because of its effect upon the revenue, but because of its effect upon the principle of taxing as a business unit, what in reality is a business unit, is sound and equitable and convenient both to the taxpayer and the Government."

If we admit this theory to be sound, manifestly the stipulation of ownership of 95 per cent of stock of an affiliated corporation is an arbitrary requirement. The true test should be the facts with respect to the economic unity.

Let us assume the case of a railroad owning 96 per cent of the stock of corporation A and 96 per cent of the stock of corporation B; in that event consolidation is permitted. The result is that if corporation A for the given year has a taxable income of \$100,000; corporation B has a deficit of \$200,000, and the parent company X has an income of \$500,000, the taxable net income of the economic unit will be \$400,000. But if the three companies are in fact one economic unit and X company is responsible for the deficits of A and/or B companies, why should an arbitrary 95 percentage of stock ownership be adopted; why 95 per cent or 51 per cent, or any other percentage? It would seem clearly that the test should be the fact as to economic unity alone.

Assume a parent corporation X which has guaranteed the principal and interest of all the outstanding bonds of corporation A. A minority stock ownership of A is in X. Yet in order to protect the bonds it is necessary for X annually to pay to A large operative deficits without hope of return. Is there not here also one economic unity?

These are some of the reasons why we believe that the provisions for consolidated returns should be reinstated in the new revenue act, and should be made more generous in order to reflect the true intent to tax an economic unit as such.

Respectfully,

GEORGE HANNAUER, *President.*

Mr. WALSH of Massachusetts presented a petition of sundry citizens of Medfield, Mass., praying for the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. ASHURST presented a resolution adopted by Cactus Chapter, No. 2, Disabled American Veterans of the World War,

at Tucson, Ariz., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

A resolution protesting against the enactment of any legislation which would defeat or nullify the Ashurst amendment to the World War veterans' act (\$50 per month statutory award for arrested cases of service-connected tuberculosis)

Whereas it has come to the attention of the ex-service men's organizations throughout the United States that there are persistent rumors to the effect that the central office of the United States Veterans' Bureau intends to recommend to Congress a substantial reduction of the \$50 per month statutory award for arrested cases of service-connected tuberculosis (Ashurst amendment); and

Whereas it has been shown that the statutory award of \$50 per month for life for arrested tuberculars cost the disabled men and women of America untold energy to have enacted into a law, and this law did not become a reality until after our lawmaking bodies in Washington had been thoroughly convinced of its merits by the most expert and convincing evidence made possible by the highest skilled men in America; and

Whereas the Ashurst amendment has demonstrated the success of statutory award, inasmuch as a much smaller percentage of ex-service men have become reactivated since the inception of this law; and

Whereas the arguments of the United States Veterans' Bureau against this amendment and in favor of a graduated scale from 25 per cent to 33 per cent, according to the advancement of the disease, have been proven by medical and substantial facts to be both unfair and impracticable, due to the fact that nearly all cases of arrested tuberculosis which are service connected could not possibly be incipient cases at the bureau rating of 25 per cent, or they could not be moderately advanced, because if this were the case, according to bureau rulings, their disability could not be service connected; therefore they would not receive compensation. Therefore, the bureau must admit that practically only a few moderately advanced B and C class beneficiaries are receiving compensation, while the far-advanced cases are in the majority. For example, in United States Veterans' Hospital, No. 51, at Tucson, Ariz., there are at the present time approximately 38 beneficiaries receiving the rating of temporary total, 28 ex-service men receiving no compensation whatsoever, and 172 beneficiaries receiving a total permanent rating; and

Whereas the above figures prove beyond a doubt that the unfortunate men who are at present far-advanced cases, but who may some day be fortunate enough to become arrested cases have before them a poor financial outlook, should the bureau's ruling of 33 per cent for arrested far-advanced cases become a reality: Therefore be it

Resolved, That we, the members of Cactus Chapter, No. 2, Disabled American Veterans of the World War, Tucson, Ariz., in regular session assembled on the 5th day of January, 1928, do hereby protest against the enactment of any amendment by Congress which would defeat or nullify the Ashurst amendment to the World War veterans' act (\$50 per month statutory award for arrested cases of service-connected tuberculosis); be it further

Resolved, That copies of this resolution be forwarded by the Director of the Veterans' Bureau; ROYAL C. JOHNSON, chairman of the Veterans' Committee in Congress; Commander Tate, of the Disabled American Veterans of the World War; Captain Kirby, national legislative committeeman of the D. A. V. W. W.; HON. CARL HAYDEN; HON. HENRY F. ASHURST; and I. A. Marcotte, the State commander of the Disabled American Veterans of the World War.

Attest:

THOS. S. SAWYER,
Commander.
CHARLES L. EDGERTON,
Adjutant.
JAMES C. HERRON,
JOSEPH THOMAS,
FRANCIS J. NILES,
Members Executive Committee.

Mr. COPELAND presented a telegram from F. Park Lewis, of Buffalo, N. Y., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

BUFFALO, N. Y., January 5, 1928.

HON. ROYAL S. COPELAND,

Senate Chamber, Washington, D. C.:

Hope Nicaraguan resolutions will not be allowed to remain in committee. Interference with armed force in foreign country unwarrantable and reprehensible, not in harmony with American principles or tradition.

F. PARK LEWIS.

Mr. COPELAND also presented memorials numerously signed by sundry citizens of New York, N. Y., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. WARREN presented a resolution adopted by the Lions Club of Greybull, Wyo., favoring the passage of legislation to aid in insuring adequate supplies of timber and other forest products, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Lions Club of Greybull, Wyo., favoring the making of adequate appropriations for the reforestation of denuded areas within the national forests, which was referred to the Committee on Appropriations.

Mr. CAPPER presented resolutions adopted by Woman's Relief Corps, No. 9, of Lawrence, Kans., favoring the passage of legislation granting increase of pension to \$50 per month to widows of Civil War veterans, which were referred to the Committee on Pensions.

He also presented petitions of Topeka Post, No. 71, and Topeka Post, No. 94, Woman's Relief Corps, both of the Grand Army of the Republic, Department of Kansas, of Topeka, Kans., praying for the passage of legislation granting pensions of \$50 per month to widows of Civil War veterans, and also for the repeal of the provision of the law barring widows from pensions who were married to veterans after June 27, 1905, which were referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1154) to authorize the use by the county of Yuma, Ariz., of certain public lands for a municipal aviation field, and for other purposes, reported it with an amendment and submitted a report (No. 46) thereon.

He also, from the same committee, to which was referred the bill (S. 1155) to grant extensions of time under oil and gas permits, reported it with amendments and submitted a report (No. 47) thereon.

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1312) to change the name of the Utah National Park, the establishment of which is provided for by the act of Congress approved June 7, 1924 (43 Stat. 593), to the "Bryce Canyon National Park," and for other purposes, reported it without amendment and submitted a report (No. 48) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1284) amending the act approved April 30, 1926, entitled "An act amending the act entitled 'An act providing for a comprehensive development of the park and playground system of the National Capital,' approved June 6, 1924," reported it without amendment and submitted a report (No. 49) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 440) for the relief of Charles H. Send, reported it without amendment and submitted a report (No. 50) thereon.

Mr. McNARY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1193) granting certain rocks or islands to the State of Oregon for park purposes, reported it without amendment and submitted a report (No. 51) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. JOHNSON:

A bill (S. 2426) to establish a uniform rule of naturalization and to amend and codify the laws relating thereto, to provide for recognition of citizenship in certain cases, and for other purposes; to the Committee on Immigration.

By Mr. DILL:

A bill (S. 2427) to enact supplemental section 8853-1 to section 8853 of the General Code relative to public railroad crossings of highways, and to provide that drivers or occupants of vehicles at such crossings guilty of contributory negligence shall not be barred a recovery; to the Committee on the Judiciary.

A bill (S. 2428) for the relief of William M. Wiser; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2429) for the promotion of pecan culture in southwestern United States; to the Committee on Agriculture and Forestry.

A bill (S. 2430) for the relief of W. J. Moodyman; to the Committee on Claims.

By Mr. JONES:

A bill (S. 2431) to authorize an appropriation for the construction of a road on the Makah Indian Reservation, Wash.; to the Committee on Indian Affairs.

By Mr. NORRIS:

A bill (S. 2432) granting a pension to Mary Longstreth; to the Committee on Pensions.

By Mr. WALSH of Massachusetts:

A bill (S. 2433) granting a pension to Alice F. Leach;

A bill (S. 2434) granting a pension to Catherine Shea; and

A bill (S. 2435) granting an increase of pension to Frances P. Gibbs; to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 2436) to amend the act entitled "An act relating to the use or disposal of vessels or vehicles forfeited to the United States for violation of the customs laws or the national prohibition act, and for other purposes," approved March 3, 1925, as amended; to the Committee on the Judiciary.

A bill (S. 2437) for the relief of Irene Strauss; and

A bill (S. 2438) for the relief of the firm of M. Levin & Sons; to the Committee on Claims.

A bill (S. 2439) to amend the military record of Arthur Waldenmeyer; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 2440) to provide that four hours shall constitute a day's work on Saturdays throughout the year for all employees in the Government Printing Office; to the Committee on Education and Labor.

By Mr. LA FOLLETTE:

A bill (S. 2441) for the relief of Frank Murray; to the Committee on Claims.

A bill (S. 2442) for the relief of Lieut. Henry C. Weber, Medical Corps, United States Navy; to the Committee on Naval Affairs.

By Mr. WHEELER:

A bill (S. 2443) for the relief of Joseph Morrison; to the Committee on Claims.

A bill (S. 2444) granting an increase of pension to Thomas G. Nielsen; to the Committee on Pensions.

By Mr. HAWES:

A bill (S. 2445) granting a pension to John Mayfield (with accompanying papers); and

A bill (S. 2446) granting a pension to Susan A. Yount (with accompanying papers); to the Committee on Pensions.

By Mr. GILLETT:

A bill (S. 2447) for the relief of the stockholders of the First National Bank of Newton, Mass.; to the Committee on Claims.

By Mr. HARRIS:

A bill (S. 2448) for the relief of Margaret Doyle, administratrix of the estate of James Doyle, deceased; to the Committee on Claims.

By Mr. BROUSSARD (by request):

A bill (S. 2449) to authorize the construction of a bridge across the Mississippi River at or near the city of Baton Rouge, in the parish of East Baton Rouge, and a point opposite thereto in the parish of West Baton Rouge, State of Louisiana (with an accompanying paper); to the Committee on Commerce.

By Mr. REED of Pennsylvania:

A bill (S. 2450) to amend the immigration act of 1924, entitled "An act to limit the immigration of aliens into the United States, and for other purposes"; to the Committee on Immigration.

By Mr. TRAMMELL:

A bill (S. 2451) for the relief of William J. Carter; to the Committee on Claims.

By Mr. HOWELL:

A bill (S. 2452) granting a pension to Andrew Brown; and

A bill (S. 2453) granting an increase of pension to Orrie A. Harvey; to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 2454) for the relief of Fred Elias Horton (with an accompanying paper); to the Committee on Naval Affairs.

By Mr. THOMAS:

A bill (S. 2455) to amend and further extend the benefits of the act approved March 3, 1925, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claims to have against the United States, and for other purposes"; to the Committee on Indian Affairs.

By Mr. ROBINSON of Arkansas:

A bill (S. 2456) to establish game sanctuaries in the national forests; to the Committee on Agriculture and Forestry.

A bill (S. 2457) for the relief of Bert Moore; to the Committee on Claims.

By Mr. EDWARDS:

A bill (S. 2458) to amend the World War veterans' act, 1924, as amended, in respect of furnishing flags to drape the caskets of deceased veterans; to the Committee on Finance.

A bill (S. 2459) authorizing a preliminary examination and survey of the Elizabeth River, N. J.; to the Committee on Commerce.

A bill (S. 2460) granting a pension to Annie Boden; and

A bill (S. 2461) granting an increase of pension to Susanna S. Paxson (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 72) to grant permission for the erection of a memorial statue of Cardinal Gibbons; to the Committee on the Library.

By Mr. COPELAND:

A joint resolution (S. J. Res. 73) to amend the act of May 29, 1884, as amended; the act of February 2, 1903; and the act of March 3, 1905, as amended, to include poultry within their provisions; to the Committee on Agriculture and Forestry.

CHANGES OF REFERENCE

On motion of Mr. REED of Pennsylvania, the Committee on Military Affairs was discharged from the further consideration of the following bills and joint resolution, and they were referred as indicated below:

S. 1433. An act for the relief of J. C. Peixotto; to the Committee on Claims.

S. 854. An act to authorize the reinstatement of honorably discharged soldiers and sailors to former positions in Government service and restoration to eligible register of the names of honorably discharged soldiers and sailors; and

S. J. Res. 11. Joint resolution to amend the census act of March 3, 1919; to the Committee on Civil Service.

COMMITTEE SERVICE

On request of Mr. WATSON, and by unanimous consent, the Senator from Ohio [Mr. WILLIS] was excused from further service upon the Committee on Public Lands and Surveys, and the Senator from New Mexico [Mr. CUTTING] was assigned to the vacant place on the committee.

INVESTMENTS IN FOREIGN COUNTRIES

Mr. BLAINE. Mr. President, I submit a concurrent resolution, which I ask may lie on the table so that I may call it up in a day or two, or whenever other important pending business of the Senate is disposed of, and discuss it at that time.

The concurrent resolution (S. Con. Res. 7) was ordered to lie on the table, as follows:

Resolved by the Senate (the House of Representatives concurring). That the policy of this country with reference to investments and the conduct of trade by American citizens in foreign countries should be grounded upon the following principles:

1. American citizens engaged in trade or commerce in foreign countries must obey the laws of these countries.

2. Investments made by American citizens are subject to the laws of the country wherein they are made.

3. The Government of the United States will not assume responsibility for the fulfillment of contractual arrangements made by American citizens with foreign governments or with private citizens of foreign countries.

4. Before American citizens can expect the Government of the United States to take any action with reference to their complaints that they have been unfairly dealt with in foreign countries, they must first have exhausted the remedies available to them in the courts of such countries.

5. If, in the opinion of the President of the United States, decisions made by the court of last resort in any foreign country deny to American citizens the same rights accorded to nationals of other countries or violate the principles of international law, and also in the event that the legislative or executive branches of such foreign governments shall refuse to observe decisions of their courts favorable to American citizens, this country will endeavor to adjust such differences through friendly negotiations and stands ready to submit the same to arbitration.

6. In no event will the Government of the United States have recourse to arms or resort to force in any manner to gain or preserve for American citizens rights and privileges in any foreign country beyond those enjoyed by the native citizens of such country.

7. For the security of the Government of the United States, and to promote peace, the interests of the governments in this hemisphere are mutual. We owe it, therefore, to candor and to the amicable relations existing between the United States and the governments of the world to declare that we should consider any attempt on their part to extend privileges and engage in conduct not permitted to the Government of the United States or its citizens under the foregoing declarations as dangerous to our peace and safety. We could not view any attempt on the part of a foreign government to encroach upon the

rights of small nations and the equality of nations guaranteed to the countries of this hemisphere in any other light than as the manifestation of an unfriendly disposition toward the United States.

INVESTIGATION OF NAVAL OIL RESERVE LEASES

Mr. HARRISON obtained the floor.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield.

Mr. NORRIS. I would like to state to the Senator from Mississippi that yesterday afternoon the Senate passed a resolution of mine directing the Committee on Public Lands and Surveys to continue the investigation heretofore made of naval oil leases. There are just a few words I want to say on that question, and I am wondering if the Senator from Mississippi will yield to me for that purpose.

Mr. HARRISON. I take it that it will not start any general discussion?

Mr. NORRIS. Of course, I can not guarantee that it will not.

Mr. HARRISON. I yield to the Senator from Nebraska provided I can obtain the floor when he has concluded.

Mr. NORRIS. Mr. President, the resolution which was passed yesterday directed that the Committee on Public Lands and Surveys should continue the investigation heretofore made by that committee in reference to the leasing of public lands, and particularly of the naval oil reserves in Wyoming, and the committee is particularly directed to make an investigation as to the transactions and activities of the Continental Trading Co. of Canada and especially directed—

to trace all the Government bonds held and dealt in by said corporation, with the purpose of ascertaining the beneficiary or beneficiaries of all the illegal transactions connected with the fraudulent and dishonest sale or leasing of the said naval oil reserves.

It occurred to me that for the benefit of the members of the Committee on Public Lands and Surveys I ought to make at least a brief statement as to what has been shown by investigations made by the attorneys representing the Government in the trial of the lawsuit pending against Mr. Sinclair and former Secretary Fall.

In November, 1921, Mr. A. E. Humphreys, an oil producer of Texas, entered into negotiations with Harry F. Sinclair, H. M. Blackmer, James O'Neil, and Robert W. Stewart for the purpose of selling to them oil that he was producing from his oil wells in Texas. On November 15, 1921, at a conference with those men in New York City, Mr. Humphreys sold them more than 33,000,000 barrels of oil at the agreed price of \$1.50 per barrel.

On the next day, when they met for the purpose of putting the contract in writing for the first time, these purchasers notified Mr. Humphreys that the real purchaser of the oil was the Continental Trading Co., of Canada, and asked that the contract be drawn in the name of that company.

Mr. Humphreys had never heard of the Continental Trading Co. and, because he knew nothing of its financial standing, he refused to enter into a contract for the sale of the oil to that company. Thereupon these men told Mr. Humphreys that they, on behalf of the companies which they represented, would guarantee the payment for the oil on behalf of the Continental Trading Co. The contract was then drawn in the name of the Continental Trading Co., and payment of the price of the oil by the said trading company was guaranteed by Sinclair, Blackmer, O'Neil, and Stewart.

At this time O'Neil was president of the Prairie Oil & Gas Co.; Stewart was chairman of the board of directors of the Standard Oil Co. of Indiana and still holds that position; Blackmer was chairman of the board of directors of the Midwest Refining Co., which was practically owned outright at that time, and still is, by the Standard Oil Co. of Indiana. Sinclair represented the Sinclair Consolidated Oil Corporation. This corporation, together with the Standard Oil Co. of Indiana (represented by Stewart), jointly owned the Sinclair Crude Oil Purchasing Co.

On the next day, November 17, 1921, Henry Smith Osler, an attorney of Toronto, Canada, appeared upon the scene and executed the contract as president of the Continental Trading Co., while Sinclair and Stewart, "for the directors" of the Sinclair Crude Oil Purchasing Co., and O'Neil, on behalf of the Prairie Oil & Gas Co., signed the contract as guarantors.

On the same day this fraudulent Continental Trading Co. assigned its contract and resold the oil it had thus contracted to buy to the Sinclair Crude Oil Purchasing Co. and the Prairie Oil & Gas Co. jointly. This sale was made at a profit of 25 cents on each barrel.

By the terms of the contract from Humphreys to the Continental Trading Co. payments for oil deliveries were to be made on the 15th day of each month; and by the terms of the contract wherein the Continental Trading Co. resold the oil to the Stewart, Sinclair, and O'Neil corporations payments were to be made on the 10th day of each month. It was therefore possible for this fraudulent Continental Trading Co. to get its money from the real purchasers of the oil five days before it was required to make payments to the man who produced and sold the oil.

Under this contract oil was delivered by Mr. Humphreys and turned over to the Sinclair, Stewart, and O'Neil corporations until some time in May, 1923, when the Continental, through its president, Osler, assigned its interest in its contract to the Sinclair Crude Oil Purchasing Co. At this time there were still 25,000,000 barrels of oil to be delivered, and the profit of the Continental Trading Co., at 25 cents a barrel, on this remaining amount of oil would have been at least \$6,250,000; yet Osler, on behalf of the Continental Trading Co., surrendered this contract to the Sinclair Crude Oil Purchasing Co. for \$400,000.

Immediately this fraudulent Canadian company went out of business. The company was formed the day the contract was made. It never had any capital. It never had any property except the profit on this oil contract. It never did any business either before or since this oil transaction. When it went out of business it destroyed its records and all its documents. It is worthy of note that it went out of business about the time the Senate investigation of the Teapot Dome oil leases was threatened. While it was in business its profit of 25 cents a barrel on this oil amounted to \$3,800,000. All of this money was deposited, under the direction of Osler, at the New York agency of the Dominion Bank of Canada and, under his direction, all of the money was invested in Liberty bonds of the United States Government. These bonds were, by this Dominion bank, then turned over to Osler.

In the trial of the Sinclair and Fall cases \$230,000 of these bonds were traced to Mr. Fall. The balance of the bonds have never been accounted for; and the principal object in directing the committee to continue the investigation is to determine what became of the remainder of those bonds.

Upon the trial of the civil suit to recover Teapot Dome the Government counsel obtained a commission from the United States district court to take Osler's testimony in Canada. When he was put on the stand he refused to testify on the ground that he was attorney for the Continental Trading Co. and its officials and that all the information he possessed was privileged. He was thereupon cited for contempt of court and on December 13, 1924, Justice Riddell, of the Supreme Court of Ontario, delivered judgment against him, ordering him to testify. Osler then appealed to the appellate division of the Supreme Court of Ontario and a hearing was then had on the 11th of February, 1925; and on March 12, 1925, the appellate division of the Supreme Court of Ontario rejected Osler's plea and ordered him to testify.

It may be worth while in passing to say that the appellate division of the Supreme Court of Ontario passed on the question on the 12th of March, 1925, just 29 days after the matter had been submitted to it. I mention that to show how expeditious justice seems to be across the line as compared to the manner in which it is dragging along here for months at a time to find out whether or not somebody may be in contempt of court. In Canada the question went clear to the appellate division of the supreme court in less than 60 days and the court rendered a decision.

In the meantime, while this case was pending, Osler left Canada. After he had appealed from the court to the appellate court he left Canada and went to Egypt, it is alleged, on a lion hunt. It was therefore impossible to carry out the order of the court. He never returned until the case was disposed of, when his testimony, of course, would be of no value.

Also in the meantime Blackmer and O'Neil left the country and went to France. Senators will remember that they were the representatives of the oil corporations that really bought the oil and which had guaranteed the payment for the oil to Mr. Humphreys, the man in Texas who sold the oil. Of course, in view of the absence of Blackmer and O'Neil it was impossible for the Government to get their testimony. Stewart, who represented the Standard Oil Co. of Indiana, also left the country and went to South America. Stewart came back later and said he did not know that they had been hunting him, as they had been all over the United States trying to get him on a subpoena; that he was down in South America on some oil business.

Blackmer and O'Neil are still in Europe and it is supposed that they will remain there perhaps for the balance of their

lives, the Government, of course, being unable to get their testimony.

Both the Supreme Court of Ontario and the Supreme Court of the United States have branded the Continental Trading Co. as a corrupt and fraudulent instrumentality for the commencement of some illegitimate purpose. The Supreme Court of the United States said:

The creation of the Continental Co., the purchase and resale of contracts enabling it to make more than \$8,000,000 without capital, risk, or effort; the assignment of the contract to the resale purchasers at a small fraction of its probable value, and the purpose to conceal the disposition of its assets make it plain that the company was created for some illegitimate purpose. * * *

The record shows * * * that the Government, notwithstanding the diligence reasonably to be expected, was unable to obtain the testimony of Blackmer, O'Neil, Stewart, Everhart, or Osler in respect of the transaction by which the Liberty bonds recently acquired by the Continental Co. were given to and used by Fall. * * *

Mr. President, I will not take the time to read it, but I should like to have inserted in the Record a letter which calls attention, it seems to me, to several important items.

The Standard Oil Co. of Indiana is involved in this transaction. If in this deal, which was made in New York, the representatives of these oil companies who bought oil of Humphreys themselves and then used this trading company to transfer it to their company were honest and really bought it, they were cheating their own companies, and the Standard Oil Co. of Indiana was one of the victims as well as the Sinclair company and O'Neil company. In other words, the officials of these companies were buying oil at \$1.50 a barrel and selling it to their own companies at \$1.75 a barrel, and they were using this fraudulent corporation as a go-between to make the transfer. So that the stockholders of each one of these companies, assuming that this transaction had not some other ulterior purpose, were being robbed by their officials, and among the number comes the Standard Oil Co. of Indiana, owned to a great extent, I am informed, by Mr. Rockefeller and the Rockefeller Foundation.

I have a letter written to me by Mr. Green, of Chicago, Ill., referring to that, and I ask unanimous consent to have it printed in the Record as a part of my remarks.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The letter is as follows:

CHICAGO, December 1, 1927.

HON. GEORGE W. NORRIS,
Washington, D. C.

DEAR SENATOR: In these times when such unconscionable efforts are being made to shield the criminals in the Teapot Dome oil case and make it appear that it is the officials of this Government who are the ones responsible for jury tampering, is it not well to consider that the interests which would have been the most benefited had our Government been unsuccessful in recovering its own property are the ones who are supplying the funds to protect the oil criminals in this country as well as paying others to remain away from the country?

The decision of the Supreme Court links together in a chain of evidence that can not be broken the Standard Oil Co. of Indiana, with the Sinclair company in their united attempt to rob the Nation of its Teapot Dome deposits of oil set aside by Congress for the defense of this country.

The Standard Oil Co. of Indiana has authoritatively proclaimed through its advertisements that the Rockefeller Foundation is the largest stockholder in the Standard Oil Co. of Indiana and that the three largest influences in that company are the Rockefeller Foundation, the employees, and the General Education Board.

The decision of the United States Supreme Court declares that the Standard Oil Co. of Indiana and the Sinclair Consolidated Oil Corporation own, share and share alike, the Sinclair Pipe Line Co. and the Sinclair Oil Purchasing Co. and that the performance with the Continental Trading Co. of Canada, which was created for some illegitimate purpose, was guaranteed by Robert W. Stewart, chairman of the board of directors of the Standard Oil Co. of Indiana, and Sinclair, chairman of the board of directors of the Sinclair oil organization.

The decision of the United States Supreme Court also cites the departure from this country for Europe in 1924 of H. M. Blackmer, of the Midwest Refining Co., a subsidiary of the Standard Oil Co. of Indiana, and James O'Neil, of the Prairie Oil & Gas Co., and the absence from American jurisdiction of Robert W. Stewart, of the Standard Oil Co. of Indiana, at the time of the trial of the case in Cheyenne, Wyo.

The Rockefeller Foundation professes to be an organization established with the chartered purpose to promote the well-being of mankind throughout the world, and that its charter is a pledge of limitless

faith in the power of progress, in the triumph of good over evil, of education over ignorance, of brotherly love over selfishness.

And yet in the face of these sublime sentiments the Rockefeller Foundation, with John D. Rockefeller, jr., the chairman of its board of trustees, seems never to have made an effort to have the industrial organization which it controls restore the Teapot Dome deposits of oil to this Government, where they belong, but rather have the officials of the foundation, by their inaction and apathy, invited a suspicion that they hoped the Standard Oil Co. of Indiana and its confederate might be able to retain the spoil of their attempted banditry and that it is disappointed at the result.

What a deplorable case of covetous greed and hypocrisy, of corruption, collusion and fraud, of disloyalty to this country has been exposed by the United States Supreme Court.

Why should not John D. Rockefeller, jr., chairman of the board of directors, and George E. Vincent, president of the Rockefeller Foundation, be subpoenaed by the Government or the Senate committee and be questioned regarding the disposition of the \$8,000,000 transaction in the Continental Oil deal and the scandalous activities of Stewart and other subordinate officials in the Standard Oil Co. of Indiana, the control of which appears to be vested in the Rockefeller Foundation, the Rockefeller Educational Bureau, and the employees of the Standard Oil Co. of Indiana? Why prosecute the tools and dummies and let the principals behind the scene remain unmolested?

Yours very truly,

A. W. GREEN,

7/4 Board of Trade, Chicago, Ill.

Mr. NORRIS. Mr. President, I believe that is all I have to say, and I am much obliged to the Senator from Mississippi for yielding to me.

THE TARIFF AND AGRICULTURAL RELIEF

The Senate resumed the consideration of the resolution (S. Res. 52) submitted by Mr. McMASTER, favoring a reduction of tariff schedules and the consideration of tariff legislation at the present session of Congress.

Mr. HARRISON. Mr. President, it was a pitiable spectacle yesterday to see the distinguished Senator from Utah [Mr. Smoot] standing in his accustomed place speaking in behalf of the protected interests of this country and trying to defend the nefarious provisions of the present tariff law. It drew even from my warm-hearted Democratic breast some sympathy for the distinguished Senator, because all through his address his former fellow conspirators in crime deserted him and he took refuge by reading to the Senate resolutions which had been adopted by the United States Chamber of Commerce, composed in large measure of distinguished bankers and manufacturers of the country, which resolutions expressed views contrary to his, even going to the extent of saying that the tariff should be revised so that agriculture might be lifted and be placed upon an equality or at least a partial equality with the manufacturing industry. Then he took occasion to criticize the American delegation to the Economic Conference at Geneva because their work was contrary to his views touching this matter. He stood there forlorn, though, defending the old bill and old system, like the boy who stood upon the burning deck, "whence all but him had fled."

I am sorry that the distinguished Senator from Utah is not now in the Chamber. He probably will wend his way in a moment. He took umbrage at the Senator from South Dakota [Mr. McMASTER] yesterday because the Senator from South Dakota left the Senate Chamber for about 10 minutes during that four-hour speech. He forgot that about the only person who did listen to all of the speech happened to be in the galleries and went crazy during the discourse. The poor fellow even yelled "Murder." But the Senator probably will return in a moment. It was perfectly natural that he should have read from the message of the President of the United States both to the Chicago congress and to the American Congress as to the importations of agricultural products and the benefits that agriculture received from this system.

The distinguished Senator from Utah, when he has a lucid interval, is sometimes right; but the trouble is that he does not stand long enough in one place. I recall, and other Senators recall, that last fall we read in the papers that the distinguished Senator from Utah visited Washington and gave out to the press a statement in which he said that the American people were entitled to share in these large surpluses that had been accumulated from the exactions of the Government from the taxpayers of the country, and that he would exercise his high position as chairman of the Finance Committee of the Senate in seeing to it when the Congress convened that they should be given immediate tax reduction, and the reduction would be higher than the amount that Mr. Mellon had said the Treasury would stand; that he was in favor of going higher than any \$250,000,000.

We had some hope then that perhaps we would get some relief from these burdens of direct taxes; but some weeks after that the Senator again visited the Secretary of the Treasury, and he had a confab with him, and he came out and gave to the press another statement in which he said, "No; we can not pass a bill carrying a larger amount of reduction than that recommended by the Secretary of the Treasury. We must confine our work in tax reduction to \$250,000,000." He still held to the view, however, that this surplus had been piled up through the exactions of the Government from the taxpayers, and that immediate tax reforms should be entered upon by the American Congress when we convened in December.

The Senator, however, is still on speaking terms with the Secretary of the Treasury; and the other day he had another conference with him. Then he came out and said that now the Secretary and he are agreed that there should be no tax reduction until after the 15th of March; and this morning I read with amazement in the papers that this same distinguished leader says that they have the votes in the Finance Committee to prevent the Democrats from bringing it out and giving an immediate reduction to the American taxpayer; so he is rather inconsistent in his position. Little wonder that yesterday he, and he alone, would speak a word in defense of the duties written in behalf of the Aluminum Trust. Mr. Mellon, you know, and his family dominate that suffering concern.

Mr. President, "Truth crushed to earth shall rise again." Facts will tell. It was a beautiful and a roseate setting that you gentlemen over there constructed in 1921, when you steered to passage the emergency tariff bill. All the ills of the farmer were to be cured in the pages of that law. No longer was depression to confront him. No longer were hardships to handicap him and adversity to advance upon him. The cure had been found, and the remedy was to be applied, and through its soothing application all irritation was to be removed, and a recurrence of the disease made impossible.

Ah, what a beautiful rainbow, with all the radiant colors, did you stretch across the heavens presaging hope to the American farmer! Through the duties in that bill you made beds throughout the fields of agriculture that the farmer might rest his weary head and recline his tired body. His fields were to become verdant with plenty, and his prices were to soar to high heaven. To the farmer the old moon seemed to shine more softly and the sun more gently. In your work at that time, however, you were only applying an anesthetic to him that you might perform a major operation on him in the next Congress, when you intended, and you did, to pile higher tariff duties against him and for the protected manufacturers of the country.

But the farmer soon came out of his coma. He soon saw that a job was being put up on him. The man in the moon began to wink his eye, and the old sun got angry and hot under the collar. He saw the rainbow of hope and anticipation disappear and fade from his view. Those roseate beds upon which he laid down to rest his tired and depressed body soon became hard and uncomfortable. The trap that you had prepared had entrapped yourselves. Those wonderful fields, so verdant with promise, that you told him about began to grow up with the weeds of retaliation, cockleburbs of entanglements, and the thistles that pricked him on every side. It was not long, sirs, until the skies became overcast—at first clouds no larger than the hand made their appearance and day by day they have enlarged, until now a storm threatens and a downpour of condemnation awaits you in the coming election. The trap you fixed has entrapped you. The gun you loaded has recoiled upon you.

The farmer sees now, as never before, what the iniquitous protective-tariff system, with all its discriminating influences, does for him. He understands now, as never before, that you can not through artificial measures give protection to this and that and work equality to all the industries of America. It will not do. Too much depends upon the consideration. The farmers of the country can not compete with the bloated special interests. Then, too, the law of economics will not permit it. Long have those who believed as I believe prophesied that the time would come under such a system when the purchasing power of those highly protected industries would soar high, while that of agriculture would decline until the difference would become apparent to everyone. And yet my friend from Utah on yesterday said that there was no difference between the farmer's dollar and the manufacturer's dollar! He really believes that. Why, he said that talking about differences in exchanging of the product of the farmer for those things that the manufacturer produces was out of the question.

Before I finish I expect to show the purchasing power of the farmer's dollar when compared to the manufacturer's dollar,

and how small is that which may be received by the farmer when he takes his products to the market and exchanges them for some of the things that it is necessary for him to buy.

What do the facts show? And when I talk to-day I am not talking along Democratic principles. I know there are men on the other side of the aisle who believe just as strongly as I do that this system of protection has enriched one class while it has pauperized another class. I know of no legislation that has been presented to the American Congress that I regretted being unable support more than the legislation proposed by the distinguished Senator from Oregon [Mr. McNARY], known as the McNary-Haugen bill. I wanted to support anything that might help the farmers; and unless this system can be changed by the American representatives as it is now upon the statute books, I do not know, my friends, but that I shall vote for the proposition. I was against it because I was afraid it might perpetuate this iniquitous tariff system upon the country. Of course, the tariff was not written into its pages, but it was the tariff that made it possible for you to lift the prices as you sought to do.

While I could not support that measure, I welcome the resolution of the distinguished Senator from South Dakota [Mr. McMASTER]. I believe much support for it will come from the other side, because I know how truly those who are working with the Senator for the passage of the resolution represent the wishes of that great section of the country that has seen its purchasing power go down while that of the manufacturers of the country has gradually climbed higher. I am not so much interested in the particular wording of the resolution. If you want to change it so as to stand for revision of the tariff downward from the general tariff levels now upon the statute books, that is all right; but if you want to leave it as it is, for the lowering of tariff duties, it meets my viewpoint.

I know that the Senator from South Dakota did not intend by his resolution to favor the lowering of the tariff duties on every article. He was only striking at the whole tariff system as it is now on the statute books, and he wanted the Committee on Ways and Means of the House and the Finance Committee of the Senate so to draft it as to carry out the general idea of a tariff revision downward. To put it merely "tariff revision" would not suffice, because I recall, and you recall, that in one of the memorable campaigns in this country a distinguished candidate for President who now adorns the Supreme Court of the United States said, following the enactment of the Payne-Aldrich tariff law, that he construed "revision" not to mean "downward" but "upward."

But, Mr. President, let us look at the cold facts in this situation. Let us analyze the ad valorem duties upon these agricultural products that were placed in the emergency tariff and incorporated in the main in the general tariff law, and then see how they compare with the ad valorem rates carried on many of the things that the farmer buys.

Mr. President, I do not assume that the rates on agriculture in the present law protect agriculture. I believe that the whole scheme was a delusion and a snare. I knew, when it was written, that it would not work. The distinguished gentlemen over there who sponsored the measure and who sit before me now knew it would not work; but they were willing to offer the sop to the farmers of the Middle West and the West in the hope that they might continue to keep them within the folds of Republicanism.

My friend from Indiana, Senator WATSON—

Mr. WATSON rose.

Mr. HARRISON. I yield to him.

Mr. WATSON. Is the Senator aware of the fact that the agricultural schedules of the present tariff law were largely framed by the heads of the Agricultural Department as represented in the city of Washington, and that after they had been formulated they were carried to those heads and approved practically without a single dissenting voice on any one of the items involved?

Mr. HARRISON. That does not contradict anything I have said, may I say to the Senator, and I hope he will just restrain himself a little while and give me the benefit of his smiling countenance, and I shall convince him that it does not have any effect upon me.

Mr. WATSON. No; I imagine not.

Mr. HARRISON. Not a bit in the world. I believe in certain principles, and because some one else takes the opposite view it does not change my allegiance to those principles. I am going to read to the Senate the differences and compare the rates on agricultural products which the Senator and his colleagues imposed with the ad valorem rates on manufactured products. I said that that was a paper comparison. That does not mean an actual comparison, because it is impossible to

compare them. The Senator from Indiana knows that it makes no difference what tariff duties you may impose upon cotton of the short-staple variety, it could not possibly affect the price of it.

The Senator and his colleagues know that distinguished leaders of the Republican Party have always said that the tariff on wheat did not affect the price of wheat. Let me read for the Senator's edification, that the RECORD may still contain them, some expressions of some very distinguished leaders of his party who have made that contention, although you placed this high duty upon wheat and the President, in his generosity and his ambition at the time—because then he chose to run again—still lifted the price of wheat. But, unfortunately, from that time on in most instances the price of wheat on quotations in Winnipeg has been higher than either at Minneapolis or Chicago.

The Senator does not contradict that proposition. For nine days after the emergency tariff law had been signed by the President wheat went down 9 cents a bushel. Yet they tried to make the farmers of the great Northwest believe that they were going to cure all their ills.

I do not know how to get along without my friend from Utah [Mr. SMOOT] in his seat. He was on a commission back in 1907, a commission appointed to investigate this whole agricultural situation from the standpoint of the tariff. He served on that commission with the late distinguished leader of the majority side of the Senate, Senator LODGE, and other distinguished Republicans. Also on that commission was the last chairman of the Finance Committee of the Senate before the Senator from Utah, Senator McCUMBER.

These are the men who made up that commission in 1907: Senator GALLINGER, Senator LODGE, Senator CRAWFORD, of South Dakota, Senator SMOOT, of Utah, and Senator McCUMBER, of North Dakota. They said in their report:

The tariff on the farmer's products, such as wheat, corn, rye, barley, cattle, and other livestock, did not and could not in any way affect the prices of these products.

My friend from Utah can read that in the RECORD to-morrow. Our late friend, the distinguished Senator from Iowa, Mr. CUMMINS, stated, in answer to a question, that he did not believe that the tariff affected the price of wheat, and said:

It is idle for even an enthusiast to assert that the price of these products is directly affected by the protective tariff.

Mr. Bristow, then a Senator from the State of the next Republican nominee for President—not even that suggestion awakes the Senator from Kansas [Mr. CURTIS] from his slumbers—said:

We raise far more wheat, corn, cattle, and hogs than we consume, and the result is that the farmer can not be protected by a tariff because the price of his produce is fixed by the world market.

Senator NELSON, of Minnesota, expressed this view in reference to the matter:

I do not recall the millions of bushels produced in the State of Minnesota, but I desire to tell the Senator that the tariff on wheat, which is on the statute books, has not done us a particle of good. It would be like a tariff on cotton, because up to this time we have been exporting from 150,000,000 to 250,000,000 bushels of wheat a year. The price of our wheat is fixed by the Liverpool price—the export price—and no duty up to this time has helped us.

The fact is, Mr. President, that only on one kind of wheat—that is, No. 1 northern spring wheat—can the tariff duty have any effect at all. That particular kind of wheat, experts tell us, is mixed with other kinds of wheat in the making of certain kinds of flour, and to some extent that grade is imported, when there is not enough of that grade of wheat in the Dakotas, in Minnesota, perhaps, and in Montana; but that is only a small percentage of the great bulk of wheat in this country.

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

Mr. HARRISON. I yield to the Senator.

Mr. WATSON. Do I understand the Senator, then, from his argument, to take the position that we should at once repeal the tariff duties on all agricultural products?

Mr. HARRISON. I did not say that. The Senator certainly did not understand me to say that.

Mr. WATSON. If the tariff is of no earthly avail, and does not help in any respect, or one particle, why have it?

Mr. HARRISON. The Senator did not rise to contradict what these distinguished Senators said with reference to this matter.

Mr. WATSON. I am not interested in that. That was 18 years ago. I am interested in the Senator. What does he think?

Mr. HARRISON. The Senator should accept their views. They were, and some of them still are, leaders of his party. I would so adjust the tariff rates, if I could write a bill, that if of this particular kind of wheat there was some imported into this country, and we could raise some revenue and could lift it to a competitive basis—and we could—I would put a tariff on that particular kind. I would look with the greatest particular favor on the products of the farmer that could possibly be benefited by the tariff, so that I could help to lift the farmer's products to a parity with the protected products of the manufacturers of this country. The Senator knows I am trying to show to him that these paper rates on agricultural products are merely on paper, and do not, practically speaking, bring the benefits he talks about.

Mr. WATSON. Will the Senator yield for another interruption?

Mr. HARRISON. I do.

Mr. WATSON. The last Democratic revenue tariff law passed—the Underwood-Simmons law—gave practical free trade on all agricultural products, and in one year thereafter there was brought into the United States a total of agricultural products of \$350,000,000, in that single year, more than in the whole four years under the preceding tariff administration. Does the Senator hold that that was for the good of agriculture in the United States?

Mr. HARRISON. The trouble about the Senator is that his mind has been on other propositions and he has not looked at the facts lately. He is a little wrong on the facts, and I am going to give them to him before I have finished with that particular proposition.

Mr. WATSON. I will be very glad to have them.

Mr. HARRISON. So far as wheat is concerned, I have stated the situation. Let us take corn, on which they put their tariff rate. We raise in this country over 2,000,000,000 bushels and import into it about 1,000,000 bushels a year. We export ten times as much corn as we import. No one can contend that the tariff on corn helps the corn farmers of this country.

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

Mr. HARRISON. The only kind of corn that is imported is some that comes to the Pacific coast, of a character that is not produced in this country. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I want to call the Senator's attention to the fact that we produced very nearly 3,000,000,000 bushels of corn last year. In 1926 we imported 1,055,000 bushels.

Mr. HARRISON. I thank the Senator for the correction.

Mr. SHIPSTEAD. And that corn that is imported, I would like to state to the Senator, is imported for chicken feed, because it is of a small kernel, coming from Argentina.

Mr. HARRISON. And we exported many times more than we imported of corn in this country. So you can take these duties placed upon agricultural products in the most instances and you will find they are not effective at all.

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

Mr. HARRISON. I yield.

Mr. FESS. The American Farm Federation has just presented the case for an increase of the tariff on corn.

Mr. HARRISON. I am not surprised at that. It is made up of Republicans for the most part.

Mr. FESS. The American Farm Federation?

Mr. HARRISON. I thought the Senator said the Tariff Commission.

Mr. FESS. Oh, no; it is the American Farm Federation.

Mr. HARRISON. I think they are wrong, that is all. Does not the Senator think they are wrong about it?

Mr. FESS. The Senator does not think they are wrong.

Mr. HARRISON. The Senator does not? He thinks that where we produce 3,000,000,000 bushels of corn in the United States and import a million bushels, and when we export billions, we still ought to have a tariff on corn, that it helps somebody? That is his idea of the proposition? When for me it does not make any difference. The tariff on corn is ineffective one way or the other.

* Mr. President, in the ad valorem rates upon these products corn got a 16 per cent ad valorem duty, hogs about 5 per cent, cattle 32½ per cent, wheat 31 per cent, potatoes 22 per cent, oats 31 per cent, apples 12½ per cent, barley 27 per cent, rye 14 per cent, and on down the line. Let me read, in comparison with those paper duties, the ad valorem rates upon some manufactured products. Let us see how they compare.

Woolen manufactures: The ad valorem is 61 per cent.

Cotton manufactures: The ad valorem is 47 per cent.

Silk manufactures: The ad valorem is 60 per cent.

Metals: The ad valorem is 49 per cent.

Pottery and earthenware: The ad valorem is 60 per cent.

Those are some of the things that the farmer buys, carrying these high ad valorem rates, from 50 to 60 per cent, and more, while your little paper rates on agricultural products range down as low as 5 per cent ad valorem.

That is not all, Mr. President. Here are some of the increases in the present law that affect the agricultural interests of this country. The factory value of chemicals in this country is approximately \$630,000,000. Chemicals are a serious cost factor in textiles, leather, steel, and other industries, yet most of the rates on acids are practically prohibitive, and such articles as potassium compounds, sodium compounds, flavoring extracts, lead compounds, and calclums, are so heavily taxed that approximately only \$20,000,000 worth subject to duties under the chemical schedule are imported annually. While paints and colors and pigments carry duties averaging as high as 32 per cent, and the factory value of the domestic output approximates \$400,000,000 annually, we import only about two and a half million dollars' worth annually. Our exports range around \$15,000,000 of that item alone.

Soap is taxed 30 per cent, with a value of production in the United States approximating \$300,000,000 annually. Seven and a half million dollars' worth only is exported annually, and the tariff is so high as to permit \$550,000 worth of importations annually.

Iron and steel products: The distinguished Senator from Utah told the Senator from South Dakota yesterday that he could not point out anything that cost the farmer more by virtue of this proposition. Iron and steel products are a large cost factor in practically every industry in America. Coal and iron are the two great basic commodities which underlie all industry. In the face of these facts we now find the tariff restored on pig iron, steel rails, and all the alloys, and most other materials. Although the United States produces 60 per cent of the world's pig iron and steel, the new tariff on pig iron and iron in slabs and blooms was raised to as much as 36 per cent. I shall not continue down the line. The iron and steel schedule shows imports of \$26,000,000 and revenues of only \$7,500,000 annually.

There is an average ad valorem tariff duty of 29 per cent on these items, yet the total exports of steel and iron products is \$221,000,000 annually, and the value of iron and steel products in the United States is \$7,000,000,000. Every product that the farmer buys into which iron or steel enters is increased in cost to the farmer by virtue of the rates imposed under this law.

Let us take earthenware. The farmers buy that. Duties were heaped on the crude materials from which earthenware is made, such as magnesite and graphite, and they were taken from the free list and placed upon the dutiable list, making earthenware cost more to the American farmer in every product made from that particular material.

Glass and glass products were increased, affecting the cost of every article in which glass enters. Every goblet and pane of glass the farmer buys is increased in price by virtue of the tariff. The great automobile industry of the country needs glass, and every time we increase the price of glass to them we increase the cost of the automobile to the American farmer and to every automobile user in the country.

Sixty-two million dollars' worth of jute bagging and cordage and manufactured flax and hemp was imported to this country. These articles were taken from the free list.

In the matter of linoleum, some farmers like to have linoleum to put upon the floor in their kitchen or their dining room, or maybe even in their parlor or sitting room, and yet there was a high tariff put on linoleum when the domestic production of it is \$52,000,000 annually.

In the matter of silk manufactures, of course, those gentlemen who wrote this law do not believe that a farmer's wife should have anything made out of silk, that that sort of thing must be left to those who are more fortunately protected in the great manufacturing interests of the country. The importations of silk manufactures were \$36,000,000, notwithstanding the great increase in silk consumption in the United States. The principal silk fabric comprising silk manufactures comes in at 55 and 60 per cent ad valorem. Importations of silk wearing apparel were only \$8,000,000 annually. The factory value of silk in this country is \$800,000,000. It is manifest that this great class of luxuries, retailing at \$1,000,000,000 to \$1,250,000,000 annually, should pay more than \$17,000,000 in revenue to the Government.

These are some of the things that make the task of the farmer hard; that make his cost of living high. Ah, but the President of the United States, as quoted yesterday by the Senator from Utah, said that over \$780,000,000 of importations into this country affected the farmer, that duties upon dutiable

farm products amounting to \$780,000,000 worth came into this country that go to benefit the American farmer. What does he include in that list? Among other things he included sugar. Sugar! One man on the Tariff Commission was practically discharged and sent as minister to Rumania because he stood for a reduction of the exorbitant rates on sugar. If there is one thing that is costing the American people millions and millions of dollars it is the high rates on sugar. There are certain products which are raised by the farmer which, when they are imported into this country, benefit the farmer to the amount of the tariff that is imposed. Sugar is one of those propositions, but it does not benefit all the farmers. It does not benefit the cotton farmer, and there are some 12,000,000 of them. It does not benefit some 8,000,000 or 9,000,000 of wheat farmers in the country. They all buy sugar. It does not benefit the tobacco growers, who are farmers. It does not benefit the corn farmers, and there are some 15,000,000 to 20,000,000 of those in this country. But the 150,000, or possibly a few more, of sugar producers, either of sugar cane or sugar beets, are benefited to the extent of the tariff imposed on sugar.

And so when the President was talking about these large amounts of importations in agricultural products he included tobacco, sugar, and wool. What a very small percentage of the American farmers are interested in wool. Every time a tariff rate on wool is raised, it naturally causes the price of those things from which wool is made to be raised to those farmers who are not producing wool. The same is true of sugar. So far as the tobacco farmer is concerned, he is very small in number, there being not over 150,000 who raise tobacco. Those who are reporting the raising of tobacco are engaged in the production of other products.

So the large importations of which President Coolidge spoke as amounting to \$780,000,000, in which the farmer is interested and by which he said the farmer is benefited, do not really benefit him. If he would segregate the small number benefited by the sugar tariff, if he would segregate the small number benefited by the tobacco tariff, he would see the inequality of the proposition compared to the great number of cotton farmers in the country whose products increase in price by virtue of those rates, and the great number of wheat farmers in the country whose products are increased by those rates, and the 15,000,000 or 20,000,000 of people interested in corn production in the country who must pay the higher prices for those products. And as to the tobacco farmers, they get no protection from the duties on tobacco. The only kind of tobacco imported are the kinds not raised in this country. Our own tobacco growers have a monopoly on our home market.

Yesterday the Senator from Utah [Mr. Smoot] said if we would lower the tariff 10 per cent on everything it would affect the revenues of the Government. Mr. President, there are certain products imported into this country which, I do not care how high may be the duty placed upon them, have no effect. If we placed a duty of a dollar a pound on short-staple cotton, we could not affect the price of cotton. We look to the markets of the world to sell our surplus cotton. If we placed a duty of a dollar a bushel upon wheat, only when we had a depressed condition in Montana and in the Dakotas, when the farmers of that section failed to produce a sufficient amount of No. 1 northern spring wheat and an adequate surplus of it could be had in Canada, would it affect in the slightest the price of wheat in this country? If we put a duty of a dollar a bushel upon corn, we could not possibly affect the price of corn. The same is true of hay, rye, and similar products. It is not so true with reference to rice, because we import some rice and wherever we import a product and lay a duty upon it, it does to some extent incidentally give some protection to the producers of that particular product. But the number of rice farmers is only 11,476 in the whole United States.

Mr. President, I submit, under the rates which I have read, carried in the present law on the manufactured goods of this country, comparing them with the small paper protection that is given to agriculture, that there can not be an equilibrium established between those two great industries. If it is maintained long the farmer can do nothing except to leave his farm, go out of the farming business, with all the consequences that will inevitably follow from such a condition.

The distinguished Senator from Utah [Mr. Smoot] on yesterday—and it was hinted by the Senator from Indiana [Mr. Watson] a moment ago—spoke of the large amount of importations coming into this country in 1920 and 1921. The Senators forgot to state that there were very large increases in exportations during those times. It is quite true that importations in 1921 over 1920 showed an increase of \$619,000,000. That is true. But, Mr. President, the amount of increased importations

was in raw materials which came in at that time. The amount of increase in manufactured products which came in during 1921 over 1920 was only \$44,000,000, and during the year the Senator spoke of we exported \$1,000,000,000 more of manufactured products that we imported into the United States. If the Senator will take into consideration what Mr. Hoover said in his reports on two occasions, that the increased importations "were due to the advanced prices at that time," he would have a different idea about the situation. The Senator knows, though he might not rise in his place in the Senate and say it, that a dollar before the war bought more than it did in 1920 or to-day. So the value of things are higher. So if we take the value of importations before the war and compare them with 1920 and 1921, we find there is practically no difference in the amount of importations into this country.

Talk about importations! That is not the key to the situation. The success of the tariff system is revealed in the balance of trade which is shown between the exportations and the importations into this country. Give us a tariff system that will bring \$2,000,000,000 worth of gold into this country annually over one that only shows a difference of \$200,000,000 or \$300,000,000 between exportations and importations.

The success of the system which the Senator from Utah has perpetrated on the country has been mentioned. Mr. President, I want to read to him from the reports showing that under his system this law has not worked so beautifully in the interest of this country.

Take the year 1923. The Republican majority had placed this law upon the statute books, and yet what were the exportations and importations of agricultural products during that year? To hear the Senator from Utah [Mr. Smoot] and the Senator from Indiana [Mr. Watson] speak one would certainly think that under the benign influence of this system the exportations of agricultural products were more than the importations into this country, and yet what are the facts? Let me drill them into the minds of Senators on the other side of the Chamber. In 1923 the exports of agricultural products were \$1,799,000,000.

Mr. WATSON. Is the Senator referring to the fiscal year or the calendar year?

Mr. HARRISON. To the fiscal year.

Mr. WATSON. The year beginning with June, 1923?

Mr. HARRISON. I am referring to the fiscal year 1923. These figures I am quoting were furnished me by one of the authorized agencies of the Government.

Mr. WATSON. Are the figures for the year beginning June 30, 1922, or June 30, 1923?

Mr. HARRISON. I think on reflection that these figures are for the calendar year 1923, but I do not care whether they are for the calendar year or the fiscal year. The Senator from Indiana is employing his usual talent when he is driven to the wall of trying to confuse the issue.

Mr. WATSON. The only difference is—

Mr. HARRISON. Whether the figures are for the fiscal year beginning on the 1st of July, 1922, or on the 1st of July, 1923, or for the calendar year beginning on the 1st of January, 1922, or the 1st of January, 1923, I do not care.

Mr. WATSON. Of course, the Senator would not care—

Mr. HARRISON. No.

Mr. WATSON. Because he is not paying much attention to the facts; but what I am trying to get into the Senator's mind—

Mr. HARRISON. The difficulty is that I get my figures from one of the authorized agencies of the Government, while the Senator from Indiana takes his figures from his own head. That is the reason that I am usually right and he is always wrong.

Mr. WATSON. May I say to the Senator from Mississippi something I have got in my head that I want to transfer to his?

Mr. HARRISON. Very well; I hope the Senator will "shoot" it.

Mr. WATSON. I shall be very glad to do so. The Senator from Mississippi is reading from figures for the fiscal year beginning on the 30th of June, 1922, and running to the 30th of June, 1923. Three months of that time were under the Underwood Tariff Act, because the Fordney-McCumber tariff law did not go into effect until the latter part of September, 1923. Not only that, but if the Senator from Mississippi will look into the history of all tariff acts he will find that before the new tariff rates go into effect there are always large importations, because people rush in to take advantage of the low tariff before the high rates are imposed. That is the universal history of tariff making in the United States, and that will account in part for the large importations to which the Senator calls attention.

Mr. HARRISON. Has the Senator from Indiana finished?

Mr. WATSON. I have.

Mr. HARRISON. Then, I am not going to give the figures for 1923. Let us take the year 1926. I think the present tariff law was in force then. How will that suit the Senator?

Mr. WATSON. Yes; it was.

Mr. HARRISON. Well, let us see about those figures. The exportations of agricultural products in 1926 amounted to \$1,891,000,000, while the importations were \$1,918,000,000—practically \$50,000,000 more of imports than of exports of agricultural products. Has the Senator from Indiana anything to say now?

Mr. WATSON. Certainly I have.

Mr. HARRISON. Of course, I knew the Senator would have.

Mr. WATSON. Certainly I have. I have to say, in the first place, that I understand the Senator's argument to be that the tariff on agricultural products is wholly ineffective and can not be made effective; and, in the second place, if the imports are interfering with American agriculture and an increase of those rates would make the tariff effective, then we ought to impose higher rates. I want to say to my friend that I am one of those who believe that wherein tariff is ineffective, if we can not make it effective as to agricultural products by the imposition of increased rates, then we should buttress the tariff by some such measure as the McNary-Haugen bill, so as to make those rates effective as to agricultural products, because I will ask my friend if he does not concede—and I understood him to say a while ago that he intended to support the McNary-Haugen bill—

Mr. HARRISON. I said if the Republican majority continued to carry on their nefarious practice of keeping present tariff rates in force, to the great disadvantage of agriculture, I might be forced to accept that proposition.

Mr. WATSON. There are a great many things I might say about that.

Mr. HARRISON. Yes.

Mr. WATSON. For instance, I will digress long enough to ask if the Senator from Mississippi did not vote against the imposition of every one of the agricultural rates which the tariff law imposes?

Mr. HARRISON. I opposed the emergency tariff bill, and with my small ability, but more enthusiasm, I likewise opposed the indefensible rates carried in the McCumber tariff law.

Mr. WATSON. The Senator opposed that?

Mr. HARRISON. I stood upon this floor for three weeks and opposed it for this reason, may I say to the Senator: I knew that he was applying the first dose to the farmers of the country so that he might perpetuate the obnoxious protective tariff system upon the country. I knew that when the Republican Party had succeeded in imposing these duties upon agricultural commodities, duties which the Senator said in many instances were but a sham and a fraud and he did not believe they would work—

Mr. WATSON. Oh, no; I said no such thing.

Mr. HARRISON. They had it in mind to come along with a major operation and give to the manufacturers a thousand per cent more protection than was given to the farmers. My position about that matter has always been consistent, I will say to the Senator.

Mr. WATSON. The Senator has always been absolutely consistent.

Mr. HARRISON. Yes.

Mr. WATSON. The Senator from Mississippi is the one free trader that I know in this body—

Mr. HARRISON. No; the Senator can not properly say that.

Mr. WATSON. I mean by that that the Senator is the one man—

Mr. HARRISON. The Senator has made this political speech so often that he is in the habit of saying that anyone who is a Democrat is a free trader, but the Senator can not find in any tariff law the Democrats ever enacted or ever wrote anything to indicate that it was a free-trade measure.

Mr. WATSON. Then the Democratic Party is not consistent.

Mr. HARRISON. The Democratic Party is consistent.

Mr. WATSON. It is not consistent because a revenue tariff essentially means free trade.

Mr. HARRISON. That statement shows the Senator's idea of a revenue tariff. The Democratic Party does not try to fool anybody in this country.

Mr. WATSON. The Senator knows just as well as that he is alive—and he is a pretty live citizen, I will say—that a revenue tariff means free trade in all competing products.

Mr. HARRISON. It does not mean anything of the kind.

Mr. WATSON. That is precisely what it does mean.

Mr. HARRISON. That is merely the Senator's view about it.

Mr. WATSON. However, I am not going into that discussion with the Senator. What I desire to come to is this: That the Senator voted against every one of the duties on agricultural products grown in this country.

Mr. HARRISON. I presume I did, and I voted against all of the exorbitant increases in duties which the Republican Party put upon manufactured products.

Mr. WATSON. The Senator voted against every rate imposed, so far as I remember, in the present tariff law, and now he turns around and abuses us and pours out the vials of his wrath upon our heads—

Mr. HARRISON. And you need it.

Mr. WATSON. Because in an effort to impose tariff duties satisfactory to all the agricultural interests as to their efficacy we did not put them high enough to exclude all foreign agricultural products, although the Senator was against imposing tariff duties on any agricultural product coming into this country from abroad. Now, who is in a better position on that proposition? We did our level best. When we passed that act we believed that those rates would prove effective; we had every reason to believe that they would do so because everyone interested in the question who came before us testified that those rates would be effective. We accepted their conclusion; we incorporated their suggestions in the bill, and many of them have proved effective, although some have not. Now, who is in a better position on that question—the Senator from Mississippi or the Senator from Indiana?

Mr. HARRISON. The Senator's conscience never hurts him about any legislative action which he may have taken, but if it ever did prick him it certainly ought to do so for his action in this instance. As for me, I am merely consistent in my attitude all the way through. I thought that it was a piece of hypocrisy, that it was a sham and pretense; I did not believe that the tariff on corn would be effective and it has proven not to be; I did not believe that the tariff on wheat would be effective and it has proven not to be; I did not believe the tariff on hay would be effective, and it has proven not to be.

Mr. McNARY rose.

Mr. HARRISON. I yield now to the Senator from Oregon.

Mr. WATSON. If I may be pardoned a moment, let me ask the Senator from Mississippi another question. The Senator voted against the rates imposed by the emergency tariff law?

Mr. HARRISON. Yes.

Mr. WATSON. Is it not a fact that the Tariff Commission itself found, and is it not the universal testimony of the farmers everywhere who have any knowledge of the subject, that the emergency tariff law actually saved the wool industry of the United States from destruction? Is it not further a fact that the rates imposed by the emergency tariff act greatly aided the dairy interests of the United States as well? What does the Senator say about that?

Mr. HARRISON. The Senator did not understand me. I have never said the tariff on wool was not effective; there is not any question about that, because we import wool every year. We do not produce sufficient wool in this country to take care of our consumption.

Mr. WATSON. But my friend from Mississippi voted against the tariff duty in that instance.

Mr. HARRISON. I did vote against it, and I would vote against it again. It was too high, and the benefits it gives to a small group did not begin to measure in the great disadvantages it worked upon so many more.

Mr. WATSON. Then, if it was effective, why did the Senator vote against it?

Mr. HARRISON. I would not put wool upon the free list. Wool is a revenue producer. A rate of duty much higher than the present rate could be put on wool and a great deal more revenue could then be raised from it, and, so far as that is concerned, on other items, such as sugar, greater revenue can be raised by virtue of the duty which is imposed because of the large importations that might come in during certain years.

Mr. WATSON. Yes; but the Senator voted against those duties either as protective measures or as revenue measures.

Mr. HARRISON. Yes; but I do not think the duty imposed on the wool saved the wool growers of the country. The Republican Party put a tariff duty on raw wool and then they allowed compensatory duties upon every item going into the finished woolen products, and thus allowed the woolen manufacturers to increase their prices to the innumerable millions of farmers that do not produce wool in this country. The wool schedule was arranged so that the duty upon finished woolen

products was about 50 per cent, I believe. Now, I yield to the Senator from Oregon.

Mr. McNARY. Mr. President, a parliamentary inquiry. Is there an amendment pending to the resolution now under discussion?

Mr. HARRISON. There is no pending amendment, as I understand.

The PRESIDING OFFICER (Mr. HOWELL in the chair). No amendment to the resolution is now pending.

Mr. McNARY. Will the Senator from Mississippi yield to me for the purpose of offering an amendment?

Mr. HARRISON. I yield.

Mr. McNARY. I move that the resolution be amended by striking out the word "lowering," in line 2, and inserting the word "revision," and also by striking out the words "embodying lowered schedules," in line 3. I thank the Senator from Mississippi.

Mr. COPELAND. Mr. President, will the Senator repeat his proposed amendment?

Mr. McNARY. I move to strike out the word "lowering" in line 2 and insert the word "revision," so that it will read "favors an immediate revision of the tariff schedule."

I move to strike out also the words "embodying lowered schedules"; so that if the resolution should be adopted as amended it would be a true expression of the sentiment which I believe exists in the Senate, namely, that there should be a revision either up or down. I myself feel that as to certain agricultural products there should be an increase in the tariff rates, and that in some instances, particularly as applied to the products of industries, there should be a lowering of rates. I wish to make the resolution liquid, so that it will meet every situation that might arise.

Mr. COPELAND. The Senator has made himself very clear, and I thank him for the explanation.

Mr. HARRISON. Now, Mr. President, as to the question of revenue, the Senator from Utah said that to reduce rates on everything 10 per cent would destroy the revenue. The rates of duty on sugar could be increased to 3 cents a pound and just that much more revenue could be raised. As a matter of fact, on three commodities which are imported into the United States annually in large quantities we derive over one-third of the customs revenue. From the duties on tobacco, wool, and sugar—those three items alone, we derive probably \$250,000,000 a year. It would be easy enough by an increase of duty upon those items to raise as great a revenue as is derived from the whole tariff schedule at the present time.

Reference has been made to the increased importations coming into the United States. I said a moment ago that that was not the true test. I assert that under the influence of the Democratic tariff measure passed in 1913 our condition was healthier, our exports were larger, our percentage of exportations of agricultural products over importations was greater than ever it has been under the system of Republican tariffs which has been in vogue.

More real benefit came to the people of the whole country under this Democratic legislation than could possibly come under this system, because it rather equalized matters. It did not create in this country a condition whereby the manufacturers might gradually extort profits from the farmers of the country, and build up the purchasing power of their dollar, while that of the farmer gradually went down.

I do not know that we can ever invoke a system that will place the purchasing power of the dollar of every industry upon a parity; but I do know that when you create here a system that guarantees to some manufacturers such privileges, that permits them to increase capitalizations, declare dividends, enlarge their operations, and increase the percentage of their production, you will eventually put them in a position where they can fix the price of their products to the farmers and everybody else in this country.

That is what you have done by virtue of your system. The tariff system is so arranged that it can not possibly work to the advantage of the great mass of the farmers in this country. It will not do it. You will have discrimination; you will have inequalities; you will have favored treatment to some industries as against others. The whole thing is too artificial. We can, however, by legislation try to maintain a parity; and what is desired by the distinguished Senator from South Dakota [Mr. McMASTER] and the distinguished Senator from Iowa [Mr. BROOKHART] and other Senators on the other side and those of us who are fighting for this proposition over here is not free trade, as some Republican Senators would have you believe. It is not particularly a tariff for revenue; it is not particularly a tariff on a competitive basis for which the Democratic Party stands; but it is for lowering the duties where the rates are now too high, and, if possible, on some items, if the

conditions warrant it, increasing the duties if they are not sufficient, but to bring about a condition that will equalize the situation as much as possible.

Let us try, if we can, to restore the purchasing power of the farmer's dollar. Let us make it as it was in the halcyon days of the Democratic law in 1914, when a farmer could take his five bales of cotton to the market and buy almost dollar for dollar in exchange those things that he needed; when the wheat farmer might go to the market with his 100 bushels of wheat and exchange them on an equal basis for the things he needed. Those are the facts in the case. It can not be done now.

Mr. President, let me read some ratio prices. My friend from Indiana [Mr. WATSON] smiles. I like to see him smile.

Mr. WATSON. Mr. President, the Senator must know, of course, that the large exports of agricultural products after 1913, of which he speaks, were occasioned by the war, and the enormous demand abroad. The Senator understands that as well as anybody else.

Mr. HARRISON. Oh, yes. Every time the Senator speaks, he gets into it. We were not in the war in 1913, however.

Mr. WATSON. But we went into the war later.

Mr. HARRISON. Oh, yes; we went into it later.

Mr. WATSON. The fact that we did not go into the war immediately had not anything to do with it. The war began within less than a year after this tariff became effective. The war on the other side began in July, 1914.

Mr. HARRISON. In 1913 the exports were \$2,484,000,000. The imports were only \$1,792,000,000.

In 1914 the exports were \$2,113,000,000. The imports were \$1,789,000,000.

But let me proceed further. Here is when we got into the war. Here is when the war began to tell.

Mr. WATSON. The war began in July, 1914.

Mr. HARRISON. Wait a minute. Facts speak more convincingly than the Senator's protestations.

Mr. WATSON. But the war began in July, 1914.

Mr. HARRISON. In 1915 our exports did rise, and during the next two or three years the war did affect the proposition—

Mr. WATSON. Certainly.

Mr. HARRISON. But not in 1913, and not in 1914.

Mr. WATSON. Why, certainly it did.

Mr. HARRISON. Those years were under normal condition.

Mr. WATSON. No.

Mr. HARRISON. We were not in the war. We were not influenced by it.

In 1915 our exportations rose to \$3,500,000,000, and our importations were only \$1,778,000,000.

In 1916 they rose further. Our exportations were four and a third billion, and our imports were practically \$2,000,000,000.

In 1917 it reached away up. Now the condition has come about on which the Senator was trying to prove as an alibi. In 1917 the exportations run six and a quarter billion dollars, and our imports were only two and a half billion dollars.

When we got down under the workings of the present system, however, then our balance of trade began to decline and decline, until we do not know now whether we have a balance of trade or not. It is very small, indeed.

In 1926 the importations were \$4,464,000,000, and the exportations were only \$4,753,000,000—a difference of \$300,000,000. That is what the Senator has done to us with the system that he has here. You have restrained international trade. You have closed the world markets to the farmers of the country, and they have been affected by virtue of it. You have not, however, slowed up the manufacturers' profits.

All you need to do is to read the history of the Aluminum Trust, and the dividends of some of the other manufacturers that my friend from South Dakota put in the RECORD yesterday. They have prosperity. If there ever was in this country a spotted prosperity, it is now. It exists only in certain industries in this country. Those industries are the ones that had a key into the back door of your committee rooms and a cord to the White House.

The importations of agricultural products as compared to the exportations of agricultural products from 1910 to 1926, inclusive, reveal that during the operation of the Underwood law the excess of exportations over importations ranged from \$200,000,000 to \$400,000,000. The figures show that the first year following the passage of the McCumber tariff law, 1923, the importations were \$1,905,000,000 while the exportations were only \$1,799,000,000.

In 1926, as I stated a moment ago, the importations were \$1,918,000,000 and the exportations were only \$1,891,000,000. In both instances the exportations were less than the importations.

Now, let us see the increase of exportations over importations of finished manufactures. We have seen how the importations of agricultural products were greater than the exportations. Let us see about the manufactured products. The exportation of those products showed a greater percentage of increase under the present law than under the Underwood law.

For instance, in 1913 the importations of finished manufactures amounted to \$408,000,000, while the exportations of finished products were \$776,000,000.

In 1914 the importations of finished manufactures were \$449,000,000, while the exportations of the same things were \$724,000,000.

These percentages of exportations over importations under the Underwood law are as 90 per cent and 61 per cent, respectively.

In 1923, under the present system, let us see what the percentages are. Are they lower than 90 and 61 per cent?

In the first year under the operation of the present law, 1923, the importations of finished products, both dutiable and free, were \$770,000,000. The exportations for that year were \$1,477,000,000—an increase of 91 per cent in the exportation of finished manufactures.

In 1924 the importations were \$748,000,000; the exportations were \$1,500,000,000, showing a percentage increase of 112 per cent.

In 1926 the importations were \$876,000,000, while the exportations were \$1,956,000,000—a percentage increase of 123 per cent.

This shows that the increase in our exportations over our importations in finished manufactured products under the present tariff rates has greatly outstripped our percentage of increase in exportations over importations of agricultural products. In addition, the table shows that the annual average of imports of agricultural products since 1920 has increased over the annual average before the war 152 per cent, whereas the average annual increase of importations of finished manufactured goods has increased only 96 per cent since 1920.

There you are. Importations of agricultural products increased 152 per cent, while in the case of manufactures the increase was only 96 per cent.

On the other hand, the annual average of exports since 1920 has increased 123 per cent on agricultural products as compared with the pre-war average, whereas the exportation of finished manufactures has increased 183 per cent since that time. That is to say, the increase of agricultural exports is less than the percentage increase of imports, whereas the percentage increase of exports of finished products is much greater than the percentage increase of imports.

Are those facts? Can they be controverted? Do they not show that agriculture, under the "benign" workings of your system, is getting an unfair deal; that the system has closed the markets of the world to our agricultural products, while under the walls of protection your manufacturing companies fleece the American consumer and sell in the markets of the world?

Oh, yes; there are some industries in this country, some manufacturing interests, that have progressed without the help, particularly, of your tariff system. It has hurt them in many instances. Take the great automobile interests of this country. They get their rubber free. They pay high import duties upon their glass. They pay high ad valorem rates upon the steel that goes into the making of the cars and upon many other things that go into them; and yet, notwithstanding that, they have been able, under the leadership of Ford, constantly to reduce the prices of automobiles and go out into the markets of the world and sell them in competition with everybody.

There are other industries that have progressed notwithstanding this favored treatment that you have given to the Steel Trust and to the Aluminum Trust and to the Woolen Trust and to the Cotton Manufacturers' Trust and these other trusts that bleed agriculture and prosper through increased dividends to their stockholders. The trouble is, your system invites retaliation in higher tariff duties from other countries, and closes or restricts those markets to those in this country who have built up great organizations without your tariff assistance.

Take the importations during the year 1926. On total importations of \$4,430,000,000 there were imported into the United States, on four items, over one-third of the total.

Talk about your big importations! Of rubber we imported \$505,000,000 worth. Of raw silk we imported \$400,000,000 worth. Of coffee we imported \$322,000,000. Of sugar we imported \$232,000,000 worth. Yet Senators talk about the great importations that come here! It is due to the raw materials

that have come into this country, used by the manufacturers to increase their prices to the American consumers.

Take tin and tin ore. Take many other articles—copper, which comes in to-day free, and piles high the importations. Why, you talk about importations, but it does not tell the tale. Back in 1920 we imported into the United States over a billion dollars' worth of sugar. We had to have it. We needed it. It was selling high at that time. Indeed, it was so high that the Republican Party printed a campaign pamphlet and issued it broadcast to the country and charged the Democratic Party with responsibility for the high price of sugar, notwithstanding we were importing this great amount at that time.

Let us take rubber. Look how it has increased because it has fallen into the hands of a monopoly. The same thing holds true of coffee. We have to have it. If you want to raise more revenue, if you do not want to incur some loss of revenue, you can tax coffee. I do not favor that, but we have to have coffee, because we do not produce it. It has gradually increased. Look at the increase in the importations of rubber. Back in 1921 we imported only \$73,000,000 worth of rubber. Last year it was \$505,000,000. That is the situation.

Mr. President, let me give you some more of the ratio of prices between farm products and those of manufactures. Immediately after the war the index of farm prices was almost, though not quite, as high as the index of prices of articles which the farmer purchased. In May, 1920, for example, the index of farm prices of 19 important products was 273 per cent of the 1913 base, and the index of the principal products purchased by the farmer was 278 per cent. There was not much difference.

Since 1920 the condition of the farmer has been getting steadily worse with respect to the relative prices of products with what he has to buy. In January, 1927, the prices of 19 representative farm products—this is under your tariff system—was 139, on the 1913 base of 100, whereas the relative prices of the principal products the farmer buys was 166 per cent. Look at the widening differences in the purchasing power of the dollars.

Stated in more detail and from a slightly different point of view, in October, 1926, 100 units of the principal farm products would purchase only 84 units of the principal products the farmer had to buy. In still greater detail, in October, 1926, a hundred units of farm products would purchase 94 units of foodstuffs, a hundred units of farm products would purchase 86 units of clothing, 76 units of household supplies, 80 units of building material.

Expressing the purchasing power of a hundred farm units in terms of individual commodities it is found that they would purchase—and here is how it affects the farmer—87 units of rope, only 70 units of men's shoes, only 59 units of women's shoes, only 72 units of cotton hosiery, 76 units of woolen suitings, 46 units of men's woolen underwear, 68 units of table plates, 66 units of knives and forks, 70 units of cotton blankets, 83 units of woolen blankets, 77 units of cotton sewing thread, 78 units of quinine, 63 units of Epsom salts.

Oh, you have taxed everything, so that it costs the farmer that much more. If he wants to take his bushel of wheat or his bale of cotton or his oats or his corn and exchange it, even for Epsom salts, his dollar would only get 63 cents worth of Epsom salts. It would purchase 84 units of shingles, 86 units of cement, 83 units of window glass, 63 units of white-lead paint.

The value of 19 important farm products was only 4 per cent greater than the value of the same products in 1913—that is, the index was 104, whereas the index for union wages for 1925 on the 1913 base was 140. Let the products of the farm be measured in union wages, and the wage earner gets \$1.40 to every dollar's worth of farmer's products.

Those are facts that answer the argument of the distinguished Senator from Utah made on yesterday. He talked in his speech about labor, and how it was affected by these high-protected interests. If you will analyze the situation, in most instances you will find that the smallest pay to the laboring man comes from the most highly protected industries in this country. There are only a little more than 8,000,000 men and women working in the manufacturing interests of this country. There are 40,000,000 and more American laboring people employed on farms, in counting houses, in various places, who are not protected by these high and exorbitant tariff duties.

Mr. President, I have said about all that I want to say. I am sorry that the distinguished Senator, after my analysis of these rates on agricultural products, sought to say the Democratic Party is a free-trade party. It is not. The Democratic Party differs little, if any, from the views of men who are progressive and who believe in equal rights to all and

special privileges to none, who occupy seats on the other side of the aisle.

I shall not forget the magnificent fight that was waged against special privilege in this body in 1909 when the Payne-Aldrich tariff bill was before this body for consideration. History recalls few characters that will live longer, who performed a greater service for the great masses of the American people than did Dolliver, from Iowa, and La Follette, from Wisconsin, and those who fought with them against the iniquitous provisions carried in that measure. They sounded the tocsin call. They aroused the West as it had never been aroused before against these rates that bore down upon that great section out across the Mississippi.

You thought then that it made little difference. The distinguished Senator from Utah [Mr. SMOOT], who was then styled a "little shepherd," sitting not far from the distinguished Senator from Wyoming [Mr. WARREN], who was called the "big shepherd," spurned their protestations. They did not believe that it would have any effect. But, sirs, it started the crystallization of public sentiment in that section of the country and aroused the people, who went to the polls in 1910 and swept from power the Republican Party.

You may look with no concern upon this little modest resolution offered by a Republican Senator from the far-off West. You may say it makes no difference if you pass it. You may say you will spurn it if it passes, that you will not consider it in the committee, that you and the party are bigger than any section or any class of individuals in America. Remember what happened in 1910. In my humble opinion the Senator from South Dakota and his colleagues who are working with him in this matter are beginning a crusade that will gain in number as the ices of November approach, and it will not be long before you reactionary friends of the angels of this administration, the special interests that have bled and bled the American consumer until he is snow white, will demand and concede some revision of the tariff.

Ah, we can go into the committee and in a practical, sensible way look at the conditions as they exist, not write measures in a free-trade style, not disorganize business in this country, but we can look at the cold facts; we can revise the tariff upon some basis that might help to restore the equilibrium and parity between the purchasing power of the dollars of agriculture and those of other industries in America.

I believe personally in a tariff that breeds no bounties, that spawns no special privileges. I believe in a tariff that promotes trade, not trusts. I believe in a tariff that will not tax the poor, but will take the revenue from the fortunes of the rich. I want to promote the tariff competition rather than combinations. I want to bring the peoples of the world closer to my Government through trade and commerce, and not encourage them to make war and battle against them. I want a tariff for peoples, not persons.

No wonder the precedents that you have established have found root in what other governments have done. When the last tariff law was before the Senate for consideration we said that if you passed it and put these barriers up against the importations into this country of some products that might meet in competition with the trust-made goods of this country, and give to the people some benefit in cheaper rates and prices, other countries would erect like barriers against our farmers' products being sold to them. You said no, you were a government to yourself. You did not care. You had started out on a policy of isolation. What mattered it to you what other governments might do or what other statesmen might think?

The cold facts now confront you that since you passed this law and erected these barriers 51 governments have passed high tariff rates retaliating against us. I shall put a few of them in the Record. It is so infamous, although the Senator from Utah and the Senator from Indiana, and maybe my friend from Ohio, have not yet caught the spirit of the new day. But remember that the great bankers of your own party, many of them whose advice has been sought, who in the past have been invited even to the White House to sit around the festive board—of course, that was just before some election was to take place, so that the shekels might fall from their bulging pockets into the coffers of the Republican Party—have spoken up. They said that the tariff ought to be revised, that agriculture was not getting a fair deal out of it, and that you ought to restore some equilibrium. That arouses my friend from Utah. He does not like it, and when the representatives of this Government sit in an international economic conference at Geneva, appointed by this Government, they are met with rebuke because they say that the tariff is one of the things that is grieving the world, that is holding European countries back, that is delaying economic rehabilitation.

That delegation was composed, not of Democrats particularly. There was one on it, Norman H. Davis, one of the finest men who has ever lived, a man who is competent to represent this Government in any body and in the consideration of any question.

But the other gentleman on that committee, whose name I have forgotten—I think it was Mr. Robinson—is whom? He is a hidebound Republican. I understand he never scratched a ticket in his life. He owns an interest in manufactures, and is a banker of repute and standing. He is one of the members of the delegation. Why, this man Robinson even served under the distinguished Vice President of the United States when he was head of the Dawes Commission. He was good enough then to serve the Government. His advice was accepted in that difficult matter. But now he differs from the Senator from Utah, and consequently he is not worth while.

Mr. O'Leary, another member of the delegation, who said the tariff ought to be revised to help agriculture, is another big Republican from Chicago, a big banker interested in manufacturing. Doctor Klein is another. What finer authority and agent of this Government could we have than he? He is the man who has employed his fine talents to build up trade throughout the world, and if my good friend from Indiana would consult him, he would have more wisdom. I like to drink from the fountainhead myself, and that is why the facts I give are good. Doctor Klein is supposed to be a good Republican. That is the delegation which is spurned here and held in contempt because they say the tariff should be revised.

I welcome this movement. I wish it were a bill, so that we could really do something. But we can do this much—we can give an expression that agriculture should be elevated, that it should be helped, that the manufacturers should not continue to be made the only favored angels of this administration. I shall vote for the resolution. I hope that it will be unanimously adopted.

Mr. HARRISON subsequently said: Mr. President, I ask unanimous consent to insert in the Record, following the remarks which I made this morning, a statement of some of the changes in tariff rates by various countries of the world.

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

The statement is as follows:

NOTES ON RECENT TARIFF INCREASES IN FOREIGN COUNTRIES

UNITED KINGDOM

On July 1, 1925, the United Kingdom reimposed the McKenna duties—i. e., the duties of 33 $\frac{1}{3}$ per cent ad valorem on passenger automobiles, musical instruments, clocks, and watches, and a specific duty on cinematograph films. Later in the same year duties of 33 $\frac{1}{3}$ per cent ad valorem were imposed on cutlery, gloves, and lace and embroidery. Specific duties were placed on silk and artificial silk, hops and hop extracts, and gas mantles.

In 1926 a duty of 33 $\frac{1}{3}$ per cent ad valorem was placed on commercial motor cars and 16 $\frac{2}{3}$ per cent ad valorem on wrapping paper. In 1927 a duty of 33 $\frac{1}{3}$ per cent ad valorem was placed on automobile tires; a new specific duty of 28s. per hundredweight was placed on chinaware; and the duties on tobacco, wine, photographic film, and matches were increased.

FRANCE

Effective from April 7, 1926, the French Government applied a 30 per cent increase to all specific import duties, with certain exceptions, which included tobacco, paper pulp, and certain specified grades of paper. By a decree of August 14, 1926, specific import duties, with some exceptions, were again increased by 30 per cent. The depreciation of the franc was given as the reason for these two 30 per cent increases.

On July 10, 1926, the value for the application of a 20 per cent ad valorem import duty on positive films in France was increased from 2 francs to 5 francs per meter, making the duty 1 franc per meter.

The Franco-German treaty, effective September 6, 1927, imposed on certain lines of American goods duties four times as high as those applied to competing products from Germany, England, and other countries having most-favored-nation treaties with France. These duties were removed from American products on November 21, 1927. However, on some articles on which the United States received intermediate rates of duty and the Franco-German treaty provided new minimum rates higher than the old intermediate rates, France now applies whichever rate is the higher. Among these products are vegetable-tanned hides and skins, chamols-dressed or parchment-dressed leather, Hungarian leather, certain leather manufactures, machine-made paper, parchment and fancy paper, vehicles other than automotive and railway, milling machinery, certain fine cutlery, toys and parts, and certain rubber manufactures.

Effective from September 3, 1927, the French import duties on wheat and rye in grain or flour and certain cereal products were increased.

The table below shows the old and the new French duties on these products:

Tariff No.	Article	Import duties in francs per 100 kilos	
		Former	New
68	Wheat, spelt, meslin:		
	Grain.....	18.20	25.00
	Crushed, and grist containing more than 10 per cent of flour.....	37.40	45.00
	Flour, at the rate of extraction:		
	70 per cent or above.....	37.40	45.00
	61 per cent to 70 per cent.....	45.90	52.00
	60 per cent and below.....	54.40	58.00
71	Rye:		
	Grain.....	7.80	11.00
	Flour.....	17.00	19.00
75	Ship's biscuits and bread.....	23.80	25.00
76	Groats, grits, pearly and cleaned grain.....	54.40	66.00
77	Semolins in the form of pastes; Italian pastes.....	54.40	66.00

GERMANY

On May 19, 1925, the German Government presented a preliminary tariff revision embodying new maximum rates of duty to the Reichsrat. The German Government emphasized the possibility of obtaining reductions from these higher rates on some items by the process of tariff bargaining. The new German tariff rates became effective on various groups of items on different dates up to October 1, 1925, when the last of the new duties went into effect. The new rates on automobiles were considerably higher than the old rates, but provision was made in the law for their decrease at successive six-month intervals, beginning July 1, 1926.

By a modification of the temporary commercial agreement between France and Germany, effective from April 11, 1927, the German conventional rate on wheat flour applying to the United States was increased from 10 marks to 11.50 marks per 100 kilos. This new rate expired on June 30, 1927, and since that date wheat and rye flour from the United States and all other countries have been subject to the general rate of 12.50 marks per 100 kilos.

Effective from January 1, 1928, automobile parts, formerly dutiable according to their component material, become subject to the generally higher rates applicable to complete automobiles or complete automobile motors.

The rates of duty on automobiles after January 1, 1928, under the decreasing plan provided in 1925 are as follows:

	Gold marks per 100 kilos
Automobiles weighing less than 2,200 kilos.....	100
Automobiles weighing 2,200 to 3,200 kilos.....	75
Automobiles weighing over 3,200 kilos.....	70

ITALY

The Italian Government has made increases in tariff rates on various items and groups of items in the last two years. In 1926 import duties were reimposed on machinery and materials for new construction. Large duty increases were made on hides and skins and their manufactures. The import duty on newsprint paper increased from 5 gold lira to 8 gold lira per 100 kilos, effective November 1, 1926. Effective from December 19, 1926, import duties were increased on agricultural machinery, typewriters, cash registers, meters, motor cycles, and cinematograph films. Further increases were made on a long list of commodities, effective from February 18, 1927.

BELGIUM

The duty on refined mineral oil of a density under 0.78 at 15° C. was increased from 20 francs per hectoliter to 40 francs per hectoliter, effective January 1, 1926.

Increases in import duties on an extensive list of articles in Belgium were made by a law of June 7, 1926, and decree of June 24, 1926. Among the increases of special interest to American exporters were those applying to gasoline, kerosene, lubricating oils, sugar, and unmanufactured tobacco.

Important increases in coefficients applied to specific rates of import duty in Belgium, especially on luxury goods, became effective June 28, 1926. Among the commodities affected were cereal flours, certain fruits, industrial chemicals, textile products, clothing, expensive woods, tires, rubber belting, and metallurgical finished products.

After July 28, 1926, special authorization was required for the importation of flour.

Effective from November 2, 1926, import duties were increased on an extensive additional list of products, including fresh and dried fruits, automobiles and parts, and many other items. More increases went into effect January 24, 1927.

NETHERLANDS

A new customs law became effective from July 1, 1925. The duties on most items were increased from 5 to 8 per cent ad valorem with a few

classes of goods subject to higher duties, such as motor vehicles (12 per cent) and package foods (20 per cent ad valorem).

CUBA

A complete revision of the import duties containing many increases in rates was put into effect October 26, 1927.

MEXICO

Mexican import duties were increased on a number of items April 22, 1925.

An extensive revision of the tariff was made March 7, 1927. Approximately 350 items were changed, most of the rates being increased, but there were also a few decreases.

AUSTRALIA

The Australian import tariff schedule was revised September 3, 1925. Duties on iron and steel products were increased August 12, 1926.

Effective September 29, 1927, increases were made in the duties and the British preference on automobile chassis. On unassembled chassis the general rate of duty was increased from 12½ per cent to 17½ per cent ad valorem and on assembled chassis from 17½ per cent to 25 per cent ad valorem.

A tariff revision on 135 items, mostly upward, was presented to Parliament November 24, 1927, and became effective the following day, subject to parliamentary approval.

NEW ZEALAND

A revised schedule of import duties increasing the British preference and providing many increases of 5 per cent and 10 per cent ad valorem in the general rates became effective September 13, 1927, subject to confirmation by the legislative body. Further amendments to the revised tariff were presented on October 13, 1927.

SWITZERLAND

The Swiss import duties on automobiles were increased. The tariff classification according to weight was changed at the same time, making it difficult to determine the exact amount of the increase.

CANADA

Canada is about the only country which during the past few years, while other countries have increased their import duties, has made a number of decreases in duties and practically no increases. Decreases have been made on sugar, agricultural and other machinery, automobiles, and many other products. In some cases, particularly on textile items, the preference on British products has been increased.

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

The VICE PRESIDENT. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Barkley	Edwards	La Follette	Shortridge
Bayard	Ferris	McKellar	Smoot
Bingham	Fess	McLean	Steak
Black	Fletcher	McMaster	Stelwer
Blaine	Frazier	McNary	Stephens
Blease	George	Mayfield	Swanson
Borah	Gerry	Metcalf	Thomas
Bratton	Gillett	Norbeck	Trammell
Brookhart	Gould	Norris	Tydings
Broussard	Greene	Nye	Tyson
Bruce	Hale	Oddie	Wagner
Capper	Harris	Overman	Walsh, Mass.
Caraway	Harrison	Phipps	Walsh, Mont.
Copeland	Hawes	Pine	Warren
Couzens	Hayden	Ransdell	Waterman
Curtis	Heflin	Reed, Pa.	Watson
Cutting	Howell	Robinson, Ark.	Wheeler
Dale	Johnson	Robinson, Ind.	Willis
Deneen	Jones	Sackett	
Dill	Kendrick	Sheppard	
Edge	King	Shipstead	

Mr. KENDRICK. I desire to announce that the Senator from Arizona [Mr. ASHURST] is engaged in the work of the Committee on Public Lands and Surveys.

Mr. OVERMAN. I wish to announce that my colleague the senior Senator from North Carolina [Mr. SIMMONS] is absent on account of sickness.

The PRESIDING OFFICER (Mr. McNARY in the chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. WATSON. Mr. President, I always listen with keen interest to the mellifluous flow of speech from the lips of my distinguished and beloved friend from Mississippi [Mr. HARRISON]. I heard him in Madison Square Garden, in that demonstration which our Democratic friends had which lasted most of the summer, and his clarion voice sounded like a bugle call across the hills and valleys of the Republic summoning the hosts of democracy to battle. I am not unaware of the fact that the answer to that call on behalf of my eloquent friend was a 7,000,000 majority against the thing he advocated. Therefore I have not been seriously alarmed at the attack he has made to-day upon the citadel of protection.

I recall further that my friend from Mississippi, while having voted twice against the McNary bill, to-day intimated that

he intended to vote for it; and further that while he has inveighed in caustic terms against the Finance Committee or its Republican membership and the Republican membership of this body for having failed to formulate a tariff bill in which the rates on agricultural imports were sufficiently high, that he has voted even against those rates and against every rate imposed upon any agricultural import from the time he became a Senator down to the present hour. Therefore it might be that my friend would respond that consistency is for small minds and that—

New conditions teach new duties.
Time makes ancient good uncouth.

But after all, when we are being criticized for having failed to protect the agricultural interests of the country by rates sufficiently high, it ill becomes my friend, who has voted against every rate ever sought to be imposed by any tariff bill on agricultural imports, to criticize us because of that policy.

Personally, I am somewhat in a singular situation at this time. I am against the resolution offered by the Senator from South Dakota [Mr. McMASTER], and yet I am in favor of farm legislation. I want, as briefly as I may, to give a reason for the faith that is within me on both propositions. I am against the one because I am for the other. The McNary bill was founded upon the proposition that the tariff should be made effective. That was the very core of it all and the purpose of it all. If the tariff be abrogated there is no foundation upon which the McNary proposition can rest in the future.

The problem confronting agriculture in the United States is a stupendous one and one that has been the subject of intensive debate throughout the life of the Republic. Inability to agree does not furnish proof that there is no proper solution, but debate and discussion must continue until one shall have been found and applied. With occasional fluctuations agriculture has been on a comparative decline since 1900 and has not maintained its former level with industry.

The Republican platform adopted in 1924 recognized that fact and gave a specific pledge to the people of the country that legislation would be enacted to restore agriculture to the level of industry. That meant two things: First, that it was not on the level of industry, and secondly, that by legislation it could be restored to that level. The Democratic platform contained almost the same provision—at least the same in meaning—yet we have not redeemed that promise and have not fulfilled that pledge. Still, however, the occasion is here when some legislation along that line should be enacted in the interest of the American farmer.

However, it is not wise, in my judgment, for any friend of agriculture to take the position that unless he can at once get all he wants by way of governmental relief he will kick the whole eastern side out of the House, for he must remember that the western side can not stand after the eastern side shall have been kicked out, but that the whole edifice will fall together. Revenge is not a proper foundation upon which to erect an enduring structure in either individual or in national life.

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER (Mr. McNary in the chair). Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. WATSON. I will yield in a moment. Assuredly it can in no way inure to the benefit of agriculture to attempt to destroy or even to undertake the initial steps to destroy its home market and impair the ability of its present purchasers to buy the products of the American farm. Now I yield to the Senator from South Dakota.

Mr. McMASTER. I was interested in the statement or implication made by the Senator that the reason for the introduction of this resolution was due to a spirit of revenge.

Mr. WATSON. No; I did not mean that.

Mr. McMASTER. Well, what did the Senator mean? Does the Senator think that the resolution was inspired in any way from a sense of revenge on the part of the farmer?

Mr. WATSON. I do not.

Mr. McMASTER. I do not quite understand, then, why the Senator used the word "revenge."

Mr. WATSON. I used it because I have heard many times throughout my section of the country and farther on toward the West that the farmers would rise against the protective tariff system unless it was extended to them in accordance with their wishes. That was the reason for my statement.

Mr. McMASTER. Does not the distinguished Senator from Indiana feel, after the farmers have been knocking at the doors of Congress for six or seven years, and those doors have been closed in their faces continuously for that long period, that it is time that agricultural relief were provided?

Mr. WATSON. The Senator from South Dakota knows that there is no man in this body who has devoted himself more assiduously to the passage of the McNary-Haugen bill than have I. By voice and by vote and by assistance in organization I have helped to promote the passage of that measure, and I intend to do so again. In doing that, however, I am not actuated by any desire to destroy the protective tariff in any particular or for any purpose.

Mr. McMASTER. Mr. President, first, I wish to commend the distinguished Senator from Indiana for the position he has taken upon the farm relief question. He is one of the few Members of this body who are considered as belonging to the old school who have taken a decided stand. However, I wish to say that there is not one word, one sentence, or one syllable in the resolution which seeks in any shape, manner, or form to destroy the principle of protection; but I wish to ask the distinguished Senator from Indiana if, in his own mind, he does not think that there are a few industrial schedules in which the duties imposed are too high?

Mr. WATSON. That is a matter of individual opinion. I have been a student of the tariff for 35 years; I have made as many tariff speeches in my time, perhaps, as any living American and I have always tried as best I could to have the tariff measure the real difference between the cost of production at home and abroad in fixing any rate on any item of import. I think that is the only proper course to pursue.

It may be that some of the rates are too high. I do not now know. It may be that some of them are too low. I can not now say. I do know, however, that we brought into this country last year four and one-half billion dollars worth of foreign products. A billion dollars worth of them approximately were noncompetitive, such as rubber, raw silk, and so forth, but \$3,000,000,000 worth were competitive. I also know that we can not bring into this country \$3,000,000,000 worth of competitive products without in some way or other interfering with American industry.

I know that whenever we buy a coat which is made abroad we do not buy a coat which is made in the United States, and to that extent we put out of business the man who is making that coat in the United States and those who make coats generally. The same thing is also true of every other article of import which we bring into this country. If I had my way about it, I would make rates just as high as I could on all imports adequately to protect the American producer whatever his occupation or in whatever field of activity he may be working.

Mr. McMASTER. Will the Senator from Indiana yield for one more question?

Mr. WATSON. Certainly.

Mr. McMASTER. It was stated here yesterday on the floor by the distinguished Senator from Utah [Mr. Smoot] that the administration had stated that there would not be tariff reduction for two years. That implied that possibly in two years there would be tariff reduction. If there would be reason for a tariff reduction in two years from now, why should not there be a reason for a tariff reduction at the present time?

Mr. WATSON. I did not hear the Senator from Utah make the statement to which the Senator from South Dakota refers; I have not talked to the President about the matter; I do not know what his views are; but I know, as the Senator from South Dakota will recognize, that, with the revenue bill ahead of us, if we should attempt to pass tariff legislation we would stay here the whole summer through and could not get away. I want to say this to my friend, inasmuch as—

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. WATSON. Yes.

Mr. BROOKHART. Is there any objection to staying here all summer if we can thereby enact legislation to give the farmers the relief which the Republican platform promised them?

Mr. WATSON. I will say to my friend from Iowa that I think it can be done otherwise. I wish to say further to my friend from Iowa and also to my distinguished friend from South Dakota that we have heretofore encountered situations of this kind, and we know what the gentlemen on the other side will resort to in the teeth of a campaign when it comes to making a tariff bill. We permitted that to be done in 1890, and they swept us out of power because they devoted months upon months to a discussion of the tariff bill and never permitted it to be passed until two weeks before the election. It did not have time to be tried and tested practically in the country; people rose up against it, and they defeated even McKinley for Congress in his district, although he was the author of the bill.

Not only that, but in the last election they talked and debated the Fordney-McCumber bill for weeks and weeks and weeks;

they discussed the tariff on vinegar for two weeks; and they kept talking about the bill until it was passed only a short time before the election; and so the people had no opportunity to measure it and determine what it would do, and we had no chance to ascertain what the real benefits of it would be. I do not intend to be caught in that kind of a trap again, if I know it. I am opposed to any tariff revision at this time, because I believe that by the enactment of just and meritorious legislation aside from the tariff we can so bolster up the tariff rates and schedules as to insure adequate protection to agriculture in the United States of America. However, I may say to my friend that I am not quite sure that any tariff rates which the Congress might impose would be sufficiently high to protect agriculture in the United States against some of its competitors in other lands. I do not know as to that.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. WATSON. I yield.

Mr. BROOKHART. The Senator pictures the Democrats on the other side as a bad and designing lot—

Mr. WATSON. Oh, they are.

Mr. BROOKHART. And as wanting to win the election.

Mr. WATSON. They do.

Mr. BROOKHART. But is that any reason why the Republican side does not carry out its pledge to the farmers of the United States?

Mr. WATSON. I can not answer for the Republican side. There have been times when I could not answer for my friend from Iowa who is on the Republican side. [Laughter.]

Mr. BROOKHART. I remember, however, a time when the Senator from Indiana has answered even for me. [Laughter.]

Mr. WATSON. I only know that right in the teeth of an election is no time to start out to revise the tariff, and I only know that, so far as I am concerned, I would rather the tariff rates remain just as they are than to attempt to revise them in the face of a presidential election and in the midst of a presidential campaign. I have been through contests of that kind, and I know just what they meant.

I will say further to my friend that if there were no other way by which agriculture might be adequately protected, even under these extreme and emergent conditions, I might be willing to see tariff revision undertaken, but there is another way and another method that I believe will prove adequate and effective for the protection of the agricultural interests of the country, and I know that wisdom as well as prudence demands that we shall march along that path. I want my farmer friend also—

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. WATSON. Certainly.

Mr. McMASTER. The Senator states that there is another way of equalizing the condition of the farmer, that is to put him on a parity with other forms of industry, namely, by the passage of the McNary-Haugen bill or other legislation of the same substantial nature. Now, suppose that such legislation shall be passed and then shall be vetoed by the President; then what position will the Republican Party be in with reference to the redemption of its pledge?

Mr. WATSON. Mr. President, I have never been one of those who thought it necessary to go up to the White House every morning to find out what we should do as a senatorial body on that day. I believe that we have a duty to perform; I believe that we have a burden to carry; I believe that we have an obligation to discharge; and I am in favor of doing it regardless of what happens at the other end of the Avenue.

Mr. McMASTER. Yes; but it is highly important that the Republican Party do something to redeem its pledge to the farmer.

Mr. WATSON. With that sentiment I cordially concur and to the expression of the Senator I fully agree.

Mr. McMASTER. What plan has the Senator to offer in the event that the proposed farm legislation shall be vetoed by the President? We had better stay here all summer, had we not?

Mr. WATSON. Does the Senator want me to answer that question?

Mr. McMASTER. Yes.

Mr. BRUCE. Mr. President, may I ask the Senator from Indiana a question?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. WATSON. I really ought to answer the question of the Senator from South Dakota first, but I will yield.

Mr. BRUCE. I ask the Senator whether he does not think he is taking the Senator from South Dakota just a little too

seriously? Does he believe that the Senator from South Dakota really contemplates a general lowering of tariff duties?

Mr. WATSON. I am going to come to that after a while, and ask him that question myself.

Mr. BRUCE. I should think the Senator would do that first.

Mr. McMASTER. I will be very glad to answer that question.

Mr. WATSON. I have been wanting to ask that question.

Mr. BRUCE. If the Senator from South Dakota does really contemplate a universal lowering of the tariff, I do not see how he could possibly expect to get any considerable number of Democratic votes for his resolution.

Mr. WATSON. That is one of the most comforting assurances I have had at this session from any source. [Laughter.]

Mr. BRUCE. Did any party ever provide for such a lowering of tariff rates in the history of the country since the Civil War?

Mr. WATSON. Certainly, the Democratic Party did when it had a chance.

Mr. BRUCE. Every one of our tariff laws since the war has been protective, more or less.

Mr. WATSON. The Senator from Maryland forgets the Morrison Tariff Act which provided for a horizontal 20 per cent reduction, which just whacked the duties off regardless of where such action would strike.

Mr. BRUCE. Was it not Mr. Cleveland who said that it was a condition and not a theory that confronted us?

Mr. WATSON. Yes; but there was tariff reduction all along the line.

Mr. BRUCE. I do not wish to use any inconsiderate language, but it is hard for me to believe that this resolution is offered in good faith if it contemplates a lowering of all tariff duties.

Mr. McMASTER. Anything that does not come out of Maryland or anything that is not wet is not in good faith, in the opinion of the Senator from Maryland.

Mr. WATSON. Mr. President, I have no desire to enter into a personal controversy as between my two distinguished friends. I cheerfully accord to my friend from South Dakota, of course, the highest motives; I have no question about that.

Mr. BRUCE. Is the Senator from Indiana saying that for the sake of the argument?

Mr. WATSON. No; I am saying it because I believe he is an honest man; I am saying it because I believe he is serving the interests of his constituency in introducing this resolution, as he believes.

Mr. BRUCE. Is he serving the interests of his constituents by lowering the duty on Canadian wheat?

Mr. WATSON. That is up to him to decide.

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. WATSON. Oh, surely; I am interested in this.

Mr. McMASTER. I wish to say just a word in answer to the statement made by the Senator from Maryland, although I found but two days ago that he was here making a speech entirely in accord with this resolution, condemning high industrial rates; and on the second day he made a splendid high-protection speech.

In reference to the particular resolution that is pending, however, if I may explain the intent and purpose that was in the mind of the author, I will say that if I had intended in the resolution that all schedules should be lowered I would have used the word "all"; but I used the word "schedules"; and I expect to amend that by putting in the word "general," that there shall be a general lowering, so that my distinguished friend from Maryland will be able to vote for the resolution.

Mr. BRUCE. I will ask the Senator why he did not do that first?

Mr. McMASTER. That will explain the situation for the distinguished Senator from Maryland.

Mr. BRUCE. No; it does not.

In the first place, the Senator stated that I had made two speeches in the Senate on the subject of the tariff. I am afraid the Senator is confusing me with a much more distinguished and much abler man—that is to say, the Senator from Massachusetts [Mr. WALSH]. I have had no occasion to say anything on the subject of the tariff except once, and then tentatively, to commit myself to the proposition that the whole matter of fixing tariff duties should be lodged in some nonpartisan commission, subject to the approval of Congress.

Mr. WATSON. Which, of course, I do not believe at all.

Mr. McMASTER. No; nor I either.

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

Mr. WATSON. Certainly; with pleasure.

Mr. FESS. The language of the resolution is general—

Immediate lowering of tariff schedules, and tariff legislation, embodying lowered schedules.

The question I want to ask is does not that include the seventh schedule, which is agriculture?

Mr. WATSON. Why, according to my understanding, of course, by the terms of the resolution. As to whether or not the Senator meant to include the agricultural schedule, of course I do not know.

Mr. FESS. We are considering this resolution.

Mr. WATSON. But, as I read the resolution, it means a lowering all along the line of the rates imposed by all schedules.

Mr. McMASTER. Mr. President—

Mr. FESS. Will the Senator yield further?

Mr. WATSON. Certainly.

Mr. FESS. The first act of the Congress that met in 1921 was the emergency tariff act, passed in May of that year.

Mr. WATSON. It was.

Mr. FESS. I have it in my hand. There are 28 items in that act, everyone of which, without an exception, is agricultural; and most of those items were included in the permanent tariff legislation of September of the next year.

Mr. WATSON. Practically embodied in it.

Mr. FESS. Yes. Has the Senator had any information to the effect that there is a demand from agriculture for the lowering of the schedules under the present act?

Mr. WATSON. I have not from anybody, anywhere.

Mr. FESS. I made inquiry of the Tariff Commission, and I am told officially that there are 585 applications for investigations. Two hundred and fifty-seven of these are for agriculture, all but two of them asking for an increase.

Mr. McMASTER. Mr. President, may I interrupt just there? The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. WATSON. I do.

Mr. McMASTER. How many of those farmers were asking for increases on industrial products?

Mr. FESS. I asked the question as to whether there had been any demand for a decrease of tariff duties on agricultural products. I did not ask with reference to nonagricultural products. The resolution of the Senator from South Dakota applies to agricultural products just the same as it does to nonagricultural products.

Mr. McMASTER. May I interrupt the Senator again? If we should amend the resolution in that respect, so as to conform to the Senator's ideas, would he then vote for it?

Mr. FESS. I certainly would not. If the Senator will offer a resolution here for the revision of the tariff schedules, I shall be willing to discuss it with the Senator; but the Senator has demanded a lowering of the schedules. That includes every schedule; and that is why there has been a general resentment against that sort of legislation.

Mr. BRUCE and Mr. McMASTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana has the floor. To whom does he yield?

Mr. WATSON. To all the Senators.

The PRESIDING OFFICER. The Chair understands that the first Senator to address the Chair was the Senator from Ohio.

Mr. FESS. I think the Senator from Indiana had yielded to me.

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. WATSON. I yielded to the Senator from Ohio.

Mr. FESS. A further statement:

The commission has completed and sent to the President 28 reports, covering 35 articles, 9 of which are agricultural products. Action has been taken on several of these. Based on the investigations made by the commission, the President has adjusted rates of duty on six agricultural products—wheat from 30 cents to 42 cents per bushel; wheat flour from 78 cents to \$1.04 per 100 pounds; butter from 8 to 12 cents per pound; Swiss cheese from 5 cents per pound, not less than 25 per cent ad valorem, to 7½ cents per pound, not less than 37½ per cent ad valorem. Here are the exceptions: The duty on milk feeds, such as bran and shorts and other by-product feeds, which the farmers purchase for feeding livestock, was reduced from 15 to 7½ per cent ad valorem; and the duty on quail was reduced from 50 to 25 cents per bird. In other words, there are two items on which there was a reduction.

Referring to the question I asked about corn, the American Farm Bureau has presented to the commission and they are making an investigation of an increase of the duty on corn from 15 cents to some higher figure; I do not recall just what they are asking. My question was—and it grew out of the in-

roduction of this resolution by a representative of the great farming section—whether this resolution would not be counter to what we generally regard throughout the country as a demand for an increase rather than a lowering. That is my specific question.

Mr. WATSON. That is my view of it.

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

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from California?

Mr. WATSON. I do.

Mr. SHORTRIDGE. For the RECORD, I desire to add that very recently the President has granted the petition of agriculturists, and has issued an appropriate order increasing the tariff on certain brands of imported cherries by the full 50 per cent permissible under the flexible section of the tariff act.

I also wish to have it appear that there are pending before the commission two petitions, filed there by agriculturists, seeking increase of the tariff on imported onions and also upon poultry products. Both these petitions are supported by a vast number of producers, all of whom, I take it, are hopeful, as I am, that the President may be persuaded to increase the duties.

Mr. McMASTER. Mr. President—

Mr. WATSON. I yield to the Senator from South Dakota.

Mr. McMASTER. First, I wish to say, in reference to the statements of the Senator from Ohio [Mr. Fess], that practically all of the Members of this body who favor the resolution understand and comprehend that the purport and the intent of the resolution is for the purpose of lowering some of these outrageous schedules that were accorded the industrial products, and thereby, by lowering those schedules, increasing the purchasing power of the farmer.

It was ably shown here on the floor of the Senate this morning by the distinguished Senator from Mississippi [Mr. HARRISON] that that kind of a resolution would even permit the raising of a certain schedule upon a manufactured product if it should be necessary; but those who are trying to find fault with the language are trying to find a loophole through which they can escape and avoid voting for the resolution and then make excuses therefor. This resolution was introduced in the interest of agriculture and with the object and the aim of bringing about a reduction in some of those exorbitant schedules that are accorded industry and that have given some of the industries these enormous profits.

Mr. WATSON. What schedules are they?

Mr. McMASTER. For instance, as I suggested yesterday, there is a little company up here in Providence, R. I., known as the Brown-Sharpe Co., which just a few months after the passage of this law declared a stock dividend of 16,000 per cent. I should say that they had been pretty well taken care of; that they were in a rather prosperous condition when this particular law was passed in 1922. I should say that the Aluminum Co. have done pretty well, in view of the fact that we inserted in the Record yesterday that beginning with a capital of \$1,500,000 that capital had grown by leaps and bounds until in a few years it had reached the sum of \$131,000,000; and that on their finished product—that is, the finished aluminum cooking utensils—the American consumer pays a duty of 11 cents a pound and a 55 per cent ad valorem duty, while upon milk the farmer has asked for a duty of 3½ cents a gallon and was allowed just 2½ cents, or about 5 per cent of the value of the product. I will say that there are a number of those schedules that ought to be lowered; and by reason of lowering those schedules we can increase the purchasing power of the farmer and help to restore the equality between agriculture and the industries.

Mr. BRUCE. Mr. President, just one moment more.

The PRESIDING OFFICER. Does the Senator from Indiana further yield to the Senator from Maryland?

Mr. WATSON. I will yield once more.

Mr. BRUCE. I should like to call the attention of the Senator to the fact that while the Senator from South Dakota says now that he is prepared to accept an amendment to his resolution, yesterday when such an amendment was suggested by the Senator from Massachusetts [Mr. WALSH] he made no such announcement; nor did he make any such announcement when the Senator from Oregon [Mr. McNARY] brought forward a similar amendment to-day.

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. WATSON. I do.

Mr. McMASTER. When the distinguished Senator from Massachusetts [Mr. WALSH] made the suggestion to me on the floor of the Senate I stated that I did not choose to quibble

over words in the resolution; that I thought I was willing to make any particular change. I tried to make changes that would suit even the distinguished Senator from Utah [Mr. SMOOT], so that he could vote for the resolution.

Mr. BRUCE. Was not that a little like saying, "I do not choose to be a candidate for the Presidency"? Was that the kind of language in which willingness to accept an amendment would usually be indicated? I say what I do simply because my suspicion is—it may be nothing but a perfectly unjust suspicion—that the Senator from South Dakota is trying to use this resolution of his as a whip with which to compel the regular Republicans in this body to support the McNary-Haugen bill.

Mr. McMASTER. Mr. President, this resolution was introduced for the reasons that I have already enumerated here upon the floor of the Senate; also to serve notice upon the industrial interests here in America that the hour has come when the farmers of America are going to strike for their economic independence, and they are going to begin with that method, and they have some other methods that they are going to use later on; and if they do not receive that economic independence pretty soon, they have another method, the ballot, that will bring them the final results that they intend to procure.

Mr. BRUCE. In other words, as I hope you will all become Democrats. Is that it?

Mr. WATSON. Which certainly will relieve everybody in the United States of anything he has.

Mr. BRUCE. But what kind of Democrats?

The PRESIDING OFFICER. The Senator from Indiana has the floor. Does he desire to proceed?

Mr. WATSON. Now, if everybody is through, I will resume.

Mr. WALSH of Massachusetts. Mr. President—

Mr. WATSON. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. In order that we may inject a little pleasantry into the serious speech of the Senator from Indiana, I want to suggest that the Senator from New Jersey says that the reason why it took two weeks for the Democrats to discuss the item of vinegar was because it involved certain phases of the prohibition question. [Laughter.]

Mr. WATSON. I did not recall that the Senator from Maryland was in the Senate at that time.

Mr. BRUCE. I was not; but I will say I was delighted a few moments ago to find that the discussion was leading us to the discussion of brandied cherries from the State of California.

Mr. WATSON. Mr. President, I believe that the problem of agriculture is to lift agriculture up and not to pull industry down. I can not conceive that agriculture is to be helped by lowering or even disturbing schedules on manufactured products unless there be some great outrage which should be remedied or some manifest unfairness that should be corrected. I can not conceive that by interfering with the manufacturing industries of this country, by permitting large imports of manufactured products from abroad, by bringing our laboring people into keen and merciless competition with the underpaid and underfed people of the world, that by lowering the general wage level in the United States, which is the home market of the American farmer, we thereby help agricultural industry in this Nation.

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

Mr. WATSON. I yield.

Mr. McMASTER. I just want to say to the distinguished Senator from Indiana that every Member on this side of the Chamber who is opposed to the resolution is always insisting that there is something about the resolution that is going to drive labor out of employment, that is going to close down the industries. As a matter of fact, all that the resolution would do, if it were put into force and effect, would be to squeeze out some excess profits from manufacturers and distribute those excess profits among the common people of America and increase their purchasing power. There is not one line or one sentence or one syllable in the resolution that is intended or proposes to throw labor out of employment.

Mr. WATSON. But the Senator must know, in the first place—and I mean no offense—that this can be no more than a gesture, because the Senate has no right to originate legislation of this kind. The Senator must know, in the second place, that if his resolution should pass it would not mean anything.

Mr. McMASTER. If this resolution should pass and it would not mean anything, what is the use of all this discussion? Why does the distinguished Senator from Indiana take up any time on this matter if it does not mean anything?

Mr. WATSON. Because I am going to prove that it does not mean anything. I mean this, I will say to my friend, the Senator from South Dakota—and he will understand there is

nothing offensive about this: I mean that you can not just pass a resolution and say that we are going to lower a tariff rate. Congress is the only authority. Congress must determine what these schedules will be. Congress must fix the tax on every item. Congress must fix every rate that goes into the bill. You can not just waive a wand and say "Tariff rates are hereby reduced." Somebody has to legislate. All the schedules must come under legislative scrutiny. Every item must go through the regular process of going into the Ways and Means Committee, and then into the House, and then before the Finance Committee of the Senate, and then into the Senate.

Everybody knows that that takes months and months of time, and the most serious debate, and the most earnest consideration. No measure receives the real attention that a tariff bill does under ordinary circumstances, because it enters into every home in the Nation, and touches every industry from ocean to ocean. Is not that true? Therefore, if we should pass this resolution, what could the House of Representatives do with it? Suppose the House were to pass it; what would it signify, what would it mean? It would be sent to the Ways and Means Committee, and then the Ways and Means Committee, if they wanted to follow it out, would begin to have tariff hearings, and run for weeks and even months in having tariff hearings, and then formulate a measure along the line of the policy suggested by the resolution, then fling it into the House. Then the House would begin that consideration which the House gives to such measures, and if it should pass it, it would be sent to the Senate and referred to the Finance Committee. We would take our turn at it, then it would come into the Senate of the United States, where it would not be passed more than one week prior to the next election, I know, and so does the Senator. That is the situation.

Therefore, merely passing this resolution is of no avail.

Mr. McMASTER. Mr. President, if the passage of this resolution is a good thing, and if it would be a good thing to have a lowering of some of the tariff schedules, then it would be perfectly proper to go through all of the effort and all of the trouble and spend all of the time that we would have to spend here during next spring and next summer to accomplish the desired result. Is it the interest of one party over another party, an election approaching, or what interest is paramount to the interests of the American people and of the American farmer?

Mr. WATSON. It is in the interest of maintaining these industries in the United States until such time as, measuring our steps, we may in orderly manner proceed to the reconstruction.

Mr. GEORGE. Mr. President—

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

Mr. WATSON. I yield.

Mr. GEORGE. I wish to inquire of the Senator from Indiana if he heard the statement made more than once by the distinguished Senator from Utah yesterday, that this resolution was already slowing up business? I make the inquiry, whether he recollects that statement made by the Senator, in response to his statement that it is a mere gesture, and can not possibly have any effect.

Mr. WATSON. I did not hear the remark of the Senator from Utah. He usually speaks by the card. He usually tells what he knows. So far as I am concerned, I know of no slowing up in the country because of the introduction of this resolution, because in my humble judgment the country does not believe the resolution will pass, and if it does, that it can not be consequential in its effect, because everybody knows that it must go to the House of Representatives before it can be made effective.

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

Mr. WATSON. I yield.

Mr. FESS. The Senator had a distinguished career in the House. What, in his judgment, would the House do with this resolution if we should pass it and send it over there? Would they receive it?

Mr. WATSON. I hope the Senator will withdraw that question, because under the rules here we are not permitted to comment on the body at the other end of the Capitol.

Mr. FESS. I withdraw the suggestion.

Mr. BROOKHART and Mr. BORAH addressed the Chair.

Mr. WATSON. I yield to the Senator from Idaho.

Mr. BORAH. I think the Senator from Iowa rose first.

Mr. BROOKHART. The Senator suggested that there has been no slowing up of industry under this wonderful protection and prosperity that we have in the United States.

Mr. WATSON. I did not say that.

Mr. BROOKHART. I read a statement from the Department of Commerce about our great prosperity under this system,

and then I sent over to the department for its bulletin on the earnings of corporations. I knew that 90 per cent of the farmers of the United States were on the verge of bankruptcy, and I wanted to see what the corporations were doing.

In 1925, out of 430,000 corporations, 177,738 were operating at a loss of nearly \$2,000,000,000, and they had been operating since 1922 in the same way. So I think there is some inequality in this tariff prosperity we have in the United States, even among the corporations themselves.

Mr. WATSON. Mr. President, that only adds to the complexity of the problem. If that be the situation, we ought to raise the tariff.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. WATSON. Certainly.

Mr. CARAWAY. Did I understand the Senator to say that a higher tariff would increase prosperity? Is that the Senator's position?

Mr. WATSON. I did not understand the Senator.

Mr. CARAWAY. Did I understand the Senator to say that to raise the tariff would increase prosperity?

Mr. WATSON. It always has.

Mr. CARAWAY. It has?

Mr. WATSON. Always.

Mr. CARAWAY. Then, when you have an era of profitless prosperity, why does not the party in power go to work and raise the tariff?

Mr. WATSON. I have already answered that question two or three times.

Mr. CARAWAY. What was the answer?

Mr. WATSON. Will the Senator pardon me? I do not care to go all over that again about what it means to revise the tariff at this particular time. I will not go into that.

Mr. CARAWAY. In other words, the Senator is perfectly willing for agriculture to die—

Mr. WATSON. No.

Mr. CARAWAY. And other business languish, in order not to disturb a political situation.

Mr. WATSON. Not at all. I have said that there is another way, and the Senator has worked with me side by side and shoulder to shoulder in working out that other plan by which agriculture can be benefited and protected in the United States, in addition to the tariff.

Mr. CARAWAY. That is not what I asked.

Mr. WATSON. Not only that, but the Senator can not see that by imposing higher rates on agricultural products we could adequately protect agriculture.

Mr. CARAWAY. That is exactly what we are coming to. I absolutely know that the tariff, so far as the farmer is concerned, is absolute "bunk"; that he gets nothing out of it except an increased cost of living. Everybody knows that.

Mr. WATSON. I am going into that.

Mr. BORAH. Mr. President, let me ask the Senator if he has the figures as to the amount of food products coming into this country at this time.

Mr. WATSON. I have them here somewhere. I do not recall them.

Mr. BORAH. I want to call the Senator's attention to the fact that there are about \$2,500,000,000 of food products coming into this country.

Mr. WATSON. It is very large, I know.

Mr. BORAH. Which the American farmer is perfectly capable of producing.

Mr. WATSON. I agree with the Senator entirely, and I believe in raising the rate as far as we can adequately to protect that industry. But there may come a time when we can not protect the industry by rates sufficiently high. We can not levy an embargo on articles of agriculture coming into the country, and that is why I favored the McNary plan, a plan to buttress the tariff and to make it effective wherein it was not effective.

For instance, take the tariff on wheat. We passed a tariff of 30 cents a bushel on wheat. By and by it was found that that was not adequately protective. A complaint was made to the Tariff Commission, and after the requested hearing the Tariff Commission reported that it would take 42 cents a bushel to measure the difference in the cost of production between this country and Canada in the production of a bushel of wheat. Whereupon the President—and I think quite properly—raised the tariff on wheat to 42 cents a bushel.

Mr. CARAWAY. And wheat went down that week.

Mr. WATSON. It now transpires that wheat is selling for more in Winnipeg than in the United States. It now transpires that 42 cents does not measure that difference at this time.

Mr. CARAWAY. The Senator—

Mr. WATSON. Wait a moment. Remember the question, if you can, and give it to me after a while. Let me finish this, if you please.

Mr. CARAWAY. Let me inject this, so that the Senator can make his argument consistently. Wheat went down 9 cents a bushel when they raised the tariff.

Mr. WATSON. Certainly.

Mr. CARAWAY. Then the tariff did not help the farmer.

Mr. WATSON. It did not help him. That is what I am saying.

Mr. CARAWAY. I did not know that was what the Senator was saying.

Mr. WATSON. That does not add to what I am already saying about it. If the tariff is not effective on wheat at 42 cents a bushel, then should we not do something to make it effective if we mean to have a protective tariff on wheat?

Mr. BORAH. If you can not raise the tariff high enough to protect the wheat raiser in this country, it is as certain as that night follows the day that you can not do it by inverting the tariff proposition, as in the McNary-Haugen bill.

Mr. WATSON. I do not think we invert it at all. I think we simply support it and buttress it, to make the tariff effective wherein it is ineffective. I am coming to that in a little bit, if the Senator will listen to me.

Mr. FESS. Mr. President, will the Senator yield on the question of the Winnipeg wheat?

Mr. WATSON. Certainly.

Mr. FESS. Has the Senator followed the operations of the wheat pool that was started some time in September?

Mr. WATSON. I kept it up partially, but the Senator knows I was in the hospital part of the summer, and I did not keep up fully and accurately with those reports.

Mr. FESS. I think it would be perfectly obvious that if we could employ a method such as is used in Canada by which we could control the marketing as they are controlling it, we could fix the price also on wheat as Winnipeg has.

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

Mr. WATSON. I yield to the Senator from Iowa.

Mr. BROOKHART. On that question of wheat, the Canadian pool had its price fixed at the world market in Liverpool, the same place where the Chicago market had its price fixed. The pool helped us as much as it did Canada. It improved the world price and stabilized the world price. I think there is no doubt about that. But here is the kind of protection we have on wheat under our 42 cents a bushel. September 8 at Minneapolis No. 1 winter wheat was selling at from \$1.33 to \$1.38. At Winnipeg it was selling at \$1.52½.

Mr. WATSON. That is what we are saying.

Mr. BROOKHART. Something happened on September 12. November 16 in Minneapolis it was \$1.24 to \$1.30, and in Winnipeg \$1.50½. So the spread increased 8 cents on wheat between September and November. Something happened to cause that increase.

The thing that happened was the Canadian Railway Commission lowered railway rates about that time and immediately the Canadian farmers got that much better price, and half of our whole tariff of 42 cents a bushel is nullified by discrimination in freight rates in the United States to start with.

Mr. FESS. Does the Senator from Indiana approve of the statement of the Senator from Iowa about the transportation rate fixing the price?

Mr. WATSON. Oh, no, I do not; but I can not go into that question. That is on the sidetrack now.

Mr. FESS. I wondered whether the Senator would fall for that statement.

Mr. WATSON. Oh, no.

Mr. BORAH. Mr. President, does the Senator from Ohio dispute that proposition?

Mr. FESS. The Senator from Ohio does dispute the proposition. The rate may measure what the producers get, but it does not modify the price that the consumers pay. The farmer who raises wheat in Iowa and sells it in New York will have to pay out of the thing he gets in New York the price for the transportation. The price to the consumer has not changed, but the price to the producer is lowered by the amount of the transportation he pays.

Mr. BORAH. That is what I understood the Senator from Iowa to contend.

Mr. BROOKHART. That is exactly my point.

Mr. FESS. No; what the Senator from Iowa said, as I understood it, was what wheat was ranging in Winnipeg, as he gave the figures.

Mr. BROOKHART. Yes; I quoted those prices because that illustrates what the producer gets.

Mr. FESS. What is the price at Minneapolis?

Mr. BROOKHART. It was 10 or 15 cents less at Minneapolis than at Winnipeg, and then they lowered the freight rates and then it was 20 or 25 cents less.

Mr. FESS. The only effect upon the producers of wheat in Winnipeg and Minneapolis would be the difference in the freight rates they had to pay to where they marketed. It would not be the difference in the price paid by the consumer, but the difference is in the amount the producer got. The one gets more than the other because he does not suffer so much in the market.

Mr. BROOKHART. That is what I claim. Under this beneficent protection of 42 cents a bushel on wheat, the farmers of the United States have taken for the present crop from 10 to 20 cents less per bushel than the Canadian farmers got.

Mr. WATSON. Does the Senator from Iowa want us to repeal it all?

Mr. BROOKHART. I want to repeal it wherever it is excessive. I want to put it on the basis of the cost of production of every article. I think that would raise it on most farm products while lowering it on industrial products.

Mr. WATSON. Not all industrial products.

Mr. BROOKHART. I do not, merely because it may defeat some candidate for President, want to shirk my duty in the Senate, and say we will wait until after next election. Congress ought to have been called in session immediately after the close of the last session to settle this great question, this greatest calamity that ever come to the American people, this greatest problem that has confronted the people—equality of agriculture—the greatest problem since the abolition of slavery itself.

Mr. WATSON. I cordially agree with the Senator as to the momentous character of the problem which confronts agriculture at this time and demands solution at the hands of the American Congress. I have no doubt at all about the character of that problem. I believe, as strongly as the Senator believes, that the time has come when steps must be taken to rehabilitate agriculture in the United States and bring it to the level of industry in accordance with the campaign pledges of both parties, so we shall have a full-rounded, symmetrical civilization in the United States. But I do not agree with the Senator, nor with my friend from South Dakota, as to the method which shall be pursued to reach that desired objective.

We have been talking about the remissness of the Republican Congress with regard to the agricultural schedule. The truth about it is that the very first thing we did was to enact an emergency tariff law. Is there any one here sorry that we enacted that law? I wonder if my friend from Iowa or my friend from South Dakota will say that he did not rejoice in the effect of that act? Everybody knows how beneficially it resulted to the agricultural interests of the United States. The Tariff Commission itself found, after a full hearing on the subject, that it had saved the wool industry of the country from absolute destruction and greatly aided the dairying industry of the United States as well. I do not think that proposition can be successfully controverted.

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

Mr. WATSON. I will.

Mr. FESS. The Senator remembers that in the House the emergency tariff act was almost nonpartisan.

Mr. WATSON. It was nonpartisan.

Mr. FESS. The Democratic Members voted for it the same as the Republicans.

Mr. WATSON. I am glad the Senator called my attention to that fact.

Mr. BROOKHART. And since that time nearly a million farmers have lost their homes in the United States.

Mr. WATSON. Mr. President, I am agreeing to what the Senator said about the problem and its seriousness, but he and I do not agree at all as to the method by which the problem should be solved.

After the crushing depression of 1921 had wrought its destruction to agriculture, Congress immediately set out to discover some methods of relief. We passed the first emergency tariff act. We revived the War Finance Corporation and placed \$500,000,000 at the disposal of the farmers and stock growers of the land. We at that time thought it would be helpful, and greatly helpful, to the agricultural interests of the country. We established intermediate banks of credit and made possible a supply of money to the farmer at reasonable rates and on long terms, so that he could not be forced to rush all of his products to market at once in order to meet his obligations, and thus further depress the price of all he produced.

The present tariff act was written to meet the demands of the friends of agriculture. It is not altogether true that the farmer sells in an open market and buys in a protected market,

for a large percentage of all that he uses on his farm or in his home is on the free list, while there is imposed the highest rate on agricultural products coming into this country from other countries that was ever levied by any tariff law in the entire history of tariff making in the United States.

It may be true that those rates are not effective, but nevertheless when we passed them we did so in the best faith and believed they would be adequately protective, because it was a protective-tariff Congress, which believed in the doctrine of protection and in its immediate application to the affairs of the country as they then existed. It has since transpired that we have found that many of those rates are not sufficiently protective, but at the time they were passed they were passed in the best of faith, and the heads of the agricultural interests and industries in the United States represented in the city of Washington indorsed every one of those schedules and at that time said that they would be adequate, and on their recommendation and with their consent we passed the agricultural schedule.

My friend the junior Senator from Arkansas [Mr. CARAWAY] said it is all "bunk." It is not "bunk," by reason of the fact that but for this agricultural schedule and the rates it imposed agriculture in the United States to-day would be infinitely worse off than it is, and I do not think that is a controverted proposition.

Mr. WALSH of Montana. Mr. President—

Mr. WATSON. I yield to the Senator from Montana.

Mr. WALSH of Montana. Does the Senator include wheat in that statement?

Mr. WATSON. Part of the time; not now. Of course, that is an unfortunate condition. The condition existing with regard to wheat has not always existed and will not always exist. Circumstances change as production increases or as the demand increases or as the world production increases. There is no question about that. We can not always adequately measure a tariff through the coming ages or centuries or decades by the condition that exists now. We may levy tariff rates now that are adequately protective, but everybody knows that because of changed conditions in industry and agriculture, in production and in consumption, the whole thing may be upset or largely so.

Mr. WALSH of Montana. Mr. President, will the Senator say how the condition as respects wheat differs from a year ago?

Mr. WATSON. I can go into that, but will the Senator wait and let me do it in my own good time?

Mr. SHIPSTEAD. Mr. President, will the Senator yield for just a question?

Mr. WATSON. I yield.

Mr. SHIPSTEAD. The Senator will agree that no tariff is adequate unless it is effective, will he not?

Mr. WATSON. Certainly.

Mr. SHIPSTEAD. So it is useless to talk of adequate schedules when at the same time we know they have not been able to operate and have never been effective.

Mr. WATSON. My only answer to that is, as I said, that at the time we passed this schedule we thought it would be adequate. We had the best advice in the country on the question and that advice was that it would be adequate.

Mr. SHIPSTEAD. Did the Senator think it would be effective?

Mr. WATSON. I thought it would be effective, certainly.

Mr. SHIPSTEAD. Has the Senator changed his mind?

Mr. WATSON. I have changed my mind on that point because conditions have forced me to change my mind on the question. I have not any doubt about that now. New conditions have come and I think that we have to meet those new conditions. I have been for two years trying to get a bill passed which, while not dogmatically asserting that it is the only measure that will cure the situation, yet I conscientiously believed that it would, and I still believe it will, if we give it an opportunity to be tried in the United States.

The real problem that confronts the farmer at this time is to maintain the tariff, as I understand it, for all phases of our industry alike. The farmer sells but about 10 per cent abroad of all he produces and about 90 per cent at home. It would be, according to my view, a wicked and wanton policy to destroy the market in which he sells his 90 per cent in order to attempt to increase the 10 per cent, for the whole world is becoming rehabilitated agriculturally, and the competition of all agricultural products abroad will be keener in the days to come than it has been at any time in the past.

Let us remember that the exports of grain and grain-food preparations for 1925 were less than for 1924, and in 1926 were less than they were in 1925. This decline in exports is due to two reasons:

First, the European nations are recovering their agricultural capacity. In reality they are making greater efforts to stimu-

late agricultural production. They learned in the war that they must make themselves as nearly self-sustaining as possible and to that end must revitalize agriculture in their respective countries. In addition they have learned the necessity of reducing imports in order to help balance their budgets, and thus they are making every effort to raise as much food at home as possibly can be done.

Secondly, it must be remembered that the wheat area in Canada has increased from a pre-war average of 10,000,000 acres to 22,000,000 acres in 1925, while there are still large uncultivated areas in that country suitable for wheat production. A recent report of the Agricultural Department shows that the Australian wheat area has increased from a pre-war average of 7,600,000 acres to 10,800,000 acres. The wheat area in those countries together is now about 53 per cent above pre-war average. New Zealand and Australia have just finished a season in fine shape. The further development of the western Provinces of Canada and the recovery of Europe are adding to the world's supply.

Therefore, I contend that what the farmer wants to do is to enlarge his home market. What the farmer wants is more hungry mouths to feed and more empty stomachs to fill. He wants more men working in the factories and in the mines and in the forests and on the railroads, and he wants them paid the American wage rate, the highest known among men, in order that right at home they can pay the American farmer the best price paid for agricultural products paid anywhere in the broad circle of the earth.

That is the American system of protection, and throughout the years it has worked so marvelously that our country today stands easily first among all the nations of the world in our universal prosperity. I do not say that it is directly the outgrowth of the protective-tariff system alone, but I say that it is largely the result of the protective-tariff system operating through the years, because it is our policy as protectionists to promote production in the country. We believe that production should be unlimited and unhampered; that we should not put it in leading strings. The United States should do everything its resources and its labor, skilled and unskilled, its capital, its inventive genius, will enable it to do, because it is a truism from which there is no escape that if we care for the producer the consumer will be in a position to care for himself.

Furthermore, the report of a survey made by a special commission under direction of the foodstuffs division of the Department of Commerce in 1925 states that only one-tenth of the wheat land of the Argentine and only one-sixth of the wheat land of Canada is at present under cultivation and that virgin soil in each country is being utilized in an increasing quantity each year. This report also points out that, because of cheap land and other cheap production costs, crops and livestock can be produced in these countries at a much lower figure than they can be produced in our country.

Additional evidence is supplied by the report of a special representative of the Bureau of Animal Industry of the Department of Agriculture covering the livestock industry in the Argentine. This report asserts that, after taking into account all of the cost of production, cattle in the Argentine can be produced for 75 cents per 100 pounds, which is below any possible cost of production in the United States.

We all remember that the Tariff Commission in 1924 submitted to the President its report on the difference in the cost of producing wheat in Canada and in this country; we have discussed it, and I shall not again go into it, but if the tariff on that product be inadequate, then I am in favor of making it adequate. That is why I favor the McNary-Haugen bill.

I do not dogmatically assert that that is the only measure that can produce this result, but I do believe that it will produce it, and I favor it because I think it is the best solution of the problem that yet has been presented to the American Congress, and it is the one solution that has the almost unanimous support of the agricultural interests of the United States.

Mr. BROOKHART. Mr. President, when the Senator from Indiana says that if the tariff is inadequate he is in favor of making it adequate, how is he going to do that without doing anything at all?

Mr. WATSON. I will tell the Senator all about that.

Undoubtedly these causes operate to the advantage of the producer of food in these other countries and, undoubtedly, these causes are driving our farmers out of the European market because of the fixed fact that all of these other people are able to undersell him in the world market and yet make a profit.

The National Industrial Conference is an organization of industrialists, financed by capitalists and conducted by men of wealth. Its object is to investigate every phase of American

industry and to report its conclusions to the American public. At the beginning of 1925 they employed the finest experts they could command in this land, who put in one whole year investigating the conditions of agriculture in this country as compared with the condition of agriculture in other countries and as compared with other phases of American industry and activity. Those experts have no hesitancy in predicting that the American exports of farm products to foreign markets must rapidly be reduced in the future because of the conditions set forth by these various reports of our governmental agencies and because of conditions which these experts found existing here and elsewhere around the world.

What, then, would be the condition of the American farmer if our whole tariff system were to be abrogated and we at once entered upon a policy of universal free trade?

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Montana?

Mr. WATSON. I yield.

Mr. WALSH of Montana. Was not that the same commission which recommended a reduction in tariff rates, as is suggested in the pending resolution?

Mr. WATSON. The Tariff Commission?

Mr. WALSH of Montana. No; the commission to which the Senator from Indiana is referring.

Mr. WATSON. The Senator states they recommended what?

Mr. WALSH of Montana. I refer to the Industrial Conference.

Mr. WATSON. No; I do not think so. That was a special commission, I understand, headed by ex-Secretary of Commerce Nagel, of St. Louis.

Mr. WALSH of Montana. Exactly; it was the Industrial Conference.

Mr. WATSON. If it was a part of the Industrial Conference, I do not recall it. I think it was especially appointed. I do not think it was a part of the Industrial Conference. It was appointed by the United States Chamber of Commerce.

Mr. WALSH of Montana. It was the Industrial Conference that recommended as one of the measures for relief a reduction of tariff rates, exactly as is suggested in the resolution under consideration.

Mr. WATSON. The pending resolution does not suggest any rates, I will say to my friend from Montana.

Mr. WALSH of Montana. I will put the report to which I refer in the Record.

Mr. WATSON. I know what the recommendation is, but I did not agree with it, and do not agree with it now. I can not understand it.

Mr. WALSH of Montana. The Senator, however, was quoting from it.

Mr. WATSON. Oh, certainly.

Mr. WALSH of Montana. That is why I interrupted the Senator.

Mr. WATSON. I may quote many things from my friend from Montana that I believe, and others that I do not believe, because we do not concur, that is all; although I know he is honest in making any statement. But the point about it is that they recommended that the tariff be lowered in order to help agriculture. To my mind that is an unthinkable proposition. If the tariff schedules generally be lowered very much, if the American laboring man is interfered with, if he is driven out of business in any great number, if his capacity to buy is limited or curtailed, then we should not help the agriculture of the United States. We should strike down agriculture in this country in that proportion and to that degree. I do not think there is a doubt about that in the world. It has been demonstrated over and over again. That is why I can not agree with my friend from South Dakota [Mr. McMASTER]. He does not say what schedules he proposes to revise; he does not say how much he proposed to revise them; he does not say anything about revising them in accordance with the protective tariff idea so as to measure the difference in the cost of production at home and abroad. He does not say that the American market is to be preserved either for the American farmer or for the American manufacturer. Therefore, I am not in favor of this resolution.

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

Mr. WATSON. Certainly.

Mr. McMASTER. Most assuredly it is absurd to introduce a resolution for tariff reduction enumerating exactly the schedules which ought to be changed, stating specifically what the rates ought to be. If I have not any better reason for presenting the resolution in its present form I have the platform of the Republican Party of 1908, in which that party went on record in favor of a revision of the schedules downward but

did not specify a single schedule that ought to be reduced. No one would think of introducing a resolution or entering into an arrangement of that kind specifying the schedules. It is a question that ought to come up for consideration by the Congress and be thoroughly threshed out.

It seems to me the distinguished Senator from Indiana ought not to expect, and does not expect, a resolution of that kind to go into detail, even though he were in favor of it.

Mr. WATSON. That is the very reason I am against this resolution.

Mr. McMASTER. And in addition, I wish to say to my distinguished friend the Senator from Indiana that if I were going to vote against the resolution I would do exactly what he proposes to do, only in that case I would take up the aluminum schedule and would demonstrate to the satisfaction of the Senate that that schedule was just, that it was necessary, that all the excess profits accorded the industry are a good thing for the country at large. So I would take up the dye and chemical schedules and I would go through all the schedules. I would search through the profits accounts of certain corporations engaged in those businesses, which are making enormous profits, and then I would justify my position that those schedules ought to be maintained and preserved for the purpose of permitting that condition to continue.

Mr. WATSON. Mr. President, I do not believe that a general resolution of this kind adopted by this body can at all be effective in helping the farmer or helping agriculture or promoting industry in the United States. I can not get it into my mind that any such result will occur, and, because of that fact, I can not support it.

Mr. President, the last tariff for revenue bill placed all farm products, grains, vegetables, all fruits except a few grown exclusively in the South, sugar, fresh meats and meat animals, dairy products, poultry, eggs, and wool on the free list. Please do not forget that the object of a tariff for revenue is to produce revenue, and that in order to produce revenue there must be a tremendous volume of imports from abroad or else revenue will not be produced and that policy would thus fail in the very object of its adoption. Please bear in mind also that whenever we buy articles made abroad we do not buy articles made in the United States and thereby to that extent destroy the ability of the people to buy. This is precisely what followed the tariff act to which I have just referred. During the first 12 months of the operation of that law there were imported into this country grains, potatoes, hay, butter, cheese, eggs, poultry, meat, cattle, horses, sheep, and wool from Canada; butter, cheese, and eggs from Europe; eggs in vast quantities from China; cattle, fresh meats, wool, and hides from South America and Australia; in total value of \$350,000,000 more than the aggregate importations of like products during the entire preceding tariff administration.

I call the attention of my friend from South Dakota [Mr. McMASTER] to the fact that we can not hope to reduce the tariff on manufactured products, and at the same time raise the tariff on agricultural products unless there be reason and justification for doing it. I am in favor of increasing rates on certain agricultural products as I have studied them; I might vote in favor of reducing the rates on manufactured products in certain schedules, but I am not one of those who believe that we can pull down industry and at the same time lift up agriculture by striking down below a just normal or medium the rates on manufactured products and raising them above that medium on agricultural products. I may say that this is one country; that agriculture and industry must go side by side; that we must have one law in the United States, and we can not aid and lift up agriculture at the expense of industry and then accomplish what we start out to do for agriculture. Is not that just as plain as that two and two make four?

Mr. BROOKHART and Mr. KING addressed the Chair.

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Does the Senator from Indiana yield; and if so, to whom?

Mr. WATSON. I yield first to my friend on this side, and then I will yield to the Senator from Utah.

Mr. BROOKHART. I should like to ask the Senator from Indiana what it was that pulled down 177,000 corporations in the United States with a \$2,000,000,000 loss a year for five years?

Mr. WATSON. I will say to my friend that that is partly due to low tariff rates on importations.

Mr. BROOKHART. Yet the Senator does not want to do anything about the tariff until after the election.

Mr. WATSON. Oh, well, we are all right; we will do it after the election, and do it in good time.

Mr. KING. Mr. President—

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

Mr. WATSON. I yield.

Mr. KING. I assume that the Senator is making the contention—and I do not say this by way of facetiousness—that the tariff increases the price of the domestic product which is protected by the tariff. Starting out with that assumption, it is obvious then that the Senator believes that the maintenance of the tariff is necessary in order to increase prices. If the maintenance of the tariff increases the prices of manufactured articles and of all commodities affected by the tariff, obviously to the farmers it means an increase in the cost of the things which they must buy. If, therefore, the tariff were reduced, would it not follow that there would be a reduction in the price of commodities, and if there were a reduction in the price of commodities purchased by the farmer does not the Senator believe that that would be advantageous to the farmer?

Mr. WATSON. Mr. President, I will say to my friend that that is the old tariff-for-revenue argument which has been used ever since the foundation of the Government; that the tariff is a tax; that it is imposed upon imports and that the people pay the tax. The truth about it is that we have had that argument put forth in Democratic campaigns over and over again, that the tariff is a tax; we have heard it ad libitum, and ad nauseum. Now, let me say this to my friend—

Mr. KING. Mr. President—

Mr. WATSON. If the Senator will pardon me, let me say that after a tariff is imposed, if there be no competition in the United States in the particular commodity, the tariff is a tax; it is added to the price, and the people have to pay it; but that condition exists only for a short time; that condition obtains only until that industry can establish itself in the United States, when competition among those producing that very article in the United States tends to bring the price down to where it ought to be, to where the law of supply and demand operates. I could illustrate by citing any number of articles, if I cared to do so, but it is far afield from what I am trying to say at this time, and I do not wish to be diverted. However, I might mention, for instance, tin plate; I might mention pearl buttons, or the wool schedule, or the cotton schedule, or the iron and steel schedules, and show that at the time tariff rates first were imposed, and for a short while thereafter, there was an increase in prices, but after the industry became thoroughly established in the United States the competition at home, the domestic competition, cut the prices down to about where they ought to be and where the law of supply and demand operated. Then the danger is that the tariff, which made possible this growth and development, may be torn down; that the laboring men in American institutions may be brought into direct competition with laboring people abroad, who receive from one-third to one-half as much as do the operatives in American industries, and that those industries may be destroyed or closed down, until the sky is clear, and until the protective tariff policy is once more reestablished in the United States. That has happened six times in the United States.

Every time we have changed the tariff it has been invariably accompanied by commercial depression and industrial disaster. The only way in which we have ever gotten out of it has been by the reestablishment of the protective tariff as the policy of the Nation, which again has caused capital to be reinvested and labor to be reemployed and brought prosperity back once more to the people of the United States. That is not "political bunk," as my friend from Arkansas might say; that is irrefutable history which no man may successfully dispute.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. WATSON. I do.

Mr. BROOKHART. Does the Senator insist that this prosperity applies to the farmers of the United States, and also to the 40 per cent of corporations which are operating at a loss?

Mr. WATSON. Oh, I have said to my friend time and again that I agreed thoroughly with him about the position of agriculture in the United States. I have no doubt about that.

Mr. BROOKHART. I do not like to hear this "prosperity" talk when it applies only to a third of the people of the United States.

Mr. WATSON. I have not said a word about prosperity—not a word. I have been describing the conditions that exist; and I am saying to my friend now, if he will permit me to use an ordinary street expression, that if he pulls down the tariff on industry he will saw off the limb he is sitting on, and saw it off next to the tree, and great will be the fall thereof.

Mr. FLETCHER. Mr. President, may I ask the Senator a question there, pursuing this thought that the tariff is a tax in the early stages of its imposition, and afterwards manufacturers get on their feet and compete with each other? That is a very pretty theory; but is it not the actual experience that the manufacturers who have been built up as a special privilege by reason of this tax then get together and form a trust or monopoly, and control the price of the product?

Mr. WATSON. That is not the fault of the tariff. That is the fault of other laws. We have passed laws against that sort of thing in the United States.

Mr. GEORGE. Mr. President, let me ask the Senator a question.

Mr. WATSON. Just a minute, please. Let me make the ad hominem argument to my friend from Florida. I notice that when the tariff is up he is entirely willing to vote a tariff on citrus fruits coming into this country from other countries, and on tomatoes, and on other things produced in Florida. My friend has great anxiety to protect the particular things produced in his own State, while he believes in free trade for all the remainder of the Republic. Is that fair?

Mr. FLETCHER. That is not quite accurate, either. I never have believed in free trade.

Mr. WATSON. Pretty close to it.

Mr. FLETCHER. I never have believed in free trade, and I contend that there should be a tariff. My thought in that connection is that the only duty I have ever asked, either on citrus fruits or on tomatoes, is a revenue-producing duty. Then, again, I may say to the Senator that citrus fruits are not an absolute necessity anyhow. They are more in the nature of a luxury than a necessity.

Mr. SHORTRIDGE. Mr. President, will the Senator from Indiana yield to me?

Mr. WATSON. Yes. Here is another citrus-fruit man. We will listen to him.

Mr. SHORTRIDGE. I recall with great pleasure the masterly argument made by the distinguished Senator from Florida in support of his amendment to the tariff bill increasing the tariff duty from one-half cent to 1 cent a pound on grapefruit. The Senator argued persuasively and convincingly that there was a pressing, vital necessity for that increase. I joined with him, and the rates were raised, and are now 1 cent per pound on grapefruit.

Mr. WATSON. And everybody is happy.

RENEWED EVIDENCE

Mr. President, in 1921 a Joint Commission of Agricultural Inquiry was established, consisting of Members of Congress, representing both the Senate and the House, and both political parties. It made a report announcing its conclusions as a result of all its investigations in response to a resolution passed by Congress. In order that you may have a just idea of the fairness and representative character of this commission, I give the names of its personnel: Senators CAPPER of Kansas, LENROOF of Wisconsin, and McNARY of Oregon, Republicans; Senator ROBINSON of Arkansas, the Democratic leader, and Senator HARRISON of Mississippi, Democrats; Representatives ANDERSON of Minnesota, MILLS of New York, and FUNK of Illinois, Republicans; and SUMMERS of Texas and TEN EyCK of New York, Democrats. Therefore, there can not be charged any partisanship or effort to play politics against this committee or its report.

Their conclusions were signed by all of the Members, without a single exception, and very clearly announced that as an invariable rule exports of farm products have very little to do with domestic farm prices, but that on the other hand there is the closest possible relationship between farm prices and domestic consumption; and, further, that the history of farm prices in our country justifies the statement that industrial depressions in the United States are always accompanied by a decline in farm prices, simply because industrial depression means lessened domestic consumption.

Every farmer knows these facts to be true, and can easily prove it to any doubter by referring to the figures of 1921, in which year we exported \$2,607,641,000 worth of agricultural products, or a greater quantity than in any other peace year in the entire history of the Nation; and yet, notwithstanding that fact, 1921 was the year in which the agricultural structure of the country collapsed, and left our farmers in the most distressing condition they have ever known. The reason was that 5,000,000 men were out of employment, that their capacity to buy was largely curtailed, and, in addition to that, cheap agricultural products were coming into this country from elsewhere about the world. The emergency tariff checked the one, and the McCumber tariff checked the other; and since that time agricultural products

have steadily increased in price, though they have not yet reached the level to which they should go if agriculture is to be placed on a parity with industry in the United States.

THE McNARY BILL

And how is that task to be accomplished? Many of us sought to bring it about by the passage of the so-called McNary bill through the Senate. The object of this legislation was to secure a greater degree of stability in the price levels of corn, wheat, hogs, and cotton in this country. We proposed to do it by placing at the disposal of the producers a mechanism with the assistance of which they could control the handling and marketing of crop surpluses, thereby preventing price fluctuations and securing in domestic markets the price benefits of the protective tariff.

Secretary Mellon in his celebrated letter correctly states one principle, as follows:

Farming differs from most industries in that the output largely fixes the price, whereas in manufacturing price largely controls the output.

In other words, by reason of closely organized and effective methods, the manufacturers of any given product are in a position to determine about what the demand for that product will be for the ensuing year and to regulate production accordingly. The farmer is in no such favorable position. There are six and one-half millions of them in the United States, and there is no possible way in which they can be organized so as to fix the quantity of the production of any crop, and even if they could definitely arrange to have a certain number of acres planted, for instance, to wheat, no human foresight could possibly determine the amount of wheat that could be produced on that fixed number of acres. As an illustration, no prophetic insight could possibly have foretold six months ago the amount of wheat that would be produced in Indiana this year, for the quantity and quality alike surprised everybody; and the same thing is substantially true of every year of every product.

Because of this fact we sought to set up a mechanism that, through the operation of a governmental agency, would enable the farmer to do what the manufacturer does, and which manufacturers by reason of their limited number can do, and which farmers by reason of their great numbers can not do.

If farmers could be compactly organized for the purpose of cooperative marketing, the whole problem would be solved, for production might at least be partially regulated and products could be fed into the market at such a rate as to hold up the price; but at the present time that is not possible, though one of the very objects of the McNary bill was to aid in making cooperative marketing effective.

THE SURPLUS

Notwithstanding all that has been done for the farmer in the way of legislation, there is one other thing that must needs be done, and that is to make arrangements by legislation to take care of his surplus product, for any solution of the farm problem that does not take into consideration the disposition of the surplus must of necessity fall far short of the mark.

Opposition to this measure was twofold; first, to the aim itself; secondly, to the means proposed by the bill.

The aim of this legislation is to prevent relatively small annual surpluses above domestic requirements from depressing the prices of the whole crop below the cost of production. It is only when the producer must offer his surplus in the competition of the world market that he is forced to take the price determined by the world supply of any given crop. As to such a crop the protective tariff affords slight relief, because the producer becomes the victim of world supply and world demand. If the world produces a large surplus of any crop, that surplus fixes the price for the whole crop. If there be a great world surplus of any crop, the protective tariff will keep the domestic price above the world price and at the top of the tariff wall only in case the domestic crop is about sufficient for domestic consumption; but if there is not only a large world surplus but a large domestic surplus protective tariffs can not possibly raise the domestic price.

For instance, let us suppose that we produce 650,000,000 bushels of wheat and consume 650,000,000 bushels at home, and further, that there is no large world surplus of wheat. Then the surplus sold abroad would not depress the price of the domestic supply sold at home, and this might possibly be true even without a tariff, but only if there were no world surplus.

On the other hand, let us suppose that we produce 700,000,000 bushels and consume 600,000,000 bushels at home and that at the same time there is a large world surplus. Then the world price obtained for the 100,000,000-bushel surplus sold abroad undoubtedly fixes the price of the 600,000,000 bushels sold at home, and the tariff is of little or no avail to change the result.

Therefore in the McNary bill we sought to set up a mechanism that would be able to determine as far as is humanly possible about what the surplus would be, if any, here and in the competing countries of the world and then to buy up and take off of the market that surplus, thereby enabling the American supply to just about meet the American demand; in which case no living human being can deny that the tariff would be effective and that the price of the domestic product would be lifted to the top of the tariff wall.

Under the provisions of this bill the surplus bought up by those in control of this device could be fed into the world market at the most favorable times and under the most favorable conditions to get the largest possible price out of it, and then whatever loss might be suffered by its sale abroad at the world price could be collected, and under the terms of the bill was to be collected, from all the producers of wheat in the country, the collection to be made from the first processor.

No one disputes that American farm costs of production are higher than those in other countries of the world; and, further, no one can gainsay that legislation creating artificial conditions largely made and keeps them so. Protective tariffs make and maintain higher wages; higher wages make higher costs for all that the farmer buys; our immigration laws shut out labor from other lands, and the demand for labor in this country increases the cost of labor to the farmer. The Adamson law fixed eight hours as the standard day's labor on all railroads, and this became the standard in all industry, thus adding to the production cost of what the farmer buys. True, this high-priced labor furnishes a market for the farmer and enhances the prices of his products; but unless his surplus crop be taken care of in the same artificial way, he does not get the full benefit of the industrial prosperity produced by this artificial legislation. Our entire national policy has been to build up our farm production on a surplus basis, and because of this surplus our prices, both at home and abroad, are determined by foreign rather than by domestic costs. Therefore the tariff is not effective for the farmer on these surplus crops, and the problem that confronts us is to make it so.

THE PROBLEM STATED

The surplus can be controlled in one of two ways: First, by eliminating 25 per cent of the farmers and forcing them into the cities because of their inability to make substantial profits on the farm; secondly, by handling by artificial means, aided by the Government, the surplus, thus enabling the farmer to make a profit on his production. Our opponents do not argue that we should cease producing food for export, but what they do squarely say is that we must sell our farm products at home at the same price that foreign labor pays. That has been repeated over and over again until it may be said to be the announced policy of the opponents of any plan to raise farm prices in America. In other words, the tariff must not be permitted to work to equalize the differences in production costs on farm crops between the United States farmer and his low-standard competitor abroad.

I do not believe this is a tenable position for an advocate of the doctrine of protection, of whom I am one, to take, and I ask my friends to bear in mind that the maximum difference between the price abroad and the price at home, whether under any proposed legislation or because of a shortage in production that makes the tariff effective, would be the tariff itself, and that difference would still exist if we lessened our production so that there was a domestic shortage. In that event the logic of our opponents would unquestionably lead them to advocate a repeal of all agricultural tariffs, because, if they are effective, they would maintain an American price for the American farmer above that which foreign labor has to pay.

OUR OPPONENTS' ARGUMENT

Their contention can only mean that they are opposed to a tariff that works for the farmer. In other words, they advocate for America the same step toward industrialization of the Nation at the expense of agriculture that was taken in England in 1846. And if we continue to drive the farmers from the farm into the city, until there comes a time when the urban population greatly dominates and overwhelms the rural population, and the price of agricultural products is enhanced because of that fact, with lessened production and an increase of consumption, then those in the city having the vote will insist on absolute free trade in our agricultural products, just as they did in England in 1846, and, in my judgment, that is the situation that to-day confronts American agriculture. That is why I plead with my protective tariff friends, whether it be in the East or in the West, to help us solve this agricultural problem, to put agriculture on a sound basis, protect it as we must protect it by the protective tariff, and if the tariff be not

sufficiently protective, then by some other agency that may make the tariff effective.

THE McNARY-HAUGEN THEORY STATED

I am one protectionist who believes that the wheat tariff, for example, was imposed for the express purpose of enabling the farmer to obtain a higher price for his product than that obtained by his foreign competitor in wheat production, the price to equalize the difference between his production costs and those of his competitor abroad. The very object of the tariff is to give the American producer an increased price over his foreign competitor. That was the aim of the McNary bill, for it simply supplemented the tariff, making it effective where-in, because of surplus crops, it would be ineffective. Our opponents frankly admit that it would have this effect, but state that it ought not to be done because it would cause foreign labor to pay more for American crops than American labor would be compelled to pay, and thus subsidize them to that extent.

But our friends are opposed to the aim itself. They say that, if you make the tariff effective for the farmer by legislation of this kind, you will raise the cost of living in this country. But any scheme of any kind that might be adopted to make the tariff effective would do precisely the same thing in an exactly equal degree. Any step, voluntarily taken by the farmer, or induced by governmental aid, that would secure a fair price to the farmer would do exactly the same thing, namely, enhance the price. So what our friends oppose when they raise the cost of living argument is really a profit for the farmer, no matter what causes it or what steps are taken to produce it.

I call attention to the fact that the American Federation of Labor takes no such position. Its representatives testified that they wanted the farmer to get a fair price; that they were satisfied that a great many farmers were not producing their crops at a profit, and that they did not want anyone in the United States to work for less than a living and saving wage. Furthermore, they are aware of the fact that almost 1,000,000 farmers a year are driven from the farms to the cities to compete with labor, thus reducing the number of producers and at the same time enhancing the force that competes with them for their jobs.

FURTHER OPPOSITION

Our friends argue that we should not do anything that will cause our workmen to pay more for what they buy than the foreign workman pays. As an industrial high protectionist I could not without inconsistency support that position. If our friends mean that we are to maintain an industrial organization that can compete for world trade at the expense of our farmers by compelling the farmer to sell at home at the foreign price, then I must part company with them, for I believe that the protective tariff should be made to apply to all phases of American industry alike.

Our friends complain that by this scheme we sell wheat, for instance, abroad cheaper than at home, and that that should not be permitted. But these same gentlemen were advocates of the Edge bill, by which all sorts of industrial concerns are permitted to combine, without being subject to the operations of antitrust laws, for the very purpose of selling their products abroad cheaper than at home. That law is in operation and results in what I believe great good to the country, but if this plan is applied to the products of the factory, why may it not with equal force and equal intelligence be applied to the products of the farm? Undoubtedly it can be and it should be, and this cry of selling abroad cheaper than at home can be set up against almost every industrial institution in the land. Notwithstanding their foresight and their ability and their power to organize and their knowledge of world conditions, the manufacturers of any given product may have a surplus they do sell abroad cheaper than at home in order that they may maintain the integrity of their organizations and keep their factories at work. This is entirely feasible, and should not be objected to by any reasonable man.

Furthermore, our opponents say that if our proposed legislation secures a better price for the farmer it would tend to stimulate production and to reduce consumption. If that be true of the price increase secured under legislation we propose, it is true of any price increase; for instance, one secured by cooperative marketing. The dominant idea in that argument is that there must be no increase in farm income because such an increase would be followed by a corresponding increase in farm production. If this is an argument against our proposed legislation it is also an argument against any attempt to improve farm prices by voluntary action of individual farmers in reducing acreage, or by voluntary efforts of farmers through cooperative marketing.

There is much more reason to become alarmed over the downward trend in agriculture than to fear for its considerable

expansion. You may find food for thought in the fact that wheat acreage in 1925 was 389,000 acres less than it was in 1899, although the population during that period had increased from 74,000,000 to 112,000,000.

As for the effect of price on consumption, I need but state that the figures conclusively prove that the per capita consumption of wheat has decreased 25 per cent during a period when the purchasing power of labor was the highest in the history of the Nation and the exchange value of wheat the lowest. Our opponents say in effect that the American public must get its food at the same price as Europe and Asia, but, with the others who supported the McNary bill, I maintain that the American public is willing to pay the American farmer a protected American price for what he produces, and that is all he demands.

OTHER FALLACIOUS ARGUMENTS

There are those who contend that we should equalize the farmer and the manufacturer by pulling the manufacturer down rather than by lifting the farmer up. The farmer himself might be attracted to that argument of cheaper prices all around, his own included, if he were out of debt. But the incumbrance, which amounted to but \$4,000,000,000 in 1910, had climbed up to \$12,500,000,000 in 1920, and is still higher to-day.

The Census Bureau, which is completing its 1925 farm census, shows that the 17 States whose figures are tabulated have increased their farm mortgage indebtedness \$323,000,000 since 1920 and the value of the mortgaged land in the same time dropped off over \$1,000,000,000, so that the ratio of farm debt to land values had jumped from 28 per cent in 1920 to 43 per cent in 1925.

The farmer is entitled to a chance to pay that debt with a product high in dollar value, and he wants to be equalized up, not down. The remedy proposed by the Senator from South Dakota would, if effective, be equivalent to multiplying the size of the farm debt instead of aiding the farmer to pay it.

I am just as much in favor of adequate legislation to help the farmer as my friends dare be—or as anybody else dare be—because I realize that the one great overwhelming problem that to-day confronts the American people is the rehabilitation of American agriculture in the United States of America.

ANOTHER OBJECTION

Other objectors take the position that the equalization fee proposed in the McNary bill would be passed on to the consumer. In fact, the ultimate increase in price to the consumer would be the tariff, out of which the fee is deducted from the farmer's price. The farmer is entitled to the full benefit of the tariff, and yet he is willing himself to deduct the equalization fee from the amount he is to receive if he sells his product up to the top of the tariff wall. If the farmer could so easily pass on his cost to the consumer, he would not be seeking legislation or artificial means to enable him to obtain a fair price.

There are those who, contrary to all the facts, continue to state that the Government makes some guarantee against loss to the farmers by the provisions of the McNary bill, when, in truth and in fact, there is no guarantee provision whatever in any way.

Those who oppose this measure prophesy increased production and decreased consumption and then wind up with the sweeping statement that, if a plan of this kind can be applied to farm products, why can it not be applied to all other products. The simple truth is that the textile people and the shoe manufacturers have done everything they knew to secure the passage of legislation that fits their particular case, and I think justifiably so. Surely our friends are not serious when they compare such industries, with their accurate control over output and their ability to shut down without continuing high costs or plant disintegration, with the farmers who have none of these advantages.

COOPERATIVE MARKETING

I am a believer in cooperative marketing, but it will be a long time before it can be made to work successfully over the whole country. The number of persons involved, the complexity of details, the difficulty in controlling the members, and the almost insuperable task of agreeing on the subjects to be operated on and the costs of operation all work together to break down the scheme, and this is all the more so when applied to commodities which compete with world markets.

My own thought is, that so far as this plan relates to agriculture, it is purely a marketing one and can not become a production-controlling scheme. On a nation-wide scale its purpose necessarily will be confined to determining when and how to market crops, what crops shall be included, and to prevent speculation, and in what manner the middleman shall be dealt with. When it comes to a national crop that is just ample to supply the home demand, no artifice of any kind is necessary.

The law of supply and demand gives to the producer a profitable return under those conditions, and the object of the McNary plan is to withhold the surplus of any given crop from the market so that the law of supply and demand will operate, but on a higher level—namely, on a level equal with the top of the tariff wall.

This is not price fixing any more than the tariff is price fixing. For instance, we placed a tariff of 30 cents a bushel on wheat, the Tariff Commission found that the difference in the cost of production between this country and Canada is 42 cents a bushel, and the President raised the tariff to 42 cents. There are those among us who maintain that that is price fixing, but it is not, it is simply an effort to control world movement of a particular product so as to give American producers the benefit of higher general prices.

The American agricultural producers know what their own experience is in these respects, and I do not believe that the great body of our agricultural friends expect that the tariff rates will be lowered immediately, knowing just what that means in a legislative body.

ENGLAND'S EXAMPLE

In 1846 English statesmen came to the conclusion that that country could not produce a sufficient food supply for her great industrial population, and therefore adopted a policy of unrestricted free trade in all products of the farm, which policy it has since religiously maintained. The opponents of artificial legislation in this country might do well to consider the English example when they assert that a sufficient number of farmers should leave the farms to render farming profitable to those who remain, for England furnishes a striking example of the fallacy of this argument.

Notwithstanding the great urban population of England, no farmer can make a real living in that country. Notwithstanding his proximity to the great market, he is simply kept out of a profitable business by the cheap products of agriculture that come from all other parts of the world.

The same can happen to us in very large degree. Moreover, it must be remembered that there are now four times as many people who want cheap food as there are people who want high prices for farm products, and as this proportion increases, it will finally mean such a preponderant consuming population that they will vote free trade in agricultural products in order to secure cheaper food, thus subjecting whatever agricultural industry may remain to unlimited imports of farm products from all those countries in which it is so cheaply produced that no farmer in this country can compete and live.

CONCLUSION

Hitherto, our working folk in the city have been perpetually revirilized and revitalized by the working folk from the country. The farm has furnished a good part of the backbone and sinew of the Republic; its moral strength, its conservatism, a check on the frequent and volcanic eruptions of the less staple portion of our people, and it is a wholesome influence in our entire national life. It would be an unspeakable calamity to strike all of this out of our civilization and to abandon utterly all of those strengthening and sustaining virtues that abound on the farm.

Therefore, let us accommodate ourselves to present conditions to the extent of utilizing our national policy in behalf of the farmer as well as in behalf of industry and labor. That is the true American policy. From it we have not departed in the past, and it has brought us to our present unrivaled position among the people of the world. From it we should not depart in the future, and it will lead us to still greater heights of conquest and achievement.

Mr. BROOKHART obtained the floor.

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

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). The clerk will call the roll.

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

Bayard	Edwards	McKellar	Smoot
Bingham	Fess	McLean	Steck
Black	Fletcher	McMaster	Steiwer
Blaine	Frazier	McNary	Stephens
Borah	George	Mayfield	Swanson
Bratton	Gerry	Metcalf	Thomas
Brookhart	Gould	Norris	Trammell
Broussard	Hale	Nye	Tydings
Bruce	Harris	Oddie	Tyson
Capper	Harrison	Overman	Wagner
Caraway	Heflin	Ransdell	Walsh, Mass.
Copeland	Howell	Reed, Pa.	Walsh, Mont.
Couzens	Johnson	Robinson, Ark.	Warren
Curtis	Jones	Robinson, Ind.	Waterman
Cutting	Kendrick	Sackett	Watson
Deneen	King	Sheppard	Willis
Edge	La Follette	Shortridge	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present. The Senator from Iowa will proceed.

Mr. BROOKHART. Mr. President, the discussion of the resolution has taken a broader field than the mere import of the resolution itself would seem to justify. In the latter moments of the discussion by the Senator from Indiana [Mr. WATSON] the question has presented itself in the form of whether or not we shall tear down the industries or raise agriculture up to the level of the prosperity of the industries. I do not hesitate to say that if it were possible to give agriculture the profits which are taken by the Steel Trust, which are taken by the Aluminum Trust, which are taken by the big combinations of capital, I would subscribe to that doctrine. But the Department of Commerce shows that the whole American production increases our national wealth only $5\frac{1}{2}$ per cent a year. All of the work of all of our people, all of the earnings of all our capital, all the increase of property values, the unearned increment, and even the depreciation of the dollar added together from 1912 to 1922, increase our national wealth only by $5\frac{1}{2}$ per cent a year.

Five and one-half per cent, then, is what we have to distribute in our country. That is what we have to divide out to the farmers and to all of the industrial enterprises. When a portion of the industrial enterprises take a greater share than $5\frac{1}{2}$ per cent, somebody else must take less than $5\frac{1}{2}$ per cent or the average would not remain. Therefore it is an absolute impossibility to equalize agriculture with these other things. The excess profits must be brought down.

I have pointed out that 177,000 corporations in the United States have operated at a loss for the last five years, and that loss has been an enormous amount, an average of almost \$2,000,000,000 a year. There is some equalization needed to give prosperity to this large portion, over 40 per cent, of the corporations of the United States, as well as 90 per cent of the farmers of the United States, who are at the verge of bankruptcy at this moment.

Our mortgage indebtedness has enormously increased and our foreclosures of mortgages, which reduced the mortgage indebtedness, have enormously increased. Our land values have declined some \$20,000,000. Everything has gone backward with agriculture and it is impossible to give agriculture equality without transferring some of the profits of the great combinations in our economic arrangement so that agriculture will reap their benefit.

Now let us see about manufacturing as a whole in the United States. Even since deflation there is about \$60,000,000,000 of capital invested in agriculture. There are about 12,000,000 workers on the farms of the United States; that is, men who make a hand on the farm. That does not count the women and children who work the year around on the farms. That \$60,000,000,000 and 12,000,000 of workers produce and have produced during the last five years a gross return or revenue of about \$12,000,000,000.

How is it in manufacturing, in the protected and patented industries? There is about \$40,000,000,000 of capital, in round numbers, invested in manufacturing, perhaps a little more, but not much. There are fewer than 9,000,000 workers in the industries of the United States, 8,778,000 being the exact figures when I last checked them. But this smaller amount of capital and smaller amount of workers, only two-thirds as much capital and only three-fourths as many workers, produces a gross value of \$60,000,000,000.

I might say that the comparison is not exactly fair on these figures because the raw material bill of the manufacturers is greater than the raw material bill of the farmers. But the farmers of the United States must expend 27 per cent of all their production as raw material—that is, feed, seed, work animals and breeding animals, and things that must remain on the farm permanently and continuously—in order to operate the farm.

It would be charged to the raw material account of the manufacturer. But at that there is still a greater percentage of raw material in manufacture, so I deduct \$16,000,000,000 for that item and it still leaves \$44,000,000,000 of production for the manufacturers of the United States as against \$12,000,000,000 for the farmers, and that on two-thirds as much capital with three-fourths as many workers.

What chance for prosperity does the farmer of the United States have, these 12,000,000 farmers with their \$60,000,000,000 of capital, when they bring their products for exchange into these manufactured products and must meet a gross value of five times their own produced by two-thirds as much capital

and three-fourths as many workers? There can be no prosperity under that condition.

The Senator from Indiana [Mr. WATSON] indicated that the cause of the high prices of manufactured products is the high wages of labor. Always when arguing against the position of the farmer the cause of his troubles is figured out to be the high wages of labor. But I added up the wages of the 9,000,000 workers in the industries of the United States, as reported by the Department of Labor, and their whole wages amounted to only about \$11,000,000,000. They receive actually less than 25 per cent of the gross production of the manufacturers of the United States.

I do not attribute all of this high value of manufactures in the United States to the tariff. I only attribute about one-half of the excess profits to the tariff and, perhaps, the other half is due to patent laws. I have tried to figure out a proportion of the causes of this great discrimination against agriculture. I think probably protective industries are only about one-eighth, on my own estimate, and, perhaps, patented industries about another one-eighth. I think that other laws, however, and other acts of Congress have contributed to produce the balance of this great discrimination.

Here we have the transportation act, passed by the Congress of the United States, and that act fixed the value upon the railroads of the United States by operation of law at, in round numbers, \$19,000,000,000 at the moment when they could have been bought on the stock-exchange market for less than \$12,000,000,000, adding \$7,000,000,000 of fictitious value legalized under that transportation law.

Then there was put in the law a guarantee for a return, a command to the Interstate Commerce Commission to allow a return of $5\frac{3}{4}$ per cent upon that fictitious value. Five and three-fourths per cent is more than the American people on an average can produce. If all the production of all this country went to capital alone and labor got none of it, it would amount to only $5\frac{1}{2}$ per cent. With $5\frac{3}{4}$ per cent upon \$19,000,000,000 of value, when the actual value, the market value, is only \$12,000,000,000, it means over 9 per cent upon the actual value of the railroads.

That is one of the items which has produced this discrimination against agriculture in the United States. That is one of the reasons why the farmers of the United States must take 15 or 20 cents a bushel less, and did take 15 or 20 cents a bushel less, for the wheat they produced in this country this year than did the farmers of Canada, all traceable to the difference in freight rates to reach the markets of the world where the price of both productions was fixed.

Again, the Senator from Indiana mentioned the War Finance Corporation which came to the aid of the farmers of the United States. Then we had the Federal reserve bank law enacted by the Congress of the United States. For the purpose of comparison, before the War Finance Corporation and the Federal reserve bank law came along, for 55 years in my State of Iowa we had twice as many banks as the State of Massachusetts, and they operated on less than one-half as much capital per bank as did the banks of Massachusetts.

We had fewer failures than among the banks in the State of Massachusetts. Then we were given the War Finance Corporation to help us out, and a "decoy duck" was placed at the head of it. Then we were given the Federal reserve bank to help us out, and since then our bank failures in Iowa have been eighteen times as many as in the State of Massachusetts.

I think, perhaps, about 10 or 15 per cent of our trouble is due to excess railroad rates. I think 60 or 65 per cent of the present situation is due to that manipulation of credits in the Federal reserve bank which caused the deflation of the farmers of the United States, and then the high cost of credits which compels the farmer to pay a high rate of interest for his bank loans while speculation in New York gets almost \$4,000,000,000 at this moment at 4 per cent interest. Added to the tariff, added to the patent laws, those things have produced this great discrimination against agriculture. But, as I have stated, $12\frac{1}{2}$ per cent of our trouble is due to the excess profits charged the farmer for what he buys because of exorbitant tariff schedules. Therefore in order to equalize this discrimination I stand for a reduction of those tariff schedules.

I believe also that some of the farm schedules are too low. There is a rule which is accepted, at least by all factions of the Republican Party, as the basis for tariff schedules, and that is the difference in cost of production at home and abroad. I do not believe that rule has been followed in any reasonable degree whatsoever. I think that failure to follow it has produced the excess profits that have piled up the millions, indeed the billions of dollars of stock dividends in the United States.

All of that has put a charge upon agriculture that it can not bear.

I think that is the direct issue involved in the pending resolution here to-day. I think it is important to the extent, at least, of 12½ per cent of the farmer's trouble that we reduce the tariff schedules and thereby reduce the excess profits which the farmer must pay.

If along with that we find that there are five or six hundred million dollars worth of agricultural products imported into the United States free—as there are—and a large part of those products could be produced at a reasonable cost in the United States, it is only just and reasonable that tariff duties be imposed in order to protect those farm products.

Take the rate on wheat, for instance, which is 42 cents a bushel at this time. The duty has been raised to that amount; the President has exercised his authority in regard to wheat, and has raised the duty to 42 cents. However, there is a 20-cent difference, or about that, in freight rates to reach the foreign market from the points of production in the United States, our freight rates being that much greater than the freight rates in Canada. Therefore one-half, or about that, of the tariff protection is at once nullified by the high railroad rates in the United States. I think all agricultural products are suffering from a like discrimination in railroad rates. I think everywhere that is true. It is proven in the case of wheat because we have the parallel markets on opposite sides of the Canadian line that prove it beyond question. It is further proven by the fact that the discrimination in wheat prices at Winnipeg and at Minneapolis prior to the 12th of September was about 12 or 15 cents a bushel in favor of Winnipeg, but since the 12th of September the price of wheat has jumped to 20 or 25 cents a bushel more at Winnipeg than at Minneapolis.

What happened on the 12th of September? On that date the Canadian Railway Commission, in one of the most comprehensive decisions ever handed down in any country, reduced the railroad rates on wheat 8 or 10 cents a bushel. Immediately the wheat in Canada advanced by about that amount, and the spread became about that much greater between the Canadian price and the American price.

Mr. President, this situation must be met not by a fight at one point along the line but by a fight all along the line. I am in this fight for agriculture against every excess profit in industry that agriculture is compelled to pay because of tariff schedules; against every excess profit in industry that agriculture is compelled to pay because of patent laws; against every excess interest charge that agriculture is compelled to pay because of banking laws and a banking system which gives a low rate of interest to stock speculators, while agriculture must pay high rates; against every excess charge that agriculture must pay in railroad rates that are fixed by a law of the Congress of the United States.

The Republican Party promised agriculture equality. Its platform is too plain to doubt its construction. What has become of that promise? Even the Senator from Indiana [Mr. WARSON], who defends the Republican organization, right or wrong, admitted that that pledge had not been kept. Almost four years have now passed, and the Republican machine wants to continue the matter over until after another election, to make another pledge that will get the farmer vote, and then the present situation can be safely continued for another four years.

Unless it keeps its pledges the Republican Party ought to be defeated in the next election. I shall vote for the pending resolution. I shall vote to remove this tariff inequality, and I shall vote to remove every one of these inequalities against agriculture.

Equality is the basic principle of Americanism; it was written into the Declaration of Independence in the beginning; but it has been nullified by selfish interests throughout all our history. The time has come when inequality has grown so great against agriculture that it stands out to-day as the greatest problem of our Republic save and except the problem of human slavery.

TRADE BARRIERS AND CUSTOMS DUTIES

Mr. ROBINSON of Arkansas. Mr. President, I desire to ask leave to have printed in the RECORD an address recently delivered by Mr. Norman H. Davis on the subject of trade barriers and customs duties.

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

Artificial restraints on international commerce are not new. Governments have always claimed that it was an undisputed prerogative of sovereignty to establish the terms on which aliens could trade within or across their frontiers. The Moorish corsairs of El Tarifa, near

Gibraltar, levying a tax on all commerce through the straits, gave their name to a practice which was very, very old.

In modern times tariffs have been imposed not only to raise revenue, but to protect home industry from foreign competition. Theoretically, such "protection" is a subsidy to local producers, which must be paid for in higher prices by local consumers. There are, however, great practical difficulties in reaching any definite appraisal of the amount of this subsidy, who pays it, and the effect on the economic life of the nation.

The prosperity or adversity of a country is due to multiple and complex causes, of which tariff policy is only one. The size of the home market; the natural resources; the type and industrial fitness of the population are considerations at least equally, if not more important. It is difficult to prove whether any country is prosperous because of or in spite of high protection. The three countries to-day with the highest tariff levels are the United States, Spain, and Russia. The standard of living varies greatly in these countries. Obviously, a high tariff does not suffice to bring prosperity to a country which is poor in natural resources, like Spain, or torn by revolution, like Russia.

In the years immediately preceding the war there was a tendency toward increasing protection. Great Britain alone of the industrial nations believed that its prosperity was enhanced by free trade.

II. POSTWAR

After the destruction of capital, the loss of man power, the long interruption of normal production, the obvious impoverishment, caused by the World War, it would seem that long-visioned, broad-minded selfishness would have dictated a policy of closer cooperation between the nations. Only by cultivating existing markets and opening up new ones, by stimulating production, by freeing economic life of its trammels, could the loss be speedily made good. But almost without exception the nations took the other course. Old trading units, like the Austrian and Russian Empires, were broken up not only politically but economically. The 5,000 miles of new frontiers became so many more barriers to the free exchange of commodities. Two fallacies—now generally recognized as fallacies—stimulated this movement. First, many believed that they could best achieve prosperity at the expense of others, and that the more they penalized or blocked the trade of their neighbors, the more they would profit. It is pretty generally recognized to-day that no nation can long prosper in the midst of bankruptcy. The lowering of prosperity, which comes from general blockade can not be compensated for by protective tariffs. And, secondly, the wave of political "nationalism" which swept over Europe—especially in the Near East, where new nations had won their long-desired independence—inevitably became economic nationalism as well. Despite the fact that all the trend of our day is toward increasing economic interdependence, the fallacy of "self-contained nationalism" has had a great following. The general staffs became high protectionists, insisting that all the key industries of war supplies should be built up at home.

We can picture the confusion by suggesting that the militia of each of our 48 States insist on having their Army motor cars built in their own State and be able to impose interstate tariffs which would make it possible for agricultural States to build automobiles in competition with established industrial centers.

This "economic nationalism" meant adding the waste of duplication to the impoverishment of war. New plants, built where they could not be economically operated, were kept alive by high tariffs. Old plants, which had grown up naturally near fuel or power and raw material, lost their markets as a result of these tariff walls, and so forced to close down, threw new brigades and army corps into the ranks of the unemployed, which lowered the level of living and the general purchasing power.

Not content with formal and declared tariff war, many nations sought even greater "protection" by embargoes, import and export prohibitions, juggling with terminology in the tariff schedules, complications in customs formalities, which further impeded transfrontier trade. The attack on competitive foreign commerce is often veiled, sometimes taking the form of "sanitary regulations." All sorts of ingenious tricks have been tried to beat the axiom that "You can not sell abroad unless you buy abroad."

The raising of tariff barriers was also stimulated by the fluctuation and depreciation of currency. As currencies fell in some countries tariff walls rose in others as a protection against an influx of cheap goods from the areas of cheap currency. These protective measures were deemed necessary to safeguard home industries, but the closing of markets to the goods of the countries suffering from currency depreciation made it more difficult for them to cure their exchange and currency troubles. Nevertheless currencies have now been stabilized or gotten within control, but the barriers which were raised against unstable currencies still remain and hamper commerce after the reason for their erection has disappeared.

Tariff revisions have been frequent and almost always upward. Inevitably it is cumulative, for it invites retaliation. If A could raise its own tariffs and persuade the rest of the alphabet to lower theirs, A might gain. But this is not human nature. B, C, D, and Z raise theirs in retaliation and the hoped-for gains prove illusions. As it

becomes apparent that the profits of this policy of erecting barriers to trade are less than anticipated—that it defeats its own purpose—the losses which all suffer from the slowing down of commerce become even more apparent.

The policy of protection means, in the long run, the sacrifice of the foreign market for the home market. The tendency toward mass production, the outstanding development of our economic era, demands mass consumption, the largest possible market. An equally important fact of our day is the increasing complexity of industry—mass production is not possible without access to all sorts of raw material. Major industries gather their raw material from the four corners of the earth. A country like our own, with its vast continental area—the largest free-trade area in the world—furnishing the greatest part of its basic raw materials, consuming nine-tenths of its production, has been able to pursue a policy which subordinates the foreign market. Nature has been very bountiful to us. Within limits—as yet undetermined—we can live on our own fat, but we are reaching out more and more for raw materials from abroad; our home market is already becoming too small; and we must have additional outlets for our surplus products and wealth.

The typical country of Europe is small—relatively few consumers at home. It is lean—poor in raw material. It lacks the resources and markets essential for economic units of production and distribution. It can not afford the luxury of a policy of economic nationalism.

III. THE GENEVA CONFERENCE

The business men of Europe have been seeing with more and more alarm the disastrous results of "economic nationalism" and its accompanying tendency to ever-increasing artificial interference in trade. Uneasiness was being expressed by chambers of commerce everywhere. And in May, 1927, there gathered at Geneva the World Economic Conference. Much valuable spade work had already been done by the preparatory commission and by the economic section of the League of Nations. The information which was given us, in a series of pamphlets, furnished a remarkably comprehensive picture of present economic conditions. Men from every country, men from every special industry could see how their individual problems fitted into the general picture. Viewing the whole in proper perspective, all could see larger significance in the details, with which they were familiar. This matter of tariffs was discussed not from the viewpoint of any particular manufacturer and his possibly selfish interests but from the international viewpoint—from the viewpoint of the prosperity of all, the viewpoint of the common weal.

Approaching the problem from this angle it was at once obvious that, while the determination of fiscal policy is a matter of domestic jurisdiction, it is a matter of more than domestic concern. The world has become so interdependent in its economic life that measures adopted by one nation affect the prosperity of others. No nation can afford to exercise its rights of sovereignty without consideration of the effects on others. National selfishness invites international retaliation. The units of the world's economy must work together or rot separately.

The Economic Conference made no attempt to determine an ideal tariff level—to settle the old controversy between protection and free trade, between high and low tariff. No attempt was made to tell any nation what it should do.

The conference, however, did reach certain very definite conclusions—unanimously. I do not have to remind you of the composition of the conference. There were industrialists, bankers, economists, agriculturists, and laborers. It was an authoritative body of experts in the matter as was ever convened to discuss economic questions. They were unanimous in favor of simplification of customs terminology and formalities; they recommended universal adherence to the unconditional most favored nation principle; they condemned all veiled and indirect methods of increasing the barriers of trade; they pointed out emphatically the difficulties of frequent alterations in schedules. And they agreed that further heightening of the barriers would be disastrous, that the time had come to take the other direction and reduce them.

The conference was not composed of official governmental representatives. It did not have "power" to bind anybody. But that it expressed the considered convictions of the business world is, I think, proved by the cordial and unanimous indorsement of its findings by the Congress of the International Chamber of Commerce at Stockholm. Even more encouraging is the news that its resolutions have been formally indorsed by the following governments: Germany, Holland, Belgium, Czechoslovakia, Austria, and the Scandinavian countries.

IV. ARMAMENTS

It is impossible to study the question of reducing these artificial "restraints to trade," without being reminded of the very similar problem of the reduction of armaments. In one case, as in the other, the matter comes directly under the sovereign rights of the nations. Any country has a right to build up the military establishment it desires. Any nation has the right to erect such barriers against international commerce as it thinks will serve its interests. But in both cases the free and uncoordinated exercise of this right has caused great economic burdens and universal embarrassment. In both cases any step taken

by one nation to protect its own interests is immediately rendered inadequate by the retaliatory action of others.

It is, I believe, generally conceded that the only hope for the reduction of the burdens and dangers of excessive armaments is through some form of international agreement. I submit that this is also the only method by which we can find sufficient relief from these excessive barriers to trade. International agreement means negotiation, consideration of the others' situation and needs, and mutual concessions.

If each government is to continue, as has been the custom in the past, to fix its customs policy, its military program, as an isolated, individual act of sovereignty, without thought of the repercussion on other countries, the pyramiding of tariffs, the piling up of armaments, is inevitable. We can hope for relief—in the one problem as in the other—only by the method of give-and-take cooperation, by taking the friendly, considerate, and broad view.

V. AMERICA'S PART

When we come finally to the consideration of America's relation to this problem we must answer two questions. First, Are we sufficiently interested to do anything about it? Secondly, If so, what?

Clearly we have stood in a special position, not so much because of distance—the Lindberghs are constantly reducing that—as because of our structure. International trade has not in the past been as important to us as it is to many European countries, but our export trade, while small in comparison to our domestic trade, is rapidly growing in volume and importance, and with the possible exception of Great Britain is now greater than that of any other nation. At present it is largely based on credit supplied by our investors. Purchasers of our products come to us because we have a practical monopoly of the credit they need. We have thus been able to sell our surpluses and let our foreign customers and debtors worry about the trade barriers, but that can not continue indefinitely.

While I am not a protectionist, I recognize that, with the exception of agriculture, our country has been generally prosperous under a high protective tariff, as it has also been under a tariff for revenue only; and I admit that our consumers have been able to absorb, without apparent detriment to our economic life, the cost of tariff subsidies. We have, however, now changed from a debtor to a creditor Nation, which must alter the effect of our tariff upon our economic life and that of other nations. The real test of our tariff policy will come from the need of additional markets and the necessity to safeguard and recover our foreign loans and investments.

Whatever our differences of opinion about our own tariff policy, I find little dissent from the proposition that Europe can not regain its prosperity unless action is taken to reduce these trade barriers—as recommended by the Economic Conference at Geneva.

Mr. Henry M. Robinson, speaking for the entire American delegation at the Geneva Economic Conference, answered the first question. "Our own experience," he said, "has taught us to consider 'prosperity' as a whole. No industry lives healthily in a period of general depression and instability. No nation can enjoy its full economic activity unless other nations are prosperous. The American people are profoundly interested in the peace and prosperity of Europe."

There is one other point which I submit for your consideration. We, as the growing creditor of Europe, have an added reason to desire the restoration and increase of its prosperity. If we are to continue to lend money to Europe, if we are to be repaid on existing credits, it is to our interest to do all in our power to help Europe in her effort to free herself from this throttling, smothering tangle of artificial trade barriers.

With our increased efficiency, through labor-saving devices and mass production, we have raised our standards of living and our purchasing powers above that of any other country. Instead of being at a disadvantage in competing with Europe, as was formerly supposed to be the case, because of the low wage and standard of living in Europe, it is becoming increasingly evident that Europe is at a disadvantage in competing with us just because of their low wages and low standards of living which reduce their efficiency, their earnings, their purchasing power, and their consumption.

The second question, "What can we do?" remains to be answered. There is unanimous feeling among our citizens that the results of recent cuts in direct taxation have been beneficial. I suggest that a cut in indirect taxation would have an equally beneficial result in our national economy. It would be even more popular, for whereas direct taxation falls mostly on the more prosperous few, indirect taxation bears on all. But it is especially because of its effect on the international problem that I advocate it at this moment.

The experts gathered at the Geneva Conference and the leading business interests represented in the International Chamber of Commerce have expressed the conviction that the removal of barriers which unduly hamper trade would promote the prosperity of all the world. A 10 per cent reduction of all of our tariff schedules would be a wise and effective way to set an example in a policy of removing such barriers. It would not work a hardship upon any of our efficient industries, and it would bring relief to many of our people. It would also

have an enormous effect upon opinion throughout the world and encourage the adoption of policies which would make the world more peaceful and more prosperous.

ADDRESS BY SENATOR BRUCE ON THE EIGHTEENTH AMENDMENT

Mr. EDWARDS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered at the University of Virginia on August 18, 1927, on the eighteenth amendment, by the Senator from Maryland, Hon. WILLIAM CABELL BRUCE.

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

Senator BRUCE. In discussing the eighteenth amendment the first thing that we should dismiss from our minds is the idea that it is such a hallowed thing that to question its expediency justly subjects the person, guilty of such sacrilege, to the reproach of nullification (to borrow a much-abused word from the vocabulary of prohibition). Such an idea, of course, is mere political claptrap, or else but another suggestion of the distempered fanaticism which, as some one has wittily said, seems to regard the Federal Constitution, aside from the eighteenth amendment, as but a preamble to that amendment. There is no peculiar odor of sanctity, so far as I can detect, about the eighteenth amendment; only the strong, rank smell of illicit abuses, bred by a largely unselfish but altogether fatuous effort to make another man of man. To be sure, save under circumstances wholly exceptional, all laws are entitled to obedience so long as they remain on the statute book. Until they are amended or repealed it is the duty of the executive, the judge, the jurymen, the prosecuting attorney, and every other official servitor of the law faithfully to do his best to secure their enforcement, and if the citizen violates them he must not expect to escape their penalties. But all laws, nevertheless, whether they assume the form of constitutional or statutory mandates, are but tentative expressions of the popular will. Otherwise, there would be no such thing as an amended or abrogated law. As it is, laws, I hardly need say, are very frequently amended, and not infrequently revoked by Congress and our State legislatures. Like pots, they can sometimes be tinkered in such a way as to be made more serviceable; and sometimes their mischievousness or inutility is so thoroughly established by experience that there is nothing left to do except to consign them, like pots too worthless for tinkering, to the waste heap. The provisions of our Federal Constitution and State constitutions are not so often amended or repealed because they usually prescribe rules of conduct far more fundamental and axiomatic than those prescribed by statutory law; but they, too, at times have to be changed to meet the political, social, and economic changes of a growing human society or to retrieve blunders made in hours of popular error, passion, or hysteria. One thing is certain. Only a very small part of a real, respected law is found in print. Far the greater part of every such law resides in the unwritten code of public opinion. In other words, all truly efficacious measures are enacted by nature and reason rather than by legislative bodies. Like a man, a law to be respected must be respectable. It must be in keeping with the settled sentiments and impulses of human nature, the sober processes of human reasoning, and the ripe instruction of human experience. If it is lacking in these essentials, it is only that most futile and despicable thing, a law without a moral sanction; and its deficiency in that respect can never be made good by any mere legal sanctions, however rigorously punitive. Every effort to enforce such a law simply demonstrates the truth of Edmund Burke's saying that bad laws are the worst sort of tyranny.

To illustrate the soundness of these propositions it is not necessary to resort to statutory law. We need only turn to the instrument of which the eighteenth amendment is a part. In its provisions relating to the Electoral College we have an example of the atrophy that is likely to overtake even a constitutional requirement that does not fully harmonize with the political genius of a people. It was the intent of the framers of the Federal Constitution that the members of the Electoral College should exercise their own discretion in the election of a President, and the inspiration of this intent was the belief that the selection of a President could be more safely committed to a comparatively small body of representative and intelligent men than to the whole mass of the voters. Yet, as we know, presidential electors have become the mere dummies of the two great national parties, and submissively name as President whomsoever may be designated for the office of President by the party to which the majority of the electors belong. In effect, in this instance, the Federal Constitution has simply been nullified by public opinion. In the history of the Federal Constitution is also found an example of the impotence of constitutional provisions which have become deeply repugnant to the moral progress of humanity. Despite the guaranties originally created by the Federal Constitution for the security of the institution of slavery, and but for which it would never have been adopted, the time came when the hostility of legislatures and courts in the free States to slavery made it impossible for the slaveholding States to enforce those guaranties. In the Federal Constitution is also found an example of the paralysis that ultimately creeps over every irrational and unnatural effort under constitutional forms to

accomplish an object not approved by the human reason. All that law could do to place the southern slave on a footing of political equality with his master was embodied in the fourteenth and fifteenth amendments, but, by one ingenious artifice or another, suggested by the instinct of self-preservation, these provisions of the Federal Constitution have been reduced to what Grover Cleveland once happily termed "innocuous desuetude." Surely I need no better proofs than these three examples, which I have drawn from the history of the Federal Constitution itself, to show that, no matter how solemnly or sternly a provision of the Federal Constitution, whether sumptuary in its nature or not, may be framed, it will, if out of accord with the profounder political intuitions, the moral sentiments, or the reasoned conclusions of those upon whom it operates, sooner or later, unless repealed or modified, as it should be, become dormant or despised.

Just such a law as the fourteenth and fifteenth amendments, which sought, in defiance of all sane thinking, to impose ignorant negro suffrage on the southern body politic, is the eighteenth amendment, which declares that the use of intoxicating liquors for beverage purposes is a criminal thing per se, at all times and under all circumstances. It falls within the scope of that other saying of Edmund Burke, as profound as it was passionate: "Never, no never, did nature say one thing and wisdom say another!" It is a violation of human nature; it is an affront to the human reason; it is a gross invasion of personal liberty; and, despite all the crime and misery that has resulted from strong drink, it can justly be pronounced a totally arbitrary and unreasonable incubus upon the generous and joyous side of human existence. In fine, it is a law without a moral sanction.

Assuming this to be so, how childish is the thought that the millions of human beings in the United States, who desire the repeal or modification of the eighteenth amendment, are under any obligation to refrain from expressing their honest opinion of it, or from doing anything in their power lawfully to bring its blighting, demoralizing, and corrupting influence to an end!

As I see it, the prohibition, initiated by the eighteenth amendment, has, as I have frequently affirmed, proved a disastrous, tragic failure. It is hard to imagine anything valuer than prohibition which does not prohibit; and yet this is just the kind of prohibition which has distinguished the practical workings of the Volstead Act. So far from the truth is the claim of the Anti-Saloon League that the Federal Government has been insincere or listless in its efforts to enforce that act that it can be confidently asserted that rarely in human history has any other government ever striven so faithfully and persistently to enforce a law, in the teeth of a vast volume of hostile public opinion. Congress has exhibited a readiness, little short of abject servility, to enact any legislation that the Anti-Saloon League has asked it to enact; notwithstanding the fact that many members of that body, and, among them, some who are most conspicuously subservient to the league, are but poor exemplars in their personal habits of the principle of total abstinence. Indeed, a docile bull, led about by the nose, is no mean illustration of the extent to which Congress has, for many years, resigned itself to the guiding hand of the league. Even the sedate and self-satisfied Senate, which has always been so reluctant to apply its cloture rule to protracted debate, applied it at the last session of Congress to the discussion of the prohibition reorganization bill, in which the league was so deeply interested, almost before one could say "Jack Robinson." So far as I know, not even Wayne B. Wheeler, the late general counsel of the league, quick as he is to sniff out official misconduct, in connection with the Volstead Act, has ever found fault with the spirit of dispassionate construction that the Supreme Court of the United States has brought to bear upon the interpretation of the eighteenth amendment and the Volstead Act. Nor, so far as I know, is any Federal judge justly chargeable with official faithlessness in the application of the Volstead Act; though it is fair to assume that some of our Federal judges must have felt at times, when scores of helpless wretches were passing through their courts in transit from the undergraduate school of artificial crime to the postgraduate school of real crime, as if the legislative mind had been caught up in the grasp of some kind of mad medieval superstition. Equally conscientious has been the official conduct of the higher executive officers of the Federal Government in the performance of the obligations that they owed to the Volstead Act.

No more convincing proof of the unenforceability of that act can be cited than the fact that even such an honorable, courageous, and intelligent administrator as Gen. Lincoln C. Andrews, the recent Assistant Secretary of the Treasury, was unable to enforce it; and this, despite the fact that, true to his military training, he even sought by the appointment of professional soldiers as his assistants to convert ordinary prohibition raids into something closely akin to military dragoonades. Nor should I fail to mention the frequent reorganizations that prohibition enforcement has undergone in the sincere effort of its directors, like a fevered patient, seeking a cool place by shifting restlessly from one side of his bed to the other, to find some scheme of operations equal to the task of checkmating the bootlegger and his patrons. Neither should I fail to mention the extent to which the Coast Guard has been diverted from its old function of saving human life to the function of running down rum pirates, the costly vessels that

have been added to its fleet by new construction or transfers from the Navy, and the vast and ever-mounting sums that have been appropriated annually by Congress for the enforcement of the Volstead Act, and that now, it is safe to say, aggregate not less than \$30,000,000 per annum, to say nothing of the sums that are expended in the enforcement of the same law by all the States of the Union, except New York and Maryland, which have wisely washed their hands, as they had a clear constitutional right to do, of the whole dirty business.

So far as I can discern, the only respect in which the Federal Government has been slack in enforcing the Volstead Act has been in declining to comply with the request of the Anti-Saloon League that it use its Army and Navy also as instruments for prohibition enforcement. But as to that, it is, I think, but just to the Government to say that, while to the mind of Wayne B. Wheeler there may be no distinction of any sort to be taken between agencies for combating German kaisers and agencies for combating rum kings, this is not the case so far as the discriminating portion of the American public is concerned.

For my present purposes, it is enough to say that, earnestly as the higher officials of the Federal Government have endeavored to make prohibition a practical reality, they have not succeeded in doing so. Before the adoption of the eighteenth amendment, it was a common saying that, no matter how far short our States and cities might fall of enforcing their laws or ordinances, the Federal Government always enforced its laws; but now that it has undertaken to cope with a natural appetite, old as the Blue Ridge, and only less imperious than hunger, it has more than met its match. The recent discovery of a wine jar at Tell-en-Nashe shows that men were drinking 600 years before Christ, and it is safe to say that they will be drinking 600 years after the advent of the Messiah. This country has been engaged in not a few wars. It has had its war with Great Britain, its war with Mexico, its Civil War, and its war with Germany, but the most desperate war in which it has ever been involved is that which it is now waging on human nature. One combatant is a physical want which has been felt and gratified by men since man was a primeval being, with the sun and the stars about him, and the other is a government which, powerful as it is, is not powerful enough to enforce a law intrinsically devoid of moral authority. When the Volstead Act took effect in January, 1920, there was for a time a marked decline in the consumption of liquor in the United States. This fact was due partly to the dejection to which the opponents of prohibition were temporarily reduced by defeat, and partly to the disposition of conscientious citizenship to give a new law a fair trial; but it was mainly due to the fact that an entire liquor underworld could not be organized overnight. But one was organized, and with an amazing degree of rapidity.

By 1921 the river of strong drink was flowing underground with almost as full a flood as it had ever flowed above ground. Whisky and other liquors were smuggled in vast quantities into the United States from abroad by way of Canada, Mexico, Cuba, and the Bahamas and in smaller quantities from the Bermudas and not a few of the West Indian islands, besides Cuba and the Bahamas. Even such small and barren rocks as the French islands of St. Pierre and Miquelon on the southwest coast of Newfoundland became important forwarding points for a bustling contraband trade; and from a paper, contributed to the Saturday Evening Post of October 2, 1926, by Maj. Walton A. Green, chief prohibition investigator, we learn that the Bahamas, a group of scattered coral reefs, with a population of only 53,000 persons, mainly negroes, were collecting annually at that time from its bootlegging exporters a customs revenue of around \$3,500,000. Illicit stills shot up like mushrooms, after a mellow shower, in swamps, in mountain fastnesses, in dense thickets, on river craft, in attics, in basements, in garages, in warehouses, in office buildings, even in caves and other underground retreats. Besides, thousands of householders, who had never made a drop of spirits, wine, or beer in their lives, availing themselves of the fact that the arts of distillation and fermentation are among the simplest of all arts, turned to the practice of manufacturing home brew in their own homes from peaches, from cherries, from blackberries, from elderberries, from the dandelion, and, above all, from corn sugar, the grape, and the materials that enter into beer. Indeed, home brewing soon became such an important branch of domestic industry that one began to ask himself whether the resuscitation of the handloom and the spinning wheel was not also at hand. From that time until the present hour the Federal Government has been in active and untiring pursuit of the protean rum devil. So far there is very little to justify the belief that it will ever catch up with him. Repelled from the front door of the American Continent, he slips around to its back door. Driven from the sea, he meets the deficiency in his wares, caused by that fact, by setting up more stills, diverting more industrial alcohol, and practicing more of other sorts of frauds on the Volstead Act. If he were cut off from these resources, it is easy to imagine him donning the white apron of a good housewife and giving a still greater stimulus to the expansion of vineyard acreage and the sale of corn sugar and wine grapes. It is true that with the aid of its immense flotilla of some 285 rum-chasing vessels of all sorts the Coast Guard has succeeded in mak-

ing the smuggling of liquor into this country by sea more difficult. Whole fleets of rum runners no longer hover close to our Atlantic and Pacific seaboard, but the recent capture from time to time off those seaboard of enormously valuable cargoes of liquor is evidence enough that the cargoes of some rum runners would not be caught in the Coast Guard net if many more did not slip through. Be this as it may, so far as the level of drink has been lowered by the interception of liquor on its way by sea to our Atlantic and Pacific seaboard, it has been promptly restored, as General Andrews himself has recognized, by a quickened inflow from Canada and a quickened outflow from our own many illicit sources of domestic supply. And what if the Government were successful in suppressing all smuggled and moonshine liquor as well as all other liquor derived from commercial sources? Unless it were to abandon completely its crackbrained idea that all drink, whether made by the commercial distiller, fermenter, or brewer for sale, or by the Government itself, or by some good, virtuous matron in her own home for domestic use, is an iniquitous and shameful thing, its troubles would just begin, for anyone who has wit enough to buy the proper container and to express and ferment a little fruit juice can manufacture an agreeable beverage with a satisfactory alcoholic content.

In the event that I have suggested all who desired drink would simply make it in their own homes, and then if the Government ventured to enter these homes more freely than it has yet dared to do, perhaps, it is not unlikely that so much disorder and bloodshed would follow that even Congress might recall the noble utterance of the renowned orator and statesman, Lord Chatham, whose name is so intimately associated with the history of American liberty, "The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter; but the King of England can not enter." The full import of these stirring words came home to me a few months ago, when I read a newspaper account of an incident that had just taken place in the State of Ohio. A prohibition agent broke into a private house, and when asked by its occupant why he did so, replied, "It is none of your damned business," whereupon the occupant, who was afterwards acquitted by a jury, shot him dead. From such an incident as this, which was marked by only one of many prohibition outrages, it is fair to infer that if the Federal Government were to lay aside its present scruples and freely to enter private homes for the purpose of arresting and punishing their inmates for manufacturing a little drink for domestic use, it might staunch the flow of some kinds of liquor, but would certainly set not a little red liquor of another kind to flowing. In a recent report Donald D. Conn, the managing director of the California Vineyardists Association, states that during the past five years they had witnessed a development in grape acreage and production unprecedented in the history of any perishable commodity. When the Volstead Act went into effect one of the vine growers of California, believing that his business was doomed, took his own life. How the heart of the poor fellow would have been cheered if he could only have foreseen that the grape production of California would rise from 671,626 tons in 1918 to 1,019,000 tons in 1926!

In maintaining the proposition that prohibition does not prohibit I will not try to delve too deeply into statistics, for in that Serboman bog armies whole of prohibitionists and antiprohibitionists have sunk. It is sufficient for me on this occasion to note the steady increase in convictions for violations of the Volstead Act, seizure of illicit stilleries, stills, still worms, and fermenters, and commitments for violations of the Volstead Act to Federal penitentiaries and State institutions for the care of Federal prisoners, and in arrests for drunkenness, which have taken place since the effective date of the Volstead Act, January 17, 1920. In 1921 the first full year of national prohibition, 17,962 persons were convicted in the Federal courts of violations of the Volstead Act, and in 1926 no less than 44,022. In 1921 there were 95,933 seizures by Federal agents of illicit stilleries, stills, still worms, and fermenters, and in 1926 not less than 161,979. In 1922 there were 97 commitments for violations of the Volstead Act to Federal penitentiaries and State institutions for the care of Federal prisoners, and in 1926 not less than 1,837. By personal application, before April 5 of last year, to the chiefs of police of 36 of the leading cities of the Union, including Chicago, where drink cases are merged in disorderly conduct cases, I ascertained that the aggregate number of arrests in these cities in 1921 for drunkenness was 209,664, and in 1925 not less than 407,032. Later the Moderation League, a civic association of the highest standing, published tables of arrests for drunkenness made after the effective date of the Volstead Act, down to January 1, 1926, by the police departments of 564 cities and towns of the United States.

The president of the league was Austen G. Fox, the well-known New York lawyer, and its research director was Stanley Shirk. Among its directors were Newcomb Carlton, the president of the Western Union Telegraph Co.; William N. Dykman, president of the New York State Bar Association; the Right Rev. Charles Fiske, bishop of central New York; Haley Fiske, president of the Metropolitan Life Insurance Co.; Alexander C. Humphreys, president of Stevens University; Charles A. Peabody, president of the Mutual Life Insurance Co.; William Barclay Parsons, president of the board of trustees of Columbia University; William C. Redfield, the former Secretary of Commerce; Henry S.

Pritchett, president of the Carnegie Foundation for the Advancement of Teaching, and former president of the Massachusetts Institute of Technology; Ellihu Root, the celebrated lawyer and statesman; and Dr. William H. Welch, the celebrated Johns Hopkins pathologist. According to the tables of the league, drunkenness increased almost twice as fast in the United States in 1925 as in 1924. More specifically, in the 564 cities and towns tabulated by the league arrests for drunkenness in 1924 were 21,000 in excess of the arrests for that offense in 1923, and in 1925, 36,241 in excess of the arrests for that offense in 1924. In 384 of the 564 cities and towns, such arrests in 1925 were even more numerous than in 1914, when some of the States still licensed saloons and others were under State prohibition or local option. Especially significant is the fact, brought out by the league, that conditions in the former so-called "dry" States were worse, as compared with 1914, than conditions in the so-called "wet" States. One of the most noteworthy facts established by the study of the league and my own study is the fact that Gen. Lincoln C. Andrews was quite correct when, as Assistant Secretary of the Treasury, he declared a year or so ago that the bootleg industry is coextensive with our entire country. It, at any rate, is one thing in American life which has no tinge of sectionalism about it. There has been much discussion as to what should be our national flower. Let me suggest the dandelion. Even when one speaks of the "dry West" he should be understood as limiting that adjective to its alkali deserts, and even the "dry South" belongs to the province of dry humor rather than to that of statistical verity. In an editorial last year the New York Times called attention to the fact that Federal prohibition agents had found in 1925 thirty-five times as many stills in Montana in proportion to population as they had in New York; and about the same time it also called attention to the fact that in proportion to population arrests for drunkenness in Pocatello, Idaho, had been ten times as numerous as in the city of New York; and in Twin Falls, Idaho, nearly five times as numerous. It is quite startling that a little provincial home of purity and peace like Pocatello should have a thirst ten times as urgent as that of a great cosmopolitan Babylon like New York. Of course, the State of New York obtains its supply of liquor largely from big smugglers, and Montana doubtless obtains its supply largely from small-scale moonshiners. My intent is merely to make the point that no matter how the several States of the Union get their liquor, somehow or other they all get it in one way or another. The West is undeniably a sinner as well as the East; nor is the South by any means a saint, to put it very, very mildly. Of the illicit plants and agencies seized by the Federal Prohibition Unit in 1925, 70 per cent were seized in the theoretically dry States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. More distilleries and fermenters were seized in Georgia during the fiscal year 1925 than in any other State of the Union.

Last year I received newspaper clippings from quite a number of citizens of Atlanta, Ga., showing that more persons had been brought into the police stations of that city for being drunk on the Easter Sunday of that year than had ever been brought into them on any previous day in its history. In a letter last year to the Hon. W. D. Upshaw, the Member of Congress from Georgia, M. B. Wellborn, of the Federal Reserve Bank of Atlanta, said: "I may say that, from what I can learn, drinking is almost universal not only in Atlanta but in every town in Georgia, and throughout the South"; and Georgia is by no means the only southern offender. It is simply keeping up its reputation as the Empire State of the South in drink, as well as in everything else. Last May Judge W. W. McCrory, of the district court of San Antonio, Tex., was reported as saying: "If everybody in Texas who violates the prohibition law were really convicted, just about everybody in the State, except the preachers, would be in our penitentiaries." Last year Ben. C. Sharpe, the Federal prohibition administrator for the Carolinas and Georgia, issued a statement declaring that there was more liquor in North Carolina, South Carolina, and Georgia than there had been in the past three years. Some time ago T. L. Candler, the special prosecutor appointed by Governor McLean of North Carolina to assist in the prosecution of a traverser, reminded the jury, in the course of his address to them, that they should not disregard the testimony of witnesses for the State who had been in the chain gang, because they had been convicted only of violations of the prohibition law; and, turning toward the audience sitting in the court room, exclaimed, "If I were to ask every man out there who has violated the prohibition law to rise, there wouldn't be a bench warmer left, with the possible exception of a few ministers and tea toppers." A short time ago, too, in a letter to the New York Herald-Tribune, R. Charlton Wright, the editor of the Columbia (S. C.) Record, wrote: "If there is as a product of sincere conviction and honest observance of the law such a reality as the 'dry South,' I have yet to see it, and I have lived and journeyed all over it for more than 40 years." When I was compiling arrests for drunkenness in 36 cities of the Union my attention was called to the fact that Richmond and New Orleans were among the cities in which the number of arrests for drunkenness in 1924 was in excess of the number for the last year of the pre-prohibition era.

I shall not deal with the North and East in such detail as I have done with the West and South, because they do not affect, so far as I am aware, to be lands of Arcadian simplicity and innocence as respects strong drink. Indeed, they seem rather to glory in their turpitude. Like our first parents they are naked and not ashamed. According to a study made by William P. Eno, of Washington City, in 1923, arrests per 100,000 of population in dry Boston were eight times what they were in wet Montreal. In July, 1926, the number of speak-easies in New York City was estimated by Chester B. Mills, the Federal prohibition administrator, at 15,000, a total of more than 100 per cent in excess of the total number of licensed saloons existing in the five boroughs of Manhattan in 1918 and more than 14 per cent in excess of the entire number of licensed saloons existing in the whole State of New York in 1918. In July, 1926, a United Press dispatch from Detroit reported that the police estimate of the number of "blind pigs" in Detroit at that time was 15,000 as against the 1,600 licensed saloons which existed in that city before prohibition. Need I speak of Philadelphia, Pittsburgh, Baltimore, or Chicago? No! I will pass them by, merely saying, in the words of Lear, "Pah! Pah! Give me an ounce of civet, good apothecary, to sweeten my imagination." Perhaps, however, I might dwell for a moment upon Washington, for the National Capital might naturally be expected to set a good moral example in every respect to other portions of the United States. It is there that Congress holds its sessions; that the Supreme Court sits; that the President resides; that the Federal Government is clothed with exclusive jurisdiction by the Federal Constitution; and that the Prohibition Unit has its headquarters. Suffice it to say that arrests for drunkenness in Washington have mounted from 6,375 for the year 1921 to 13,588 for the fiscal year ending June 30, 1927.

Whether there has been any increase in drinking in rural communities since the enactment of the Volstead Act it is, of course, difficult to say. For obvious reasons they can not be kept under the same searching surveillance by the Prohibition Unit as cities or towns. As a rule, they have no police with which to arrest drunkards, and do not trouble themselves about drink statistics; and, moreover, they have always looked for refreshment largely to the hard cider and the home-made wine which the Anti-Saloon League, recognizing the political power of the farmer, was so astute as to exempt from the provisions of the Volstead Act, which prescribe an alcoholic limitation of less than one-half of 1 per cent.

From what I have said it is manifest that, whatever else national prohibition has done, it has not prohibited. Indeed, this seems to be either tacitly or expressly admitted by some of the higher prohibition officials of the Government itself. Gen. Lincoln C. Andrews, the sanest individual to whom the administration of the Volstead Act has ever been committed, under the supervision of the Secretary of the Treasury, has just retired in disgust; and Maj. Walton A. Green, formerly the prohibition investigator under him, commenting upon his retirement a few days ago, said, "The new man [General Andrews] slowed up the process of disintegration. That is all he did. That is all anyone could have done. No man could have maintained the morale of an underpaid and execrated organization in the face of the brilliant and insidious campaign of the wets." The same situation has also been summed up with no little epigrammatic point by Emory Buckner, the former United States district attorney for the southern district of the State of New York: "The dries think they have won because they have the law. The wets think they have won because they have the liquor." Even Dr. Clarence True Wilson, the secretary of the Methodist Board of Temperance, Prohibition, and Public Morals, was credited some months ago with the mournful observation: "Prohibition enforcement leaks like a sieve." All together, at the present time, it looks as if Mrs. Partington might yet lay aside her broom and give up her Herculean task of sweeping back the Atlantic Ocean. She is, perhaps, beginning to think that General Andrews employed a very apt phrase before his retirement when he spoke of the "endless growth" of stills.

As I see it, national prohibition has not subserved one single useful purpose unless it be that of accumulating a fund of experience which will be of monetary value when the American people shall retrace their steps, as they will assuredly do, and go back to the crossroads where, in an evil hour, they deserted the open highway that was conducting them safely to temperance for the mire and miasma of the prohibition bog. It is said that prohibition has made its influence felt in the form of increased savings deposits and the like, but this idea, of course, assumes that there has been prohibition—and there has not been, as I have shown. It is too plain for discussion that we have enjoyed an extraordinary degree of business prosperity since the World War because in many remarkable ways we have, above all the other industrial nations of the world, been the industrial beneficiary of that war. To no small extent Canada has, likewise, been a beneficiary of the World War, and though, with the exception of a few provinces, wet, has yet shared the economic welfare of the United States to such a degree that the Canadian currency at times has been at a premium over ours.

It is also said that the industrial worker is a steadier worker now than he was before prohibition. If so, it is only because he is drinking

home-brewed wine and beer now in his own home in place of the hard liquor which he formerly obtained at the old saloon; which is just what every intelligent system of liquor regulation might well seek to encourage. Besides, even if prohibition had never gone into force, there is no reason why the industrial worker should not be drinking less to-day than he did when it went into force. Everyone whose memory goes back to the first legislative steps taken in the field of national prohibition knows that both employers and workers were more progressively alive then to the need for sobriety in industry than they had ever been in the past; and this is true of both the worker and his union. One thing is certain, and that is that nothing can be shallower than the idea that repugnance to prohibition is limited to the smart set. It has no more obdurate enemy in the United States to-day than the American Federation of Labor, which, very justly, sees no reason why the employer should have his glass of wine and the worker not have his glass of beer. In view of the odious system of tyranny that national prohibition has set up, in some respects, he might even reasonably doubt, with the Archbishop of York, whether, after all, it is not better to be free than to be sober. And I am glad to see that such renowned captains of industry as Charles M. Schwab and Elbert H. Gary have recently been reported as being sufficiently in accord with the American Federation of Labor to think that there should be a nation-wide referendum to determine whether the American people wish prohibition to be continued.

The morbid sequels of prohibition have been so numerous that it is hard to state them all for very weariness. To begin with, the eighteenth amendment, by engrafting upon the Federal Constitution a mere sumptuary law, has set a dangerous precedent for the further effacement of the old lines of partition between organic and statutory law, and between National and State authority. The prohibition which it creates is peculiarly one that the States should have been left free to adopt or reject, as they listed, in accordance with their respective social traditions, customs, usages, and urban and rural conditions. In the next place, the fanatical nature of the real driving force behind prohibition has given a rude shock to the spirit of some of the most sacred rights guaranteed by the Federal Constitution; such as the right of the citizen to be secure in his person, house, papers, and effects against unreasonable searches and seizures; or to be exempt from being twice put in jeopardy of life or limb for the same offense, or to have a speedy and public trial by an impartial jury. I have in mind, of course, among other things, the instances in which prohibition agents have entered homes without a warrant; or have stopped and searched motor cars without reasonable cause; or have brought about prosecutions for violations of the Volstead Act in both the Federal and State courts; or have obtained padlock injunctions from juryless courts of equity. National prohibition has diverted into the pockets of foreign and domestic bootleggers the enormous tax revenue of \$442,839,544.98, which the Federal Government was receiving from distilled spirits and fermented liquors in 1918, and which could very seasonably at this time be applied to the payment of our national debt and the reduction of Federal taxation, or to flood control and flood relief in the Mississippi Valley.

It has also diverted from the channels of trade and commerce in the United States millions of dollars which are now spent for drink by American tourists in Canada, Mexico, Cuba, the Bahamas, the Bermudas, and Europe. It is said that as many as 200,000 tourists from this country visit Montreal and Quebec each season, and that a large, if not the greater part, of them are attracted to those cities by the opportunities that they afford to the American visitor to gratify a perfectly legitimate instinct without any danger of being pestered by snoopers or spies. It is computed by Gilson Gardner, the well-known newspaper writer, who has made a special study of Canadian liquor conditions, that out of the total annual gross receipts of the Quebec Liquor Commission 40 per cent, or the sum of \$16,000,000, is derived from American patrons of Canadian liquor stocks. When I was in the crowded dining room of the Mayfair Hotel in London a few months ago, I observed that there was hardly an American diner in the room—and with scarcely an exception all the diners were Americans—who was not enjoying a bottle of wine with his dinner. Truly, indeed, does the old Latin writer say that men who cross the seas change their sky but not their natures, and yet like some magic spell of enchantment in a fairly tale the spell of genial fellowship that has been worked by wine in social intercourse since the earliest dawn of human history was by the Volstead Act expected to be reversed as soon as those diners turned their backs on London and their faces toward the United States. In England, where there is no such thing as prohibition, drunkenness is steadily declining, and during the whole time that I was in France, before I went to London (a period of some weeks), I never saw a man in the slightest degree under the influence of drink, though I observed, as every traveler does, that every carpenter or mason in Paris, as well as his employer, takes his glass of wine with his midday meal. After observing the habits of some of the European peoples, I find myself asking whether if such a thing as prohibition were submissively accepted by a people, that very fact would not betoken a low rather than a high state of civilization; in other words, a human society which was constrained by its own lack of

moral and social culture to rely for sobriety upon legal compulsion rather than upon the promptings of social decency nurtured by the church, the home, and the general canons of good conduct.

National prohibition has worked no improvement in the health of the American people. The most that the inexorable statistics of drunkenness permit the prohibitionists to claim is that the volume of liquor drunk now is less than the volume drunk before the adoption of the eighteenth amendment. A very humble claim indeed is that, if it can be sustained at all, when the fact is borne in mind that the vast machinery of the Federal Government has been kept in motion ever since the adoption of that amendment for the purpose of suppressing drink altogether. If the prohibitionist is right in his claim then it must be due to the terribly toxic character of the stuff with which prohibition has poisoned the bowels of the American people, such as wood alcohol, the fusel oil in new-made whisky, and the denatured alcohol that the Federal Cæsar Borgia denatures with lethal and nauseous ingredients that the health of the American people is as deeply prejudiced by alcoholism to-day, to say the least, as it was before the adoption of the eighteenth amendment. In 1926, the death rate among the 17,000,000 industrial policyholders of the Metropolitan Life Insurance Co. was the highest in the history of that company since 1917, and was 24 per cent in excess of the death rate among the same policyholders from the same cause during the year 1925.

I take these statements from a statistical bulletin issued by the company during the present year. In a report, rendered in 1925, by the State Hospital Commission of the State of New York, it was alleged that alcoholic insanity had trebled in that State during the five years of national prohibition. In a statement issued during the present year Dr. George H. Bigelow, commissioner for public health in the State of Massachusetts, finds that in the States included in the registration area of the United States Census Bureau deaths from alcoholism have increased more than 500 per cent since the first year of the Volstead Act. The effect of prohibition, taken in connection with the precautions that the Government adopts to prevent the diversion of industrial alcohol from industrial purposes, is to place the Government in the position of frequently visiting a mere human weakness with capital punishment. National prohibition has greatly stimulated the use of narcotic drugs. When a besieged town is deprived of wholesome meat it takes to eating rats. The total number of convictions under the Federal antinarcotic act rose from 2,865 in 1922 to 3,465 in 1926.

The national prohibition act has fostered not only a profound contempt for itself but more or less disrespect for law generally. It is safe to say that, perhaps, one-half of the people of the United States would feel no moral obligation to report a violation of the Volstead Act that had been brought to their notice; and such an attitude toward one law, however specially obnoxious, unquestionably tends to create the same attitude toward other laws. The worst thing about the pathology of prohibition is the fact that it has brought thousands of the most reputable men and women in our American communities into close working relations with some of the most disreputable of their inhabitants. These good people do not balk any more at the thought of using drink purchased from the bootlegger than at the thought of consuming supplies bought from the baker or the grocer. Indeed, many of them speak of "my" bootlegger as familiarly as they might speak of "my" baker or "my" grocer. In the great city of Baltimore, in which my life is passed, I can truly say that I do not know a human being who offered a cocktail or mint julep to a guest before dinner or wine during it, before the adoption of the eighteenth amendment, who does not do so now. It may be that all this supply is derived from prohibition stocks, but, if so, it must have some of the miraculous quality of the widow's cruse. It is true that there is a procession of prisoners, who might have been honorable or useful citizens but for the temptations created by an unnatural and unworkable law, forever filing through our Federal court in Maryland. The number of persons convicted of violations of the Volstead Act in Maryland has risen from 291 in 1921 to 1,013 in 1926. But it is the bootlegger and not his patron who is found in this procession. He not only suffers on his own account but suffers vicariously for the sins of his customer also. It is bad enough to see ordinary citizens living in habitual violation of any law, especially when the lawlessness assumes the form of entertainments given in private homes and clubs to distinguished visitors from abroad, but how much worse is it to see individuals occupying high stations in the public life of the country also violating such a law? This, of course, is a matter about which social decency does not permit one to speak very freely, but to go no further, who that has been a Member of Congress is not familiar with the Congressman with the dry tongue and the wet throat?

Especially distressing is the change which has taken place, since the passage of the Volstead Act, in the relations of women and youthful persons of both sexes to drink. A few years ago a woman was rarely seen drinking a cocktail or a mint julep at a respectable social entertainment, even in one of our great cities. Can that be said to-day? The champions of prohibition "are obliged to admit that drinking among women is rapidly increasing." Bishop Thomas Nicholson, of Chicago, the president of the Anti-Saloon League, was reported in the press to have declared at the thirtieth annual convention of the

league, at Washington, in January, 1924. As is true of men, there are some things, perhaps, that women would not do if they were not tyrannically forbidden to do them. To the love of adventure and excitement, which, when legitimately gratified, is one of the most winning traits of youth, prohibition has proved a seductive lure of the most demoralizing character. After traversing a large part of the United States, Ernest W. Mandeville, a writer in the Outlook, says: "Women and young boys and girls of social classes, that never took a drink before prohibition, are now indulging in liquors which are a menace both to their morals and their health." This statement has been strikingly corroborated by the testimony of Police Commissioner Richard E. Enright, of New York, and the Washington City police department. "Inability of the prohibition law to enforce prohibition is causing an increase in the number of young boys and girls who became intoxicated," said Judge H. C. Spicer, of the juvenile court, at Akron, Ohio, quite recently, when two boys, aged 15 and 16, were arraigned before him. "During the past two years," he further declared, "there have been more intoxicated children brought into court than ever before." In June, 1926, Sir Philip Gibbs, the celebrated newspaper correspondent, on his return from a visit to this country, said, after referring to women and young girls whom he had seen intoxicated, "in one of the best houses of a great city in the West: 'College boys carry flasks in their hip pockets and give drinking parties to girl friends.'" One of the worst tendencies of prohibition, as we know, has been to promote the use of hard liquor, at the expense of wine and beer, and to give to the lawless hip flask the place that was once occupied by the reputable decanter. Prohibition has also had the morbid effect of rehabilitating the reputation, without rehabilitating the character, of the poor drunkard. Formerly he was a sort of "drunken helot," and was frequently pointed out as an illustration of the discredit that sooner or later overtakes the habitual drinker. His relations and friends, in their efforts to control his appetite, plead with him, remonstrated with him, warned him, even threatened him; but how difficult to-day is it for many of the temperate relations and friends of a drunkard to enter, with a grave face, upon the task of adjuring or admonishing him to refrain from a mere breach of social decency, when they themselves are violating Constitution and statute!

That prohibition is among the causes which are responsible for the frightful prevalence of murderous violence in the United States at this time there can be no doubt. Scratch a gunman in one of our largest cities and 10 to 1 you will find a bootlegger. Morgan A. Collins, the chief of police of Chicago, in speaking of such wars as rival bootleg groups in northern and southern Illinois were waging against each other, with gas bombs and masks, machine guns and airplanes, affirmed that the situation was "an almost hopeless one," and placed the blame for it all on the lack of popular sympathy which made prohibition a toothless thing.

And how could prohibition be otherwise than the fecund mother of crime? When one law is notoriously too obnoxious to the human reason to command general obedience, the lawlessness that it produces is certain to diminish respect for other laws in breasts none too friendly to any law. In the heart of every community there is an element of which, to use Shakespeare's phrase, neither the world nor the world's law is a friend; and can any sensible man doubt that in time the inevitable sequel of branding and falling thousands of human beings as criminals on the theory that it is a flagitious crime to sell or possess even a drop of intoxicating liquor, will be the creation of a large body of truly base criminals, ripe for any crime, however heinous? Law in the United States has shown itself but a poor hand at checking crime, but with the aid of the Volstead Act it is in a fair way to demonstrate that as an agency for artificially hatching out criminals it is an efficient thing indeed.

National prohibition, I hardly need say, has also proved a fruitful mother of official corruption. In the beginnings of the Volstead Act the Anti-Saloon League opposed every attempt to bring the field positions of the Prohibition Unit within the scope of the national merit system of appointment. It wished to retain them as spoils, with which to influence the votes of Congressmen, or to gratify the recommendations to appointment of the church element which supplied it with funds. As that accomplished and upright citizen, William Dudley Fouike, who was at one time a member of the United States Civil Service Commission, said, the league "thereby made all these places the spoils of Congressmen, many of whom unscrupulously secured the appointment of scoundrels, who accepted bribes, dishonored the service, and made the enforcement bureau what President Harding himself called it: "A national scandal." So rapidly did this scandal grow and spread, so loaded down with popular opprobrium did the field service of the Prohibition Unit become, that at the last session of Congress an act was passed, at the eager request of the league, bringing all field places in the Prohibition Unit within the scope of the national merit system of appointment. It remains to be seen whether anything will result but the defilement of that fine system, too. During the recent hearings before a Senate subcommittee I brought out the fact that between the

first organization of the prohibition service and February 1, 1926, 875 persons had been separated from the Prohibition Unit, mostly for official faithlessness or downright rascality, in one form or another, exclusive of delinquents not dismissed but allowed to resign. Since that admirable organization the Coast Guard has been brought within reach of the contaminating touch of the Volstead Act wave after wave of sensational scandal has passed over it; though, to its honor and the honor of its gallant commander, Rear Admiral F. C. Billard, be it said no commissioned officer in its ranks has been convicted of any form of misconduct in connection with prohibition work. Some cases have been reported by Associated Press dispatches in which it has been charged that the landing of illicit liquor on our shores has been actually effected by the crews of Coast Guard boats.

There are not a few brave and honorable men in the field force of the Prohibition Unit, but drunken prohibition agents, reckless prohibition agents, red-handed prohibition agents, perfidious prohibition agents, corrupt prohibition agents, who, that reads the newspapers, from day to day, is not familiar with them all? What community is there in the United States that has not had their misdeeds brought home to it by ruthless invasions of the home, by blood rashly shed, by captured liquor, diverted to their own use, by squalid venality, by detestable perfidy and trickery? Some time ago a prohibition agent in Maryland obtained proof of a violation of the Volstead Act by the mother of a girl by pretending to make honorable overtures of marriage to the daughter. Most of you doubtless recall the speakeasies that have been set up by prohibition officers themselves, in violation of the Volstead Act, as traps for faithless prohibition agents and policemen. And, despite their higher rank, many of the prohibition administrators have been no better than the unworthier prohibition agents. In May, 1926, attention was called in the press to the fact that all four of the Federal prohibition directors, who had been appointed for the State of Wisconsin, had successively become implicated in charges of criminal collusion with liquor outlaws. In November, 1926, General Andrews stated that of the 24 men that he had appointed as prohibition administrators only 9 remained in the office to which they had been appointed, and that in the course of his wholesale turnover he had found it necessary to get rid of a number of subordinates who were either going wrong or refusing to carry out the established policies (to use his own words). State officials, too, as well as Federal officials have been infected by the black plague. Among the 79 persons, including gangsters, saloonkeepers, and bootleggers, indicted at Chicago in October, 1926, for conspiracy to violate the Volstead Act were the mayor and chief of police of Cicero, one of the suburbs of Chicago. Several years ago it took two Pullman cars to convey to the Atlanta Federal Penitentiary the disloyal policemen and prohibition agents caught up on a single raid in Ohio. In September, 1926, in a raid by more than 100 prohibition officers in the "hell-hole" section of Berkeley County, S. C., part of the bag was a Federal prohibition agent, a State constable, and a county sheriff. In other words, the offended majesty of almost every branch of our American political organization was vindicated at a single sweep. Nevertheless, I am afraid that prohibition will make more "hell holes" than it will ever plug up. If I had time, I could recall dozens of illustrations of the rottenness that resides in the very core of the whole police authority upon which the Volstead Act relies for enforcement. But I might well content myself with condemning that authority out of its own mouth. In July, 1926, Edgar R. Ray, prohibition commissioner for western Pennsylvania, in resigning his office said: "This position is best suited for a rich man or a crook. I am neither." Only last month Col. Ira L. Reeves, shortly after resigning as prohibition administrator for the State of New Jersey, said in a newspaper article that men engaged in prohibition enforcement work "depart from the service in two classes—either enriched in pocket or impoverished in character and reputation. I doubt," he added, "if ever before in American history were Federal officials held in such contempt by the general public." As far back as 1925, General Andrews, himself, declared that the bribery of Government officials was the chief obstacle in the way of the enforcement of the Volstead Act.

Only a few days ago, Seymour Lowman, General Andrews's successor, could find nothing more hopeful to say than this: "The great problem is to find for enforcement work, in the Prohibition Bureau, skilled men who will withstand the temptations that beset enforcement officers." In the spring of 1925, Marna S. Poulson, the superintendent of the New Jersey Anti-Saloon League, was reported, in the New York Times, as saying, in an address, at a prohibition rally at Atlantic City: "I don't know of anyone who can make a dollar go further than policemen and dry agents. By frugality, after a year in the service, they acquire automobiles and diamonds." The only hope for the Government, so far as I can see, is to appoint the Angel Gabriel, as Assistant Secretary of the Treasury, and to supply him with a field, or rather air, force, of arch-angels and angels, selected in accordance with some system of competitive examination even more searching than our Federal one.

The narrow-minded, acrid spirit, fostered by prohibition, is largely responsible for the excesses of the Ku-Klux Klan. It and the Klan are twin cherries. Whenever you find a community in which sectarian bigotry is rife in its most rabid and repulsive forms, and masked and

hooded miscreants do not hesitate to flog even old men, boys, and women, there you will find the prohibitionists keyed up to the highest pitch of fanaticism.

I read a day or so ago in the Baltimore Evening Sun that the klan outrages in Alabama, which have recently stirred so deeply the indignation of the enlightened newspapers and citizens of that State, went on from week to week, for four weeks, before two of the leading prohibition organs of Alabama would even comment on them.

After all, however, the gravest responsibility to which prohibition is amenable is that of having called such an organization as the Anti-Saloon League into life. As I have recently said, this league is partly political and partly clerical; that is to say, political enough to discredit the church by bringing it into intimate contact with the mercenary and squalid side of political activity, and clerical enough to be a deadly menace to the independence of the State. If the Catholic Church had set up in this country the kind of Vatican that the league has set up at Washington, and had collected the kind of Peter's pence in this country that the league has collected, a mighty shout of protest would have ascended from one end of the American continent to the other.

No word will ever escape my lips derogatory to the church or to religion, or to any minister of the gospel, who, in the performance of his duties, as a citizen, is true to the reserve of his sacred calling. For years I have been a member of the Protestant Episcopal Church. I was born and bred in a Christian home, in Southside, Va., and, next to the influence of that home, nothing has ever been of such service to me, in my efforts to preserve my character from reproach, as the influence exerted over me in my early life by the teachings and the example of some of the Presbyterian divines in that region, who were in learning, in personal dignity, and in purity of life quite the equals, if not the superiors, of any group of individuals that I have ever known. Though, during my boyhood, the region, in which those godly men lived and discharged their duties, felt in full force all the political passions and anxieties of that evil time, never once did I hear one of them utter a word in the pulpit that had the slightest tinge of politics about it. They knew that if ministers of the Gospel could only implant in the hearts of their hearers the general principles of conduct inculcated by Jesus Christ, they could safely leave to the State the high function of harmonizing all its actions with the righteousness that exalteth a nation.

But when I speak of the Anti-Saloon League as I do I feel that I am rendering a service to the church as well as to the State. As I see it, the ministers, who constitute a large part of its executive committee and are the real propelling force behind it, wholly misconceive the scope of their professional office and grossly violate the spirit of the Federal Constitution when they collect enormous amounts of money and use them in befriending or defeating candidates for legislative or other offices, in feeing Members of Congress and other public officials enlisted in its propaganda, and in bulldozing members of all kinds of legislative bodies who are too weak to face and defy their efforts to strip them of the independence and free discretion with which it was the intent of our Federal and State Constitutions to clothe them.

All the inner workings of the Anti-Saloon League have not yet been completely exposed by the Reed Senate committee, for when it was sitting Wayne B. Wheeler was successful in preventing the names of some of the pecuniary contributors to the activities of the league from being divulged. But the records of the league have, for the first time, been laid sufficiently bare to enable us fully to understand just how the adoption of the eighteenth amendment was brought about. It is enough to say that, while that event is largely attributable to just resentment against the abuses of the old saloon, and is partially attributable also to the overstrained feelings kindled by the World War, it is to a very great extent ascribable to the lavish use of money by the league. The Reed committee elicited the fact that during the period from 1920 to 1925 the league expended no less than \$13,655,313.72, and from its official records, which came into the possession of the committee, it would appear that the amounts previously collected and disbursed by the league, from 1883 to 1918, aggregated \$50,000,000, making a grand total, exclusive of amounts expended by the league in the years 1919 and 1926, of no less than \$63,655,313.72. There is reason to believe that the whole slush fund expended by the National Anti-Saloon League and its subsidiaries during the period between 1917 and 1926 approximated quite closely the combined amounts expended by the Republican and Democratic Parties in the two presidential contests which took place during that interval.

Can any intelligent man doubt that the expenditure of such enormous sums as these by such an association as the Anti-Saloon League can be otherwise than an appalling menace to the freedom of elections and to the principles of representative government contained in our Federal and State constitutions? Can anyone who knows what a greedy thing power is doubt that, if the sway of that league is not shattered, it will ultimately seek, in still other forms than prohibition, to impose its tyrannical and proscriptive will upon the people of the United States? Already its history has vindicated the wisdom of the provision in the Maryland State constitution which prohibits any clergyman from being a member of the Maryland Legislature, and gives not a little point to

the malignant observation of John Randolph of Roanoke that no countries are so badly governed as those that are governed by women, except such as are governed by priests. The climax of its aggressive insolence was reached when, as has now been established from its records by the Hearst press, its executive committee failed, on November 8, 1925, by a vote only to adopt a resolution which proposed to publish a manifesto address to the American people indicting President Coolidge of "misfeasance or malfeasance in office" and paving the way for his impeachment.

I have said so much about the abuses of prohibition that I have hardly left myself any time to say a word about the steps that should be taken to bring them to an end; but I have formed definite views upon that subject, which I have frequently expressed.

The first step should be to elect some such Democrat as Alfred E. Smith, of New York; Albert C. Ritchie, of Maryland; or JAMES A. REED, of Missouri; or some such Republican as Nicholas Murray Butler, of New York; James Wadsworth, of New York; or WALTER E. EDGE, of New Jersey, to the Presidency on a platform calling for the modification of the Volstead Act and the eighteenth amendment. The next step should be to modify the Volstead Act in such a manner as to permit the use of beer with as high an alcoholic content as can be produced without dishonest evasion of the eighteenth amendment. Both General Andrews and James Cooper Waddell, the recent head of the alcohol and brewery control squad of the Prohibition Unit, have expressed the opinion that the general use of such a beer would distinctly improve the present situation. It would, at least, tend to wipe out the grossly invidious discrimination against the less fortunate members of society which the practical workings of prohibition now make in favor of those who either own their own preprohibition stocks of liquor or can afford to pay high bootleg prices. In these academic walks it is peculiarly timely to remember that the Volstead Act was not passed by Congress except over the veto of that renowned alumnus of this institution, Woodrow Wilson.

The next step should be to amend the eighteenth amendment in such a manner as to empower Congress to establish a system of liquor control, compounded partly of Government supervision and partly of local option, akin to that which is now being administered with such brilliant results in the Province of Quebec. In four years the Quebec system of liquor control cut down drunkenness in Montreal by more than one-half, and it is steadily promoting the use of wine instead of whisky, which was one of Jefferson's cherished ideals. I have recently introduced into the Senate a bill looking to such a constitutional amendment as I have just suggested, and when the next Congress convenes I shall reintroduce it.

In conclusion let me add that I trust that what I have said in the course of my address has not been misconceived. With excess in drink I have no patience whatever. Throughout my life I have been one of the most temperate of men and, beyond drinking an occasional glass of wine or so, I do not drink any alcoholic beverage at all. I can truly say that I abhor drunkenness only less than I do prohibition; and I abhor prohibition more because it is not only a source of drunkenness itself but of moral and social abuses far worse than drunkenness. Even if prohibition prohibited, I should be opposed to it, believing as I do that it is based upon ethical extravagance and a totally false philosophy of life. Puritanism has never been a permanent phase of human history, but only a passing episode, for the simple reason that it imposes upon the normal and healthy attributes of human nature an intolerable burden of restriction. Not infrequently, as in the case of the English Puritan Commonwealth, it merely breeds back to lawlessness and vice. Man is not a vinegar bottle, though the prohibitionist would fain have him so. Rather is he, to recall the beautiful image of Coleridge, "a breathing house not made with hands," full of eager sensations, appetites, and desires, which do nothing but minister to his rational happiness so long as he does not gratify them to the extent of injuring himself or others. Temperately indulged, they are not less lawful than our moral and intellectual promptings. All our propensities and passions tend to excess; every one of them; and there is no man who might not, like John Randolph of Roanoke, smite himself over his heart with his fist and exclaim: "This rebel is ever in revolt." But it is also true that the same power which has clothed us with our warm garment of flesh has also endowed us with a reason and a conscience which are often far safer guides to human conduct than the artificial restraints of any constitution or statute, however imperious.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

After five minutes spent in executive session the doors were reopened; and (at 4 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, January 11, 1928, at 12 o'clock meridian.

CONFIRMATIONS

*Executive nominations confirmed by the Senate January 10
(legislative day of January 9), 1928*

REGISTER OF THE LAND OFFICE

George C. Crom to be register of the land office, Gainesville, Fla.

UNITED STATES COAST GUARD

Marvin T. Braswell to be temporary ensign.

POSTMASTERS

ALABAMA

John Thompson, Altoona.
Thomas P. Bonner, Ashland.
Jacob E. Hood, Cordova.
John N. Edwards, Eclectic.
Robert B. Evans, Elkmont.
Ada M. Burks, Fairfield.
Henry A. Cathey, Florence.
Lonnie W. Johnston, Hanceville.
Stephen H. Murphy, Huntsville.
Roy M. Boak, Lineville.
Ruth K. Conerly, Lockhart.
James L. Ragland, Pell City.
Emerson E. Etheredge, Town Creek.
Martin E. Forsyth, Union Springs.
Edna Young, Warrior.
Charles S. Prescott, Wedowee.
Maggie Winningham, York.

ALASKA

Henry S. Sogn, Anchorage.
Stephen Birch, Kenecott.

ARKANSAS

Jason O. Burns, Batesville.
Abram J. Hansberry, Ozark.
Charles E. Kemp, Trumann.
George E. Davis, Wynne.

COLORADO

Charles L. Rudel, Fleming.
Lillian D. Watson, Louisville.
Zella M. Hutchens, Seibert.
Harry A. W. Larkin, Tabernash.

CONNECTICUT

Frederick W. Griffin, Cheshire.
Allen C. Bennett, West Willington.

DISTRICT OF COLUMBIA

William M. Mooney, Washington.

GEORGIA

Clive A. Renfree, Lumber City.
Irene W. Field, Monroe.

HAWAII

John I. Silva, Eleele.
Manuel J. Carvalho, Makaweli.

ILLINOIS

Lewis B. Tuthill, Anna.
Hugh Martin, Argenta.
Esther V. Wheeler, Ashmore.
Frank Gain, Astoria.
Fred W. Pitney, Augusta.
John H. Holthaus, Aviston.
Raymond Phillips, Beecher City.
William Hughes, Bement.
Lewis A. Roberts, Blandinsville.
Russell S. Brown, Brighton.
Della M. Green, Cambria.
Alice Jenkins, Carriers Mills.
Cecil W. Bishop, Cartersville.
Thomas R. Pearce, Chillicothe.
Thomas F. Wharrie, Coal City.
Herbert D. Short, Coffeen.
Guy H. McKelvey, Coulterville.
Robert L. Endicott, Crossville.
Fred E. Flessner, Cullom.
Carroll C. Porter, Dahlgren.
George A. Kraus, Danvers.
William W. Taylor, Divernon.
John E. Moyer, Dixon.
Louis O. McKerrow, Elmwood.
William E. Mickle, Emden.
Glenn S. Wade, Farina.
Perry Westerfield, Frankfort Heights.
George L. Spangler, Franklin Grove.

Walter J. Ehrler, Galena.
George J. Patterson, Genoa.
Bennett F. Henderson, Georgetown.
Charles O. Selfridge, Good Hope.
Thomas M. Jones, Goreville.
John R. Hanlon, Grant Park.
Elmer L. Trowbridge, Green Valley.
Silas H. Rich, Gridley.
Adam P. Brown, Henry.
Ina R. Stout, Hopedale.
William Sutton, Kempton.
William T. Bedford, La Salle.
Elizabeth K. Welch, Lexington.
Daisy M. Uphaus, Macon.
Mayme F. Brooke, Matteson.
Margaret T. Layne, Menard.
George E. Whitmore, Mendota.
Clark D. Smith, Milan.
Marion F. Stewart, Moweaqua.
Lydia Drain, Oconee.
Lewis E. Selby, Pekin.
Charles B. Switzer, Piper City.
Homer H. Cravens, Plymouth.
Benjamin F. Bosley, Ransom.
Ted Henderson, Ridge Farm.
Samuel M. Combs, Ridgway.
Lewis H. Richards, Scales Mound.
William J. Parsons, Silbis.
Rollin A. Gouwens, South Holland.
Charles E. McPheeters, Sullivan.
Ralph K. Crawford, West Point.
Henry J. Busefink, West Salem.
Elmer C. Thorp, Winslow.

INDIANA

David R. Alpaugh, Andrews.
Samuel Ratcliff, Bainbridge.
John S. Moore, Battle Ground.
Earl L. Eldridge, Boswell.
Claude A. Warr, Brook.
Earle O. Gilbert, Brooklyn.
Roy J. Lingeman, Brownsburg.
Hugh R. Foss, Cambridge City.
Samuel C. Morgan, Campbellsburg.
James E. Thompson, Clarks Hill.
Finley Franklin, Clayton.
Job C. Burnworth, Columbia City.
Edward C. Bales, Dana.
Elvin R. Long, Denver.
Erasmus R. Bartley, Greencastle.
Richard H. McHie, Hammond.
Ralph W. Monfort, Hartford City.
Ned A. Parham, Howe.
John J. Himsel, Jasper.
William H. Morey, Lowell.
Roy E. Tillford, Martinsville.
Charlie O. Alton, Milan.
James W. Robinson, Milford.
Neil W. Troutman, Montpelier.
Harry S. Irvin, Morocco.
John F. Trimble, Morristown.
Almeda B. Lochard, North Madison.
Luella Moore, Orleans.
Gerry E. Long, Porter.
James E. Turner, Roann.
Charles E. Noble, Rolling Prairie.
Celia Johnson, Russiaville.
Glen R. Brown, Spiceland.
Reader J. Meroney, Topeka.
George A. White, Union Mills.
Orville C. Bowen, Upland.
E. Delight Bradford, Vanburen.
Betty M. Miller, West Baden.

IOWA

Sigvart T. Kittlesby, Calmar.
Howard C. Copeland, Chariton.
Freddie Baldwin, Chester.
Ella Yeager, Cincinnati.
Wilbur C. Patterson, Cresco.
William Linnevoold, Decorah.
Leander G. Kelley, Lamoni.
Thomas A. Sanders, Malcom.
James F. Albert, Moravia.
John M. Garrett, Moulton.
Keith Gray, Postville.

George M. Wright, Russell.
Gabriel Pederson, Waterville.
Carl Wulkau, Williams.

KANSAS

Harry W. Adams, Elkhart.
Patrick H. Lindley, Havana.
Frank A. Moore, Tribune.

MARYLAND

Walter A. Aaronson, Aberdeen.
Luther Bennett, Goldsboro.
James O. Wilson, Hebron.
William J. Lyon, Hughesville.
William Marshall, Lonaconing.
Jessie P. Smith, Luke.
James J. Shoemaker, Sandy Spring.
Guy M. Coale, Upper Marlboro.

MINNESOTA

Prudence M. Crosbie, Brewster.
Cora E. Cook, Chandler.
Olga P. Hatling, Dalton.
Georgia C. Hompe, Deer Creek.
Ralph C. Peterson, Dllworth.
Theresa E. Thoreson, East Grand Forks.
Halsey C. Baldwin, Edgerton.
Edward B. Anderson, Elbow Lake.
Clarence W. Ivey, Elmore.
John A. Gregerson, Fertile.
George H. Baer, Frazee.
Albert W. Johnson, Fulda.
Charles A. Anderson, Greenbush.
Frank H. Groetsch, Green Isle.
Nels O. Strommen, Halstad.
John M. Johnson, Hills.
Olive C. Hall, Hollandale.
Carl F. Peterson, Kennedy.
Cline C. Parker, Kinney.
William P. Marston, jr., Lake Crystal.
Mary C. Anderson, Lake Lillian.
Roy Coleman, Lancaster.
Walter J. Westensee, Lewisville.
Torstein M. Teigum, Madelia.
Arnold E. Talle, McIntosh.
Isaac I. Barga, Mountain Lake.
Harry F. Ward, Redwood Falls.
Clayton A. Larsen, St. James.
Grace R. Perry, St. Vincent.
Josephine E. Brockman, Triumph.
Theodore C. Radde, Truman.
Alice K. Hill, Upsala.
Milda Rieman, Vergas.
Henry W. Fingarson, Walnut Grove.
John N. Ross, Westbrook.

NEW JERSEY

John B. Buzby, Clayton.
Frank J. Allen, Delair.
John P. Adair, Highlands.
Richard T. Beak, Shrewsbury.
Harry H. Hilyard, Williamstown.

NEW YORK

Charles N. Wood, Angola.
Annie J. McFadden, Ardsley.
Joseph A. Douglas, Babylon.
Howard E. Whealey, Baldwin.
Arthur L. Howard, Baldwinsville.
Clarence G. Jones, Barneveld.
Rudolph W. Schoverling, Bayville.
Maud Rogers, Bridgehampton.
George H. Farley, Broadalbin.
Lawrence R. Ryckman, Brocton.
Ernest K. Hudson, Castleton on Hudson.
Charles W. Brock, Cattaraugus.
Margaret R. Mulligan, Central Islip.
Carolyn F. Parker, Cheertown.
Norman D. Higby, Constableville.
Clarence L. Grippen, Corinth.
George C. Palmer, Cuba.
Mable I. Alverson, Dexter.
Rhoda Hoyt Lee, Dundee.
Raymond L. Hodge, East Syracuse.
George A. Matthews, Eden.
Gaylord F. Carpenter, Elbridge.
Philip E. Schaefer, Fleischmanns.
Walter A. Pierce, Fort Ann.

William A. Patterson, Gansevoort.
Edward T. Cole, Garrison.
Arthur Decker, Goshen.
Paul W. Christenson, Gowanda.
Will E. Roberts, Granville.
Ella E. Rodger, Hammond.
Ray F. Dunlop, Harrisville.
Walter J. Pelham, Hensonville.
Claude H. Preston, Heuvelton.
Clara E. Tettermer, Hewlett.
Frank W. Thornton, Holland.
Thomas J. Wintermute, jr., Horseheads.
Skidmore Pettit, jr., Jamaica.
Joseph R. Cowell, Jordan.
Herbert L. Merritt, Katonah.
Waldron R. Hulst, Lagrangeville.
Lizzie G. Hall, Little Valley.
Fred H. Van Doren, Lodi.
Henry Strube, Long Island City.
Charles L. Stackpole, Lyon Mountain.
Wallace Moore, Madalin.
Lizzie M. Tuthill, Mattituck.
Ernest K. Smith, Middleburg.
Perry R. Bennett, Milford.
Edith A. Parker, Moravia.
Albert Lynd, Nassau.
Charles H. Brown, Orchard Park.
Carl R. Allen, Oriskany Falls.
James Owens, Ossining.
John T. Mills, Oyster Bay.
Frank V. Palmer, Philmont.
Mabel S. Griswold, Pottersville.
Park J. Johnson, Ripley.
Bruce S. Preston, Roxbury.
Max C. Headley, Rushville.
George H. Farley, Sag Harbor.
John D. Fratsher, Saugerties.
William H. Savage, Seneca Falls.
Frank A. Erickson, Sherman.
William W. Bates, Sidney.
Helen M. Braisted, Silver Bay.
William A. Hilton, Skaneateles.
Armon P. Gunnison, Sodus Point.
William M. Ackerman, Sparkill.
Oliver Keator, Tillson.
Marion E. Wroten, Trudeau.
Ray W. McEwen, Waverly.
Robert L. Putnam, Weedsport.
George T. Anderson, Whitesboro.
Julius H. Fisher, Wellsville.
Jennie C. Stanton, West Camp.
M. Clifton Seaman, Woodmere.
C. Irving Henderson, Worcester.

NORTH CAROLINA

Lester G. Hales, Baldenboro.
John M. Tyler, Marion.

NORTH DAKOTA

Ella C. Sweeney, Berthold.
Nellie E. Gagner, Lignite.
Donald B. McDonald, Maxbass.
Elizabeth J. Olson, Medina.
Ole S. Aaker, Minnewaukan.
Clarence B. Stinson, Warwick.

OHIO

Fred O. Simpson, Belle Center.
Charles T. Cline, New Matamoras.
James E. Simpson, jr., Racine.
Alta N. Johnson, Rushsylvania.
Russel A. Medaugh, Spencerville.
Milton W. Stout, West Liberty.

PENNSYLVANIA

Harold Coburn, Allison.
Bennett H. Light, Avon.
Willa F. Beall, Beallsville.
August Neimeyer, Drexel Hill.
George V. Glenn, East Butler.
John D. Gerhart, East Greenville.
Haydn E. Lupold, East Petersburg.
John M. Thompson, Elizabeth.
Cletus L. Goodling, Farm School.
John S. Windle, Fernwood.
Mildren E. Henn, Freemansburg.
Charles O. Wescoe, Fullerton.

Margaret M. Callahan, Glen Mills.
 Edwin B. Heckler, Harleysville.
 Walter W. Gilmore, Hillsville.
 Caddie L. Greth, Laureldale.
 Anna W. Kerr, Lincoln Place.
 Ethel H. Palmer, Linwood.
 Rhea L. Moyer, Macungie.
 William J. Lytle, Mayview.
 Albert W. Watts, McVeytown.
 James B. Flounders, Media.
 Edwin W. Crawford, New Castle.
 Mary R. Clapper, New Enterprise.
 Edwin Zimmerman, Newmanstown.
 Anna C. Young, North Glenside.
 William M. O. Edwards, Pencoyd.
 Bertha G. Thomas, Port Kennedy.
 Milton H. Vanness, Rummerville.
 George E. McGlennen, Sharon Hill.
 Calvin S. Leitner, Sheridan.
 David K. Angle, Shippensburg.
 Temple K. Gregg, Strafford.
 John S. Butterworth, Wallingford.
 Elmer E. Grover, Wapwallopen.
 Karl M. Lyons, Warren.
 Mary E. Tunney, West Brownsville.
 Edwin K. Gedortha, Woodville.
 Howard M. Gardner, York Springs.

WASHINGTON

William G. Powell, Aberdeen.
 Louis H. Gurnsey, Addy.
 Charles P. Stapp, Anacortes.
 Fred H. Tonkin, Black Diamond.
 Mark Harris, Brush Prairie.
 Allison C. Presson, Buena.
 Eliza F. Head, Cathlamet.
 Julius C. Raaberg, Clarkston.
 Arthur B. Cass, Connell.
 Will T. Howard, Coupeville.
 William W. Woodward, Darrington.
 Henning E. Johnson, Du Pont.
 Herbert P. Fisher, Garfield.
 Tillman E. Kamerer, Hanford.
 Charles C. Mulligan, Kirkland.
 Ernest R. Anderson, La Center.
 Andrew H. Bryam, Millwood.
 Anna M. Robertson, Montesano.
 James C. Blevins, Naches.
 Charles A. Fiedler, Newport.
 Hazel P. McVicker, Port Blakely.
 George W. Edgerton, Puyallup.
 John W. Cowdery, Rainier.
 Fred B. Goldsworthy, Rosalia.
 James Lane, Roslyn.
 Charles M. Perkins, Seattle.
 Warren P. Cressy, South Bend.
 Robert O. Logsdon, Sprague.
 Emmett V. Fleming, Springdale.
 James H. Adams, Waitsburg.

WISCONSIN

John Meili, Alma.
 Carl L. Christianson, Bloomer.
 Thomas A. Walby, Hudson.
 Norma A. Rheingans, Jackson.
 Henry J. La Grandeur, Somerset.
 Lewis H. Cook, Wausau.

WYOMING

Henry C. Miller, Douglas.

HOUSE OF REPRESENTATIVES

Tuesday, January 10, 1928

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Look down, bend low, our Heavenly Father, and hold us in the shadow of Thy presence. With tenderness and compassion, O teach us the way to see, to reason, to act, and to bear our part that we may be a real blessing to our country. We are at our best only when we fulfill the purpose for which we are here. Make us keenly sensitive of our reputation and opportunities. By prolonged and studious effort help us to learn the most beautiful and valuable lessons of life. By the conquest of difficulties help us to live sweeter in our hearts and braver in our lives.

Keep us better than the bad and make us equal to the best. At Thy altar we ask for the blessing of humility—the wonder grace that never boasts of victory and never leaves a pain. Be gracious to all our land and bless our citizens everywhere with peace and plenty. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 773. An act to authorize the President of the United States to appoint an additional judge of the District Court of the United States for the Southern District of the State of Iowa; and

S. 1968. An act to authorize the Secretary of Agriculture to pay for the use and occupancy by the Department of Agriculture of the Bieber Building, 1358 B Street SW., Washington, D. C., and for other purposes.

ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title, when the Speaker signed the same:

H. R. 483. An act authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings.

SWEARING IN OF REPRESENTATIVE GEORGE S. GRAHAM, OF PENNSYLVANIA

Mr. WELLER. Mr. Speaker, on January 5 I was appointed by the Speaker to administer the oath of office to my distinguished colleague, Mr. GEORGE S. GRAHAM, of Pennsylvania. Mr. GRAHAM was in the Mount Sinai Hospital in New York, and on January 9, pursuant to House Resolution 72, I swore Mr. GRAHAM in as a Member of the House. The oath was administered in conformity with the rules of the House, and I offer the following privileged resolution and move its adoption.

The SPEAKER. The gentleman from New York offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 84

Whereas GEORGE S. GRAHAM, a Representative for the State of Pennsylvania, from the second district thereof, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Hon. ROYAL H. WELLER, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

Resolved, That the said oath be accepted and received by the House as the oath of office of the said GEORGE S. GRAHAM as a Member of this House.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. WELLER. Mr. Speaker, may I proceed by unanimous consent for one moment? Judge GRAHAM, our colleague, has undergone a most serious operation. It was not known for a while that he would survive the operation, but he has survived it and is now convalescent. It is my happy privilege to report to the House that Judge GRAHAM is doing very well and soon will be restored to his former good health and his position as an active Member of the House. [Applause.] However, in view of the fact that he is convalescing and will not for some time to come be able to be present on the floor of the House, I ask unanimous consent that an indefinite leave of absence be extended to him.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPROPRIATION BILL FOR THE DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR

Mr. SHREVE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8269) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1929, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8269, with Mr. LEHLBACH in the chair.

The Clerk reported the title of the bill.