

America, at Chicago, Ill., protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring law to compel the equipment of all road engines with safe and suitable boilers, etc.; to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Interstate Cotton Seed Crushers' Association, protesting against the prohibitive duty by the Government of Austria-Hungary on cottonseed oil and the duty on colored oleomargarine; to the Committee on Ways and Means.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring improvement in the living conditions of our seamen; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Charles I. Berg, of New York City, protesting against an amendment by the Senate committee imposing a tax on paintings and statuary less than 50 years old; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of the Interstate Cotton Seed Crushers' Association, of Chicago, Ill., protesting against the present tax on colored oleomargarine; to the Committee on Ways and Means.

By Mr. J. M. C. SMITH: Petition of the Scranton Life & Fire Insurance Co., protesting against life insurance funds in the income-tax bill; to the Committee on Ways and Means.

By Mr. TOWNSEND: Petition of the Holy Name Societies of the Diocese of Newark, N. J., protesting against the publication of the Menace; to the Committee on the Judiciary.

## SENATE.

SATURDAY, July 26, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Vice President being absent, the President pro tempore took the chair and directed the Secretary to read the Journal of the proceedings of the preceding session.

The Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. SIMMONS. I ask that the further reading of the Journal may be dispensed with.

Mr. SMOOT. There are only a few Senators here, and I know a number are coming over. It would be better to have the Journal read.

Mr. SIMMONS. I withdraw the request.

Mr. SMOOT. If the Senator will call for a quorum at the close of the morning business, the reading can be dispensed with.

Mr. SIMMONS. No; I do not desire to do that.

The PRESIDENT pro tempore. Objection is made, and the Secretary will resume the reading of the Journal.

Mr. SMOOT. I do not insist on my objection. I think, perhaps, we can get a quorum here by the time the morning business is closed, and, if not, I can call for a quorum.

The PRESIDENT pro tempore. Does the Chair understand the Senator from Utah to object?

Mr. SMOOT. No; I do not object.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the further reading of the Journal be dispensed with. Is there objection?

There being no objection, the further reading was dispensed with, and the Journal was approved.

### PETITIONS AND MEMORIALS.

Mr. NORRIS presented memorials signed by several hundred citizens of Nebraska, remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. FLETCHER. I present certain resolutions from the North Carolina Bankers' Association, and also resolutions from the South Carolina Banking Association, certified by the secretaries, which may be treated in the nature of petitions, and I ask that they be printed in the RECORD.

There being no objection, the petitions were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

THE NORTH CAROLINA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY AND TREASURER,  
HENDERSON, N. C.

"Resolved by the North Carolina Bankers' Association, at Asheville, N. C., July 10, 1913, in convention assembled, That we favor incorporat-

ing in bill S. 2639, now pending in Congress, provision for such institutions and facilities as will meet the requirements and demands of our agricultural interests.

"Resolved further, That we commend the efforts of the Southern Commercial Congress in behalf of a system of agricultural credits and co-operation as patriotic and for the public good and deserving our cordial support."

The above resolution was proposed by J. Elwood Cox, Esq., president of Commercial National Bank, High Point, N. C., to the North Carolina Bankers' Association, in meeting assembled, at Asheville, N. C., July 10, 1913, which was read by Mr. Cox and duly passed by a unanimous vote of the convention.

W. A. HUNT,  
Secretary North Carolina Bankers' Association.

"Resolved by the South Carolina Bankers' Association in convention assembled at Lake Toxaway, N. C., this July 12, 1913, That we favor such legislation as will provide for such institutions and facilities as will more completely meet the requirements and demands of our agricultural interests.

"Resolved further, That we commend the efforts of the Southern Commercial Congress to establish a system of agricultural credits and co-operation as important and beneficial to the whole country and all the people."

I hereby certify that the foregoing is a true copy of resolution passed by the South Carolina Bankers' Association at Lake Toxaway, N. C., on July 12, 1913.

LEE G. HALLEMON.

### BILLS INTRODUCED.

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

By Mr. CRAWFORD:

A bill (S. 2832) granting an increase of pension to Melancton Doren (with accompanying paper); to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 2833) providing for the appropriation of \$2,500 as a part contribution for a monument to mark the site of Fort Edward, at Warsaw, Hancock County, Ill.; to the Committee on the Library.

By Mr. LEA:

A bill (S. 2835) to provide for the appointment of a district judge in the middle and eastern judicial districts in the State of Tennessee, and for other purposes; to the Committee on the Judiciary.

### THE CURRENCY.

Mr. CLAPP. I rise to introduce a bill, and before introducing it I wish to make a very brief statement.

There is a general feeling, in which I share, that there should be some currency legislation at the present session. There is a feeling also that with the debate on the tariff and the time that will be required it is unwise to undertake any general currency legislation at this session.

I am advised that there are \$500,000,000 of notes printed already under the law of 1909, and if that law were amended so that instead of requiring 5 per cent interest the first month, with the increase beginning with the second month, the period were extended to three months, during which the 5 per cent tax would run, that law would probably meet any emergency or requirement likely to arise at this time.

For that purpose I introduce the following bill, and ask that it be referred to the Committee on Banking and Currency:

The bill (S. 2834) to amend an act entitled "An act to amend the national banking laws" was read twice by its title and referred to the Committee on Banking and Currency.

### AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. O'GORMAN submitted an amendment proposing to appropriate \$300 to pay Henry Coster, being the amount found due him as per certificate No. 103913 of the differences of the comptroller, dated June 16, 1913, Navy Department, intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

### AMENDMENT TO THE TARIFF BILL.

Mr. STERLING submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

### ADMINISTRATIVE SECTION OF TARIFF BILL.

Mr. LIPPITT. Mr. President, there was published in the New York Commercial on the 17th of July an interview with Mr. Downing, who is chairman of the tariff committee of the Merchants' Association of New York, an association consisting largely of the importing interests. Mr. Downing in his interview represents himself as having taken a very active part in the formation of the administrative section of the proposed tariff law we are now considering. The interview is not long, and I should like to have it read and become a part of the RECORD and to call the attention of the lobby investigating committee to the statement of this gentleman.

The PRESIDENT pro tempore. The Senator from Rhode Island presents a certain newspaper article which he asks may be printed in the RECORD.

Mr. LIPPITT. I should like to have it read.

The PRESIDENT pro tempore. It will be read, without objection. The Chair hears none.

The Secretary read as follows:

The importing merchants of New York ought to appreciate what has been done by the merchants' association in their behalf in securing the elimination or modification of the drastic provisions of the administration section. The committee of which I am a chairman did a large amount of work in bringing about these changes. The members of the committee spent 15 days in Washington. They interviewed the President, several members of the Cabinet, and many Members of Congress to explain the necessity for revisions and eliminations in the law which the merchants' association favored.

I was in communication with Chairman UNDERWOOD even before the Ways and Means Committee of the House undertook the preparation of the tariff bill last year, and I was in touch with him during all the time that the Ways and Means Committee were considering the bill. To the great surprise of the business public the Ways and Means Committee, just before presenting the revised bill, saw fit to accept the suggestions made by James F. Curtis, who had been Assistant Secretary of the Treasury under Secretary MacVeagh. Mr. Curtis's recommendations were so drastic that their enforcement would have tended to a large extent to nullify the effects of the downward revision of the schedules and would have created complications and hardship, both to the Government and the importing public.

The merchants' association has never taken any action upon the tariff schedules or rates, but it has always made the customs administrative features of the tariff a subject of careful study and attention, regulating as they do the application of the tariff schedules and rates to the three conflicting factors affected. These factors are: First, the Government, for the revenue which the tariff provides; second, the domestic manufacturer, for such protection as the tariff may afford; and, third, the honest importer, for the right to import under such limitations, fairly administered, as the tariff law may prescribe.

We made a thorough analysis of each subsection of the administrative section of the bill, which, as passed by the House, would have made it practically impossible for any importing merchant to carry on his business with any degree of certainty, since he was placed at the mercy of requirements, over compliance with which he could have no control. Practically all of our suggestions have been adopted and we are immensely pleased with the result. In the list of our suggestions was one proposing the appointment of a commission to consider a revision of the administrative portion of the law. I am glad to say that the bill, as reported by the Finance Committee of the Senate, provides for such a commission, and upon its appointment we shall continue our work. When it is remembered that two-thirds of all the imports into the United States are brought in through this port, hardly anything can be mentioned of more importance to the business interests of New York than a reasonable, fair, and practicable tariff administrative law.

Mr. SIMMONS. With reference to the interview—

Mr. LIPPITT. I was only going to ask in presenting the communication that the attention of the lobby investigating committee be called to it. I request that it be referred to the lobby investigating committee.

The PRESIDENT pro tempore. That is not a standing committee of the Senate and hardly a special committee. However, the Chair will submit the question to the Senate.

Mr. CUMMINS. The Committee on the Judiciary is conducting what we call the lobby investigation.

Mr. LIPPITT. I should like to have it referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Unless there is objection, it will be referred to the Committee on the Judiciary. The Chair hears none, and it is so ordered.

Mr. SIMMONS. I have no objection whatever to the reference of the communication to the lobby investigating committee; but, so far as the gentleman who is the author of the interview is concerned, I wish to say that this is the first time I have heard of him. I do not say that I have never seen him, because during the time when we had tariff matters up there were hundreds who came to my office, but I do not think I ever heard of this man before. I am sure of that.

Mr. LIPPITT. I am not asking this matter to be referred to the lobby investigating committee because I think there is anything in it that reflects upon any Member of this body or the other branch of Congress. So far as I am personally concerned, I believe that all the gentlemen on the opposite side of the Chamber who have had anything to do with the making of the tariff bill have tried conscientiously to bring in a bill that should conform to their ideas of what a new tariff should be. I am making no personal attack upon anybody in this Chamber or elsewhere.

Mr. SIMMONS. I do not understand the Senator as doing that, but I merely desired to say that I do not know the author of this interview.

#### EFFECTIVE VOTING (S. DOC. NO. 142).

Mr. OWEN. I should like to ask to have printed as a Senate document a short article on effective voting by C. G. Hoag.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

Mr. SMOOT. Let it be stated. I did not hear what the article is.

Mr. OWEN. It is an article on effective voting by C. G. Hoag. It consists of only 10 pages.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

#### THE TARIFF HANDBOOK.

Mr. SMOOT. Before the morning business is closed I wish to say that I notice this morning there is a copy of the Tariff Handbook, and on it is printed "the second print."

Mr. SIMMONS. I beg the Senator's pardon, I did not hear his remark.

Mr. SMOOT. I say I notice this morning that there is published a Tariff Handbook, and on it is noted "the second print." I observe that there are quite a number of changes in it from the original print. What I wish to ask the Senator from North Carolina is, which one of the prints he wishes us to refer to in our discussion, if we refer to it at all.

Mr. SIMMONS. The reprint was just handed to me as the Senator took the floor. Of course, Senators can use whichever one they please.

I wish to state that the only change I know of in the book, the only change I authorized to be made, was with reference to the columns carrying the present bill as passed by the House and the bill as reported by the Senate committee. I thought it would be very helpful to Senators, instead of printing the House bill in one column and the Senate bill in another column, without showing in any way the changes made by the Senate committee, to have simply the Senate amended bill printed with a line drawn through the matter stricken out in the House bill and with the matter inserted in the Senate bill in italics.

I discovered that with the two bills in parallel columns and with nothing indicating the changes made in the House bill by the Senate bill it was necessary to read the whole thing over to ascertain what change had been made by the Senate committee. As we found it necessary during the days we have been considering it to have the original bill before us, I thought it would be better to have a reprint and to have the bill as proposed to be amended by the Senate committee in one column and the present law in another column. I thought that would add greatly to the convenience of Senators, and that is the only change I authorized to be made. There may have been some correction of errors discovered by the clerk having the matter in charge. I do not know about that.

Mr. SMOOT. I fully agree with the Senator that the way the bill is printed in the second print is a great improvement over the original or first print.

Mr. SIMMONS. I will state that that is the way I originally intended to have it printed, but through some mistake the clerk did it otherwise, and I merely suggested a reprint for the purpose of making that change.

Mr. SMOOT. My object in calling it to the attention of the Senate was that Senators may know there is a second print, and that in quoting from it we all may quote from the second print.

Mr. CUMMINS. Mr. President, we can not hear what is being said. I call for the regular order.

Mr. SMOOT. I do not know but that this is the regular order. If there had not been so much disturbance in the Chamber I am quite sure the Senator could have heard what I said. I believe, Mr. President, that we all ought to use the second print of the document.

The PRESIDENT pro tempore. Unless there is further morning business that order of business will be closed. The morning business is closed, and the calendar under Rule VIII is in order.

#### THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

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

The SECRETARY. Continuing the reading on page 11, line 6, paragraph 46—

Mr. GALLINGER. Mr. President, I feel quite sure that the item which was under consideration when we adjourned last evening was not agreed to. I think the RECORD will show that. It ought to be agreed to. I presume it will be agreed to without objection.



Mr. SMOOT. Paragraph 45.

Mr. GALLINGER. Yes. The amendment was disagreed to, but the paragraph was not agreed to, as I recall it.

The PRESIDENT pro tempore. The order that has been observed has not involved a formal adoption of a paragraph as read. If it is adopted at all it is impliedly adopted by not being objected to.

Mr. GALLINGER. If that is the procedure I am quite satisfied.

The PRESIDENT pro tempore. It is.

The Secretary resumed the reading of the bill.

The next amendment of the Committee on Finance was, on page 11, line 11, paragraph 46, before the words "per centum," to strike out "15" and insert "25," so as to read:

46. Oils, expressed: Alizarin assistant, sulphuricnicoleic acid, and ricinoleic acid, and soaps containing castor oil, any of the foregoing in whatever form, and all other alizarin assistants and all soluble greases used in the processes of softening, dyeing, or finishing, not specially provided for in this section, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 11, line 13, paragraph 46, before the word "cents," to strike out "12" and to insert "10," so as to read:

Flaxseed and linseed oil, raw, boiled, or oxidized, 10 cents per gallon of 7½ pounds.

The amendment was agreed to.

The reading of the bill was resumed in paragraph 46, line 14, as follows:

Poppy-seed oil, raw, boiled, or oxidized, rapeseed oil, and peanut oil, 6 cents per gallon.

Mr. LODGE. Mr. President, I want to call attention to that new duty on peanut oil. Peanut oil has hitherto always been on the free list. It is imported in large quantities, though the amount has diminished as the price of the oil has risen. I suppose the explanation to be given as to this is that it will be a revenue duty, but it is perfectly obvious from the testimony that the imposition of a duty will stop the importation. It appears by the testimony before the Ways and Means Committee of the other House that peanut oil is used in the manufacture of butterine, and, if the price is raised, the testimony there was that the manufacturers will abandon the use of this article in favor of an inferior oil.

Curiously enough in that testimony they speak of it as used only for butterine, which is a mistake, as it is very largely used commercially. I have a letter here from large importers in Boston, the Alden Speare's Sons Co., in which they say:

Peanut oil has been imported by us and others for use commercially in competition with olive oil when the prices of olive oil have been prohibitive, and is used by the woolen manufacturers and other manufacturing interests which we serve in New England and elsewhere.

The imposition of this duty of 6 cents per gallon will more than cover the difference in price and will simply mean that its importation will cease. We have ourselves imported on an average of 5,000 barrels a year for the last three or four years, and shall be obliged to discontinue the sale of this product if this duty is fixed at this figure. And there can be no possible gain in the revenue to be derived therefrom, as you will readily see. The market on both olive oil and peanut oil is, of course, subject to change from time to time; but to give you the exact list as it is to-day specifically, we are selling imported olive oil at 81 cents per gallon and imported peanut oil at 79 cents per gallon. It will be obvious to you from this that a duty of 6 cents per gallon on imported peanut oil will absolutely prohibit all importations of that product.

It is perfectly obvious that it will; and in the House hearings the first witness, Mr. Levett, said that peanut oil is not made in this country. There seems to be some doubt whether the American peanut can be used for that purpose. It certainly can not be used for making that oil when the oil is to be used as an article of food in the making of butterine, because it is too highly flavored, but it might, of course, be used for the production of oil for commercial purposes. So far as I can learn, it is not made in this country at present, although this witness, Mr. Levett, thought it could be made. It is shown here by the figures which he gives that when the price was 47.6 cents for peanut oil per gallon 3,284,064 gallons were imported. In 1911 the average price was 60.2 cents, and the importations were 1,121,097 gallons, a little over a third; in 1912 the price increased to 65.8 cents, and the importations were 878,659.57 gallons. Last year they fell, according to the reports here, to 600,000 gallons, though this witness gives it at 878,659.57 gallons.

The price of peanut oil has gone still higher, and it is so near olive oil that its importation would undoubtedly cease in case it is used for the preparation of butterine. It would cease simply because it had become too expensive.

Mr. GALLINGER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New Hampshire?

Mr. LODGE. Certainly.

Mr. GALLINGER. Is the explanation of the tremendous falling off in the importation from 3,284,000 gallons in 1910 to 878,600 gallons in 1912 due to the fact that there are other oils that are as cheap which are used as substitutes?

Mr. LODGE. It is due to the fact that as the oil has advanced in price it has ceased to be profitable to be used in the manufacture of butterine.

Mr. GALLINGER. So that if the duty is imposed the price will presumably be still higher and its use will be entirely abandoned.

Mr. LODGE. Yes; it will be abandoned. The testimony of those who speak of that from the point of view of using it as a food oil is as follows:

A duty on peanut oil would not only operate to depreciate the quality of butterine and cheap bread, but would result in a very slight increase in the revenue.

The exacting of a duty on peanut oil would force the manufacturers of butterine to use cheaper and less wholesome articles in place of this oil. Its increased cost would in all probability prevent its use as an ingredient of butterine; and as this is the chief purpose for which it is employed, its importation would greatly decrease.

The testimony of the commercial use—and I have read from an importer who imported during the last three years 5,000 barrels a year—is to precisely the same effect; that if it rises a little higher in price the people will prefer to take olive oil, which is a somewhat better oil. They now buy peanut oil because it is slightly cheaper; but in the case of food they will take an inferior oil, because they can not afford to buy the peanut oil.

Mr. GALLINGER. I will ask the Senator from Massachusetts one further question. I have noticed that Mr. Heinz among his 57 or more varieties of food products, is making what he calls "peanut butter." I should like to ask the Senator if the oil of peanuts, or peanuts in some ground or macerated form, is used for the production of that article, and how many people are using it?

Mr. LODGE. I had supposed, Mr. President, that that was a form of what is spoken of in the testimony as butterine, made of peanut oil. It is perfectly obvious from the testimony of those who import this oil for manufacturing purposes, for commercial use, and those who import it for use in food that the importation will cease if this duty is imposed and that other substances will be used. It is not an article without which the foods can not be made or without which the textile industries and other manufactures can not proceed. The advantage that it has enjoyed has been because of its lower price and the fact that it was capable of being used both for commercial purposes and for food.

It is perfectly obvious from the testimony that it makes no difference to the importer from whose letter I have read whether he sells olive oil or whether he sells peanut oil; he gets his commission either way; but he is simply stating the fact that it enables the industry to get a somewhat cheaper oil and also tends to keep down the price of olive oil. We stop that by levying this duty. It is perfectly obvious that it will bring no revenue, and we keep out a useful product which is not made in this country.

Mr. President, if, on the other hand, this duty is imposed on peanut oil with the view of building up a peanut-oil industry, the question takes at once a different complexion. If it is intended as a protective duty and there is good reason to believe that such an industry can be built up, to those of us who believe in building up new industries, it would make, of course, a strong appeal. It appears in the tariff hearings, on page 5914, that Mr. Needham made this statement:

Four years ago the peanut growers in Virginia, through their Representatives in Congress, appealed to this committee very strongly and convinced me that they needed more duty.

Mr. LEVETT. On peanuts, but not on peanut oil.

Mr. NEEDHAM. You can't have the peanut oil if you don't raise the peanuts.

If the duty is imposed for the purpose of building up the peanut and the peanut-oil industry, that is an argument of a different character. However, if this duty is put on this article of food and of general use with the view of raising revenue, it will not raise revenue, but will impose a needless burden on the people who use the cheaper foods, like butterine, and upon the industries that also use the oil.

For these reasons, Mr. President, I move to strike out the words "and peanut oil" from the bill.

The PRESIDENT pro tempore. The Senator from Massachusetts moves to strike out the words "and peanut oil" from the bill where they appear in line 13, page 11. Does not the Senator also desire to strike out the words "6 cents per gallon"?

Mr. LODGE. No; that applies to the other oils. It is only necessary to strike out the words "and peanut oil" and insert "and" before "rapeseed oil."



Mr. SHERMAN. Mr. President, I wish to add a word to what the Senator from Massachusetts has already said. I speak from information which I think is accurate. The manufacturers of oleomargarine and butterine from the Atlantic States to the city of Chicago have experimented at great length on the production of a palatable article to be used as a cheap substitute for butter. Butterine, or oleomargarine, as originally manufactured, was artificially colored. Some years ago there was legislation enacted by Congress imposing on the colored product an internal-revenue tax of 10 cents a pound, whereas when not colored, in the original tallow or lard color as it appears when not treated, there is a tax of but a fraction of a cent—I think one-fourth of a cent a pound.

The producers of oleomargarine are unanimous in their testimony on this subject. I am not quoting from the packers of Chicago and other western cities, whose testimony might not be very gladly received by the public; but I am quoting from testimony of the smaller producers. The larger packing houses have, as a sort of side line, butterine or oleomargarine departments; but that is not their principal business. It is only to provide for the utilization of one of the smaller by-products of the plant. For them I say nothing; from them I have had no correspondence and no communication of any kind. It is only the independent producer of oleomargarine from whom I have had some explanation of this feature of the paragraph.

They have tried for many, many years—and from my personal knowledge of their business in the western country I will say that their efforts have extended at least through 16 years—to improve the quality of their product. They are not allowed, as I have said, without paying a tax of 10 cents a pound, imposed as an excise duty, to color it. If, in the manufacture of oleomargarine, they can put in a substance that increases its palatable or nutritious qualities and preserves all the animal fat found in natural butter, it becomes one of the best substitutes for the natural product. Here is where I think, Mr. President, the injustice of the imposition of a 6-cent per gallon duty on peanut oil is apparent.

Oleomargarine or butterine is not used as an article of luxury; it is not used by those to whom the income-tax section of this bill will apply; it is not used by those who are able to buy in my country Elgin dairy butter; it is not used by anybody in any city where pay rolls exist and where factories are giving the means of subsistence to wage earners and their families; it is not used in any place by any family which can afford to buy genuine butter. Genuine butter ranges in price, varying with the season, from 28 cents a pound, in the northern Mississippi Valley country, to 70 cents a pound, according to the production and the time of the year. The average price of good butter, either farm produced or dairy butter, all up and down the Mississippi Valley country, in the city of Chicago, and elsewhere outside of that city, is about from 42 to 55 cents a pound laid on your table from your local grocery. To the mine worker in my country, to the factory worker, to the men in the railroad shops the average price of good palatable butterine, made with peanut oil, as one of the necessary elements of its composition, ranges from 16 to 20 cents.

A good, eatable article of butterine can be had, ordinarily, at 18 cents. In fact, there is not so much variation in this product by far as there is in the case of the natural butter, for which it is used as a substitute by the persons I mention.

The butterine manufacturer has found by experience what is best adapted to the manufacture of that article. If this duty is to be levied for the purpose of protecting any of the peanut-producing area, I am for it.

Peanut butter is simply a manufactured product put in small jars and used, not as a substitute for butter, but as a sort of confectionery, or in small quantities as a food. It is a nutritious article, and the peanut itself is one of the necessary ingredients of its manufacture. It is made by a number of gentlemen who are engaged in that line of business, and who put it out under well-known brands. There are half a dozen brands of peanut butter that can be had at any confectionery or candy store in the average city.

Mr. LODGE. If the Senator will allow me, then I replied wrongly to the Senator from New Hampshire about the article to which the Senator has just referred. It is made from the American peanut, and not from the peanut oil?

Mr. SHERMAN. Entirely. Any peanut that you can buy at an average circus is fit to make peanut butter from. The oil expressed from the average peanut, though, is not fit to make butterine from. That is where the distinction comes in.

The manufacturers of whom I am now speaking are independent. They have not sought to enter into combinations. They are in no beef-packing trust, such as the popular mind has been somewhat concerned with in years past. They are

entirely independent. Their products go out on the market, each on its merits. They sell their products through separate salesmen or branch houses, without any combination or understanding with each other as to price.

These men for years have endeavored to use domestic peanut oil. I remember very well when they first made the experiment. Some of them are located in Chicago; some of them are farther east. All of them found, however, that domestic peanut oil, expressed from the nut raised in Georgia, Virginia, Alabama, and elsewhere, is not a palatable ingredient for the manufacture of butterine or oleomargarine. There is something lacking. They can not, by the use of any chemical process known at present, take from the domestic peanut a strong peanut flavor. If I may be allowed to use the expression, it is a sort of ancient nutty flavor that destroys the eatable quality of the butterine; so when they put the product on the market it was a dead loss and fit only for axle grease.

The manufacturers have been continually experimenting with cocoa butter, with palm oil, with all of the various oils that all their chemists or others have been able to discover in the vegetable kingdom. They have found one kind of oil fit for this purpose. It is the oil used by the independent butterine manufacturers all the way from Rhode Island—I believe one factory in that State, or in one of the New England States, wrote to me—clear to the Mississippi Valley country.

The peanut oil they use is expressed from a peanut grown in Africa. The manufacturers in the city of Chicago import to some convenient point peanuts grown in Senegambia, and express out of them oil for their product.

This peanut is a tropical nut. It is more heavily charged with oil than the American nut, and there is more vegetable oil in the product obtained. It has a more pronounced yellow color than the domestic oil. It has such a pronounced yellow tint that in a very material degree it improves the color of the butterine, as well as its flavor or eatable quality.

Color is a mere matter of taste. You can eat butterine that is the color of the tallow or lard from which it is compounded, if you blindfold yourself, and you will not know the difference between that and other butterine with an artificial yellow tint. There is not any difference in the taste; it is only in the looks of it. So the heavier African peanut oil that is used in compounding it improves in some degree the color. I do not know whether it colors the product sufficiently to make it subject to the 10-cent tax or not. I wrote for that information, but have not received it.

Mr. SIMMONS. Mr. President, right on that point I wish to ask the Senator a question for information. I understood the Senator to say that this African peanut oil imparted a yellow color. Does it impart such a yellow color to oleomargarine as to give it the color of butter?

Mr. SHERMAN. It does change the natural tint of the oleomargarine as compounded up to that point.

Mr. SIMMONS. Can the manufacturer of oleomargarine, by using this oil, give to that product, which has been made contraband by our legislation, the color of butter, and therefore escape our legislation against the product?

Mr. SHERMAN. Only to the extent that the oil imparts to the product a more saffron tint than the natural lard or tallow color. It does not color the product to such a degree that anyone would mistake it, by reason of its color alone, for the natural butter product. I do not think it could be used as a means of evading the excise tax.

If the peanut oil colored the oleomargarine so that it could not be distinguished from natural butter, the product would be subject to the internal-revenue tax of 10 cents a pound. Personally I would as soon eat butterine colored with peanut oil as butterine colored with annatto. It is a mere question of color and of taste. It is like a dirty tablecloth; your food is just as good, but your appetite is lacking. [Laughter.] So, in coloring butterine, if it could be colored a regular June butter color by the use of peanut oil, I would rather take my peanuts and my butter together. I am not at all afraid of that kind of a mixed drink.

Mr. SIMMONS. I agree with what the Senator is saying about that; but I thought the purpose of this legislation was to prevent fraud in selling this product as butter.

Mr. SHERMAN. I wish to put a question to the committee, or to the Senators who are responsible for framing the bill.

Mr. SIMMONS. I am simply trying to get some information about the matter. The Senator lives in a part of the country where oleomargarine is produced in considerable quantities. I should like to ask him further whether, as a matter of fact, this oil is used by the producers of oleomargarine for the purpose of coloring it?

Mr. SHERMAN. I will say to the Senator that it is not used primarily for that purpose. The primary purpose of the



use of the oil is to manufacture a palatable butterine. It is not put in primarily for coloring purposes. If the color alone were the end sought, there are artificial colors that could be used and added in concentrated form that would be much less expensive than the use of imported oil. I do not think it is used primarily for that purpose in any place within my knowledge.

Mr. WILLIAMS. Mr. President—

Mr. SHERMAN. I yield to the Senator from Mississippi.

Mr. WILLIAMS. If the Senator from Illinois will pardon me for the interruption, the difference is that if the oleomargarine were artificially colored it would be subject to the 10-cent tax.

Mr. SHERMAN. Yes, sir.

Mr. WILLIAMS. And if it were naturally colored by the color of the peanut oil, it would not be subject to the 10-cent tax.

Mr. SHERMAN. No, sir.

Mr. WILLIAMS. So the Senator's statement that the manufacturers could find a cheaper material wherewith to color the product is erroneous, because the natural coloring, coming from the natural tint of the peanut oil, would not subject the product to the tax.

Mr. SHERMAN. I understand. That is a matter for the revenue officers.

Mr. WILLIAMS. Oh, no; that is a plain matter of law. The law taxes the product when it is artificially colored.

Mr. SHERMAN. Very well. If peanut oil were added in such a way and had such a tint as would give to butterine an artificial shade equal to that of butter, it would be as much an artificial coloring as annatto itself, in my judgment.

Mr. WILLIAMS. I beg the Senator's pardon. The law provides that oleomargarine in its natural state, whether there enters into it a certain proportion of olive oil or cottonseed oil or peanut oil or what not, if it has its natural color, is not taxed. When it is artificially colored with coloring matter it is taxed. But nobody would construe peanut oil to be an artificial coloring matter.

Mr. SHERMAN. Let me say in response to that remark, which is certainly a proper one, that into the revenue district in which Chicago is situated there was brought some natural oil from the Tropics, made from some species of palm. I do not know what its chemical composition was. I only know that palm oil from some tropical country was brought there and used by some of the very butterine manufacturers to whom I have been referring. The internal-revenue collector held that notwithstanding this was the natural color of that species of palm oil, it was an artificial coloring when added to butterine.

Mr. WILLIAMS. Yes; upon the ground that it was not really a constituent part of the butterine in any proper sense, but was added solely for the purpose of coloring.

Mr. SHERMAN. I am unable to distinguish how a manufacturer's intent can be ascertained. It is a good deal like hitting a man; the intent determines the criminality. The manufacturer's intent in adding African peanut oil to butterine may be to make a more nutritious article of food, or it may be to color it artificially so as to avoid the 10-cent tax.

Mr. WILLIAMS. As a matter of fact, I suppose both ideas enter into it.

Mr. SHERMAN. The purpose may be a mixed one.

Mr. WILLIAMS. But the main idea is that the peanut oil actually enriches the article and makes it more palatable, and makes a better butterine and a better oleomargarine. The fact that it colors it is a mere incident. When an artificial coloring is introduced for the purpose of coloring it, for the purpose of selling it as butter, then, of course, the law is violated.

Mr. SHERMAN. That is a matter that is solely within the jurisdiction of the Commissioner of Internal Revenue. The internal-revenue officers have a very wide discretion in saying what is and what is not an artificial coloring. I can understand how peanut oil might be added, if it were of that degree of tint, so as to artificially color it and come within the 10-cent tax.

Mr. SIMMONS. I understood the Senator—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from North Carolina?

Mr. SHERMAN. Yes, sir.

The PRESIDENT pro tempore. If the Senator will suspend for a moment to permit the Chair to make a statement, the Chair is aware of the rule which requires that a Senator desiring to interrupt another Senator shall ask permission of the Chair. These colloquies occur so often, however, and are so useful that the Chair will take the liberty of relaxing that rule until there is some indication that it is likely to be abused. The Chair desires to say that in explanation of the failure to enforce the rule at this time.

Mr. SIMMONS. I understood the Senator a little while ago, at the time I interrupted him, to be making the argument that this peanut oil improved the quality of the butterine, and that it was used for the purpose of making a better article. I did not understand him to be arguing that it was used for the purpose of coloring it, but that it was used for the purpose of improving it.

Mr. SHERMAN. The Senator understood me correctly.

Mr. SIMMONS. And, therefore, that it became an essential element in the product resulting from its use.

Mr. SHERMAN. Yes, sir; that is right.

Mr. SIMMONS. If that be true, then clearly the product would not be subject to the excise tax of 10 cents per pound.

Mr. LODGE. Mr. President, will the Senator permit me a moment?

Mr. SHERMAN. Yes, sir.

Mr. LODGE. When I spoke I mentioned two purposes for which I thought the duty might be imposed, one being revenue purposes and the other protective purposes. I confess it did not occur to me—and I want to make the acknowledgment now—that this duty was imposed for the purpose of preventing manufacturers from using an article which imparted a better color.

Mr. SIMMONS. Nobody has said it was.

Mr. LODGE. Very well; then what is there in the point about it? There is nothing in the point.

Mr. SIMMONS. I have been trying to get information with reference to the argument the Senator from Illinois was making.

Mr. SHERMAN. Annatto is a constituent element of butterine, if it be used to color it so as to bring it within the 10-cent tax. It is not unpalatable. The coloring matter is not unhealthful. It not only improves the appearance of the butterine, but it has certain food elements in it. Taken alone it is not valuable and is not used as an article of food. It is a concentrated coloring matter. But added to butterine, if anything, it enhances the food value of the article.

Coming back to peanut oil, the duty of 6 cents a gallon can be justified only as a revenue measure. The duty of 6 cents a gallon, if I remember correctly the figures of the estimate in the report, would produce about \$36,000 a year revenue. I wish to say that the butterine manufacturers will not pay that \$36,000. They are now manufacturing oleomargarine at a very close margin and putting it on the market or sending it to the grocery. Ordinarily the grocer is the jobber for them. Just before coming to this Chamber I was engaged in a department for something over four years in the almost continual purchase of butterine in considerable quantities.

Mr. SIMMONS. But does not the Senator think that if, by spending this \$36,000, the manufacturers of oleomargarine can produce a product which will be of the same color as butter, and at the same time escape the excise tax upon colored oleomargarine, they will pay it?

Mr. SHERMAN. No, sir. I will say to the Senator that if he will read the section of the present law dealing with this matter, and the decisions made by the Commissioner of Internal Revenue here in the Treasury Department, and sustained when made by local collectors throughout the country, I think he will find that there is no danger of any kind of a combination of natural products so as to approach the similitude of butter and escape the 10-cent tax. That, also, is a matter within the discretion of the Commissioner of Internal Revenue in the interpretation of the law, and finally must be determined by the courts. They are the last tribunal to pass on that question.

That, however, is a matter that can be covered either by future decision or by future legislation. I believe in the anti-color law, both here in Congress and in the several States, as it exists.

Mr. NORRIS. If the Senator will permit me, I should like, for the purpose of information, to ask the Senator from North Carolina a question. It seems to me that the danger the Senator has suggested could easily be determined by what has happened in the past. Under the present law I understand this article is free. Is it not?

Mr. SIMMONS. Yes.

Mr. NORRIS. I wish to ask the Senator if the manufacturers of oleomargarine use this article, peanut oil?

Mr. SIMMONS. That is exactly what I am trying to ascertain from the Senator from Illinois. I do not know. I made that inquiry of the Senator.

Mr. NORRIS. That is a point upon which I would like to have information.

Mr. WILLIAMS. If the Senator wants to know whether oleomargarine made with peanut oil but containing no artificial coloring matter has been subjected to a 10-cent tax, I can answer that by saying no.

Mr. NORRIS. I agree with the Senator from Mississippi the legal effect would be as stated awhile ago, but what I was inquiring particularly about is whether under the present law there has been anyone who by the use of peanut oil has been enabled to escape the 10-cent tax?

Mr. WILLIAMS. Everybody who has used it has escaped the tax, because it was not artificial coloring matter, and nobody has been taxed merely for peanut oil.

Mr. NORRIS. If they use peanut oil for artificial coloring, would it be subject to a tax? I wanted to know the fact as to whether this would make a color and whether they had done that in the past.

Mr. SIMMONS. The Senator from Illinois, as I understood him, was making the argument that this product could be used so as to give a color to oleomargarine somewhat simulating the color of butter and that at the same time it improved the quality of the product.

Mr. NORRIS. If that could be done it would have been done in the past, I should think, and practically would have nullified the law.

Mr. SIMMONS. Then the Senator proceeded to say that if we impose this duty on the product it would not be imported into this country, because, he said, the manufacturers of oleomargarine would not pay this tax. Thereupon I asked the Senator the question whether, as a matter of fact, the manufacturers were using this material for the purpose of coloring oleomargarine and escaping the tax. I asserted that if by the use of this oil they could improve the quality of oleomargarine and at the same time give it a color that simulated butter and escape the tax there could be no question in my mind about the manufacturers being willing to pay this tax and making a profit by doing it, because they would escape the 10-cent tax by paying a tax of 5 cents a gallon. As to whether that is being done or not I was trying to get some information, as the Senator was.

Mr. NORRIS. That is what I am trying to find out. If it could be done, it seems to me certainly it would have been done under the law as it exists now.

Mr. SIMMONS. I was inquiring whether it had been done.

The PRESIDENT pro tempore. The Senator from Illinois will proceed.

Mr. SHERMAN. Mr. President, I am quoting from memory, but for the last fiscal year I think there were 126,000,000 pounds of oleomargarine put on the market that went through the different internal-revenue offices of the country. I know from personal knowledge that for more than five years butterine or oleomargarine has been compounded with peanut oil imported. I know that the greater part of the output of the Chicago factories, exclusive of the packing houses, with whom I have had no communication whatever—I speak of the smaller ones—has not escaped the 10 cents taxation on at least nine-tenths of their product, the uncolored remainder being subject to the lower rate. It is a fair assumption that of the entire product of the oleomargarine factories 90 per cent of it has paid an internal-revenue tax to the Government. That would only leave a small portion, say one-tenth, untaxed, and that goes out uncolored; and they send with it coloring matter in order that the housewife may color it after taking it into the kitchen. But that is only a very small per cent of the whole.

Further, if this peanut oil in the heavy vegetable origin I have described does not come in under a 6-cent duty, there will be, necessarily, some substitute used in its place. The manufacturer has tried domestic peanut oil. I wish to say that, on the theory I have advanced heretofore and on my belief, if a gallon of domestic peanut oil could be used by the oleomargarine manufacturer I would legislate in that way, if it answered the purpose as well or take a chance on its not doing quite so well to use the domestic product rather than to bring it from Africa.

Whether this could by any possibility be made an instrument for the evasion of the internal-revenue tax is something I will get to when we reach the amendment later on. I introduced an amendment here some time ago covering this point. It provides in substance that the imported oil used in the manufacture of oleomargarine or butterine shall not be dutiable. If gentlemen who are anxious to safeguard the producer of genuine butter will join with me we will have no difference of opinion.

We have anticolor laws in most of the butter-producing States. The dairymen are imperative on that, and they have had it. I have had my difference of opinion with them in years past, and we adjusted amicably long ago. Nearly every State that produces an appreciable quantity of marketable butter to-day has an anticolor law within its limits in full operation by the pure-food board or some law department of the State.

I am in favor of and would support sincerely any such arrangement. I will support the same regulation now in force passed some years ago. It is a revenue producer it is true. The 10 cents on colored butterine produces a goodly sum each year. But from the dairyman's point of view it was urged for an entirely different purpose. It was urged to prevent deception in the sale of oleomargarine to unsuspecting customers in place of butter. So the 10 cents tax was placed on it for a double motive, and it has answered both purposes.

If, when the amendment is up in due course, any of the gentlemen on the other side wish to have it so amended that any peanut butter used in the manufacture of this article shall in no manner escape the 10-cent duty, I will join with them cheerfully on this subject, because it is far from my purpose that any such effect should be had. All the 126,000,000 pounds that went out on the domestic market last year was sold at a reasonable price.

Mr. SIMMONS. Will the Senator permit me to ask him one question?

Mr. SHERMAN. Yes, sir.

Mr. SIMMONS. Is the Senator opposing the duty carried in the bill proposed on this article—

Mr. SHERMAN. The 6 cents on peanut oil?

Mr. SIMMONS. Yes. Is he opposing it an account of its possible uses in connection with the manufacture of butterine or is he opposing it upon the ground that it is used for the purpose of making a confection?

Mr. SHERMAN. I am opposing it on the former ground, I will say to the Senator from North Carolina.

Mr. SIMMONS. I understood the Senator to say in the beginning that it was used for the purpose of making confectionery.

Mr. SHERMAN. Peanut oil imported? That is the domestic product.

Mr. SIMMONS. Then the Senator does not agree with the Senator from Massachusetts, or certainly one Senator over there, who declared that it was used largely for the purpose of making confections.

Mr. SHERMAN. The imported oil?

Mr. SIMMONS. I just wanted to understand whether the Senator was opposing it on account of the manufacturers of oleomargarine or on account of the manufacturers of confections.

Mr. SHERMAN. No, sir; I am opposing it for neither reason, I will say to the Senator from North Carolina. I am opposing a levy of 6 cents a gallon on peanut oil imported as an ingredient of oleomargarine because it adds to the cost of the tables of the mine workers, of whom there are 20,000 in my district alone and many more thousands in my State, when they buy it. They largely buy no butter, because they can not afford it.

They are eating no Elgin butter in that country. With even \$3.50 or \$4 for wages in the soft-coal country, with the interruptions in the mining business, they are not to-day paying 40 or 50 cents a pound for dairy butter. They are paying 16 to 18 cents a pound for this same oleomargarine. I am talking for the miner and the wage-earning head of a family. The manufacturer can take care of himself. If you add the 6 cents a gallon on one of the component parts of oleomargarine to the cost of the butterine or the oleomargarine when it comes into his kitchen, you have levied the tax finally on the poor man.

It is like your banana tax. I know who will pay the banana tax. Out of the 450,000,000 bunches of bananas that came in last year, it is not the banana peddler or the banana jobber or the United Fruit Co. that will pay the tax. It is the man who buys bananas at 25 cents a dozen for his children who will pay the tax at last. Do you not remember that in the days of the Spanish-American War we put a tax of a cent on every telegram. It was a small tax. But who paid it? I paid it. The man who sent a telegram paid it. The Western Union and the Postal Cable Companies never paid a cent. They simply put the favor onto the sender of the telegram. With the banana it is the man or child who eats the banana who will pay; and the tax will fall on the man who eats the pound of butterine if you put a duty of 6 cents on each gallon.

Now, let me go further. I am unable to understand the philosophy of the framers of this bill when peanut oil that has heretofore been free, just a general omnibus provision that all that product is free, is now placed on the dutiable list at 6 cents, and at the same time olive oil has a reduction of 40 to 50 per cent. I do not understand that olive oil is something the average wage earner out in the western country is using on his table three times a day or only one time a day. It is possible he may get some peanut oil very cheap. There is a difference in retail. Even the peanut oil from Georgia that is taken



to Italy and shipped back can be sold cheaper than genuine California or Italian olive oil. But olive oil is not something that is in favor of the suffering poor when it is reduced 40 to 50 per cent.

If you are going to make this a revenue measure by taxing peanut oil, then tax olive oil that goes along with a hot bird and a cold bottle. This is not in favor, I presume, of the oppressed poor. It is another bearing a strong family resemblance to taxing something that is finally added to the man that pays the bill who is not hit by an income tax. I hold no brief for any of the gentlemen who will be affected by an income tax. It catches all of us fellows here, because we get \$7,500 a year, and it will cost us \$35 a year. But for those under the exemption it is a different question. Every one of the customs duties imposed is passed along until it gets to the consumer.

If the ultimate consumer is the suffering gentleman for whom relief is desired in this bill, then let us take somebody else instead of levying a duty that will travel along until it is taken out of the mouth of one who earns wages and keeps his family out in my part of the country. Instead of taking it out of his pocket, reach somebody else. Raise the limit on your income tax.

There is another thing here that I can not understand on the peanut-oil question. Is this 6 cents a gallon intended to be protective or revenue? I have been asked some questions. Gentlemen who discuss this in after days can state for what motive this portion of the paragraph was framed. If it is a revenue measure I can understand it. If it is a protective measure I can understand it. Which is it?

Mr. WILLIAMS. Revenue, of course.

Mr. JOHNSON of Maine. Entirely for revenue.

Mr. SHERMAN. Then why do you not tax olive oil more?

Mr. JOHNSON of Maine. We put on olive oil 20 cents a gallon.

Mr. SHERMAN. Do you not think it will produce as much?

Mr. JOHNSON of Maine. The duty on peanut oil is 9 per cent. The duty on olive oil is 20 per cent or more on different varieties of olive oil. Olive oil is consumed along the Atlantic coast by laboring people as much as peanut oil is consumed.

Mr. WILLIAMS. Very much more.

Mr. SHERMAN. Let me say to the Senator the duty on olive oil is reduced.

Mr. JOHNSON of Maine. But the duty is double what it is on peanut oil now.

Mr. SHERMAN. What do you tax peanut oil at all for?

Mr. JOHNSON of Maine. For revenue.

Mr. SHERMAN. For revenue?

Mr. JOHNSON of Maine. Certainly.

Mr. SHERMAN. Who do you expect to pay the added tax?

Mr. JOHNSON of Maine. The people who use it.

Mr. SHERMAN. That is all I want. I am through.

Mr. JOHNSON of Maine. As they pay every tax.

Mr. WILLIAMS. Now, Mr. President, if the Senator from Illinois is through, we have all heard him very patiently. He is opposed to this tax because it adds to the cost of living of the mine workers and because it adds to the burdens of the suffering poor. Peanut oil adding to the burdens of the suffering poor! All the laboring men of Illinois and all over the country are distressed to death because 6 cents a gallon is put on peanut oil, which I suppose from that is a daily product of their food. Just think of it a minute! How we are oppressing, weighing down upon the suffering poor by adding to the cost of peanut oil! And this comes from the mouth of a gentleman who I expect will vote against the provision in this bill which puts meat for the poor and bread for the poor upon the free list.

But of course the suffering poor in Illinois do not eat meat and bread; they eat peanut oil, and they can not get along without peanut oil. They can not worship on Sunday or send their children to school on Monday without peanut oil. And the gentleman in the next breath tells us his chief objection to that tax is that it adds to the cost of oleomargarine and that oleomargarine enters into the consumption of the suffering poor, the mine worker of Illinois and his part of the country; and yet, in the very next breath after that, he tells us he is in favor of 10 cents a pound internal-revenue tax upon oleomargarine itself, and that although he had some quarrel with somebody about that years ago he has quit defending the suffering poor when it comes to oleomargarine.

Now, perhaps the most iniquitous law upon the statute book is the prostitution of the taxing power so as to keep the poor people from buying something better and healthier than butter instead of butter. Yet the Senator stands here defending that tax, a purely sectional tax. I have fought it, and I fought it when it was levied. I should like to see it repealed to-day.

I should like to see the mine workers in Illinois get oleomargarine for 10 cents a pound less than they now do.

Mr. SHERMAN. Will the Senator allow me to interrupt him?

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Mississippi yield to the Senator from Illinois?

Mr. WILLIAMS. I will yield in a moment. Oleomargarine has no germs in it. Every bit of the testimony presented in both Houses, from that of Dr. Harvey Wiley down, was to the effect that it was just as healthful, if not more healthful, and just as nutritious as butter; yet this great defender of "the suffering poor," who can not exist night or day without peanut butter, is an advocate of the 10 cents a pound tax on oleomargarine. It looks to me like a peanut argument. Now, I will yield to the Senator.

Mr. SHERMAN. I wish to ask the Senator whether he favors the repeal of the 10-cent tax on colored oleomargarine?

Mr. WILLIAMS. Absolutely; and that is not all. I favor, if you are going to keep the tax on colored oleomargarine, putting a tax upon colored butter. The Senator knows as well as I do that nearly all the butter that is put on the market is colored artificially to resemble June butter, so that it may be sold at a higher price under the false pretense of being the best product of butter; and yet in the House of Representatives when they presented a bill putting a tax upon colored oleomargarine, and I presented an amendment to put a tax upon colored butter, they voted it down three to one. Why? Because they were afraid of the dairymen, the creameries, and the farmers—

Mr. SHERMAN. Let me ask the Senator another question.

Mr. WILLIAMS. And they made a great cry.

Mr. SHERMAN. Did you ever have a cowman after you?

Mr. WILLIAMS. Oh, yes; but not perhaps to the same extent that the gentlemen in the Senator's neighborhood had cowmen after them. I never had a cowman after me so strongly that I was intimidated and backed down and voted to prostitute the taxing power of the Government to discriminate between two healthful articles, in favor of one and against the other. There are a great many cowmen in Mississippi, but they never cowed me quite to that extent. [Laughter.]

Mr. SHERMAN. Mr. President, will the Senator yield to me—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Illinois?

Mr. WILLIAMS. Yes.

Mr. SHERMAN. For the purpose of eliciting information. I am seeking no advantage at all, and I know the Senator is not. I thought this question all out once.

Mr. WILLIAMS. I know you did, and then you surrendered, and now you are apologizing.

Mr. SHERMAN. I am not apologizing.

Mr. WILLIAMS. I thought you were a moment ago. You said you thought it out and were tired of it, and that you were in favor of the tax.

Mr. SHERMAN. No; I am not. If you want to repeal it, that is a different question, but under the existing laws, in the condition under which we are now legislating—and I am taking the existing laws as they are—when it comes to repealing the 10 per cent tax that is another proposition entirely. I have been in that fight a great many times.

Mr. WILLIAMS. Would you vote with me for repealing it?

Mr. SHERMAN. No; I will vote against repealing it.

Mr. WILLIAMS. Ah! That is just what I said—that you were apologizing for your past opposition to it.

Mr. SHERMAN. I have not finished the explanation in answer to the inquiry. I have been through that fight a great many times, and I have known a good many people to be converted from other reasons. I have no respect for a sinner who repents because he is afraid of going to hell if he does not do so. I have changed my views because I think it is a fair regulation.

Mr. WILLIAMS. Why not tax colored butter?

Mr. SHERMAN. The oleomargarine men in the western country—

Mr. WILLIAMS. Why not tax colored butter, I repeat?

Mr. SHERMAN. I will get to that in a moment. The oleomargarine producers, the dairy people, and the farmers in the western country got together and settled it. Whether the consumers are concerned in that I am not saying, but those producers, the farmers, and the dairy people got together and settled it. There is now no controversy out in that section of the country, where most of the butter comes from.

Mr. WILLIAMS. What controversy there was has been silenced; quieted, so to speak; given a soporific, a sedative.

Mr. SHERMAN. The anticoloring law in most of the States is in the statute to stay. That question has passed beyond the stage of controversy in most of the Western States. Nobody wants it repealed and nobody has introduced such a bill. In four legislatures in the Western States with which I am familiar in five years there has not been a bill introduced to repeal the anticoloring law.

Mr. WILLIAMS. Well, but if the Senator from Illinois will pardon me now, the Senator interrupted me to make a statement—

Mr. SHERMAN. Certainly.

Mr. WILLIAMS. And I understood that he made it; but I do not understand yet why the Senator should have his soul harrowed up, his mind distressed, and his patience tortured because of the oppression of "the suffering poor" by the tax upon peanut oil—

Mr. SHERMAN. I do not want to drive them to olive oil.

Mr. WILLIAMS. Because the tax upon it will make the price of oleomargarine higher; and yet he disdains to harrow up his soul or to have his mind vexed because of the 10 cents tax on oleomargarine, the very product whose increased cost he is complaining of as an element entering into the oppression of "the suffering poor" if peanut oil is taxed.

Mr. SHERMAN. The suffering poor always buy cob pipes and smoke their Kentucky leaf, and so you ought to repeal the internal-revenue tax on tobacco, which is as much of a necessity as is oleomargarine or whisky.

Mr. WILLIAMS. I am not proposing to relieve "the suffering poor." It was the Senator from Illinois who was proposing to relieve "the suffering poor." He was proposing to relieve them by putting peanut oil on the free list; and his reason for it was that if peanut oil was taxed, it would add to the price of oleomargarine; and in the next breath he says he is in favor of taxing oleomargarine 10 cents a pound. Now, do not make me make the argument that you have made, which I merely repeated. I am the best-natured man in the world, but I do not want to stand in the attitude of having made that argument publicly anywhere.

Mr. SHERMAN. Will the Senator permit me to ask him another question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Illinois?

Mr. WILLIAMS. Yes; certainly.

Mr. SHERMAN. I ask if it helps by 6 cents a gallon, or whatever it may be, are you in favor of that?

Mr. WILLIAMS. Am I in favor of this tax? Absolutely.

Mr. SHERMAN. Of 6 cents a gallon?

Mr. WILLIAMS. Six cents, or whatever it is; yes.

Mr. SHERMAN. Then the only difference between you and me is in the enormity of our sins.

Mr. WILLIAMS. What is that?

Mr. SHERMAN. The only difference between you and me is the degree of our sinning.

Mr. WILLIAMS. Oh, no, Mr. President; the difference is enormously greater than that.

Mr. SHERMAN. On this question of peanut oil.

Mr. WILLIAMS. The difference is that I frankly confess that I want this tax, and I frankly confess that I would rather make oleomargarine cheaper to the poor, who really eat it and who need it, and the Senator, under the guise of contending that he wants cheaper oleomargarine for "the suffering poor," admits in the next breath that he wants to tax it so as to make it higher. The difference between him and me is that he strains at a gnat and swallows a camel, and I am swallowing a gnat, but refusing to put a camel into my stomach. [Laughter.] That is the difference, if the Senator will pardon me.

Mr. SHERMAN. You will be nauseated on this before you are through with it.

Mr. WILLIAMS. I should not be at all surprised if you put enough gnats in your stomach that you might be; but the amount of suffering that a man incurs from a gnat or two is nothing in comparison with the attempt to swallow a camel. It is the most horrible experience you ever had, I dare say. I really think that the Senator does not want to strain at this peanut-oil gnat, while he swallows the oleomargarine camel; and then contend at the same time that he is consistent. If he will frankly confess that he is inconsistent, that is a different proposition.

Mr. SHERMAN. Is the Senator through?

Mr. WILLIAMS. I do not know whether I am or not. I will tell the Senator later. [A pause.] Yes; I believe upon looking further in the books that I am through.

Mr. LODGE. Mr. President, the question of the internal-revenue tax on oleomargarine is a delightful one; it has been discussed in Congress for the last 25 years; but I do not want

to delay the bill, so I shall not open up the question of the merits of the oleomargarine tax.

I desire to say, however, that I differ with my friend from Illinois on one point. I do not think the people who eat butterine and oleomargarine are going to pay the tax on peanut oil. I think it has been demonstrated, so far as human evidence can demonstrate it, that there will be no importations of peanut oil. Where the eaters of butterine or oleomargarine will suffer, if it be a suffering, will be that they will have cottonseed oil where they now have peanut oil, and although they may not and very likely will not know the difference, by consuming this additional amount of cottonseed oil they will help promote a very worthy industry.

Mr. SHERMAN. Mr. President, I desire to conclude. I am very glad to have the Senator from Massachusetts add that statement, because I think, so far as there can be any "milk in the coconut" on an oil question, the Senator has discovered it. When you do not avow that the duty is for protective purposes, but say that it is for revenue purposes, I do not think it is entirely a frank avowal of motives. I rather consider—and I think that is the view of gentlemen who are familiar with commercial operations—that the duty is levied entirely for the reason stated by the Senator from Massachusetts.

The importations under the free peanut-oil clause have been considerable. I can not quote them from memory, although I have looked them over within a comparatively short time; but the importations from Africa of the kind of oil that was the subject of the original discussion here, however far we have wandered away from it, has been considerable in the last two or three years, and especially as it has been developed that it answers the purpose of preparing a palatable and edible article of oleomargarine. That was the original question, and not the question of continuing or repealing the internal-revenue tax. We will treat that question when we get to it.

Mr. NORRIS. Mr. President—

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

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. The Senator is speaking of the importation of peanut oil.

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. I desire to ask him a question in regard to that. I notice from the data furnished by the committee that in 1910 the importations were something over 3,000,000 gallons, while in 1912 they had fallen off to 878,000 gallons. Can the Senator give us any idea as to why there was such a decrease?

Mr. SHERMAN. That depends largely on two things. One is that this product, if imported in bulk hermetically sealed and stored in a cool, dark place, can be kept indefinitely, and it is likely the importations may have been very large one year when there was a large crop and the prevailing prices low, and stored, and that there was a corresponding falling off in the importation or the demand in the next year.

The kind of oil to which I am particularly referring and which is covered by an amendment which I propose to offer to this bill comes entirely from Senegambia. It is derived from a heavy nut which produces a very large percentage of oil when compressed. It is used entirely for this manufacture. There may be a large quantity of peanut oil used for other purposes and coming under the head of the importations quoted.

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

Mr. SHERMAN. Yes, sir.

Mr. NELSON. I have listened to this discussion with a great deal of interest, and I must say that the tax on peanut oil is one of the bright spots in this tariff bill. Peanut oil, as I gather from the discussion, is something the oleomargarine manufacturer uses to deceive the public into buying oleomargarine for butter. I am very glad to see a provision in this tariff bill that helps to protect the farmers against such a fraud, and I hope that instead of 6 cents the tax will be made twice that.

Mr. SHERMAN. I wish to say to the Senator from Minnesota that the peanut oil I have mentioned is not used by any oleomargarine manufacturer in this country for the purpose of evading the internal-revenue tax or for deceiving the purchaser and consumer of the article. It is used for the purpose of filling out in the compounding of oleomargarine the necessary animal or vegetable fats.

Mr. NORRIS. Mr. President—

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

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. It may result in a repetition; but, in order to make the matter clear, I wish the Senator would tell us whether



the imported peanut oil is used in the manufacture of what is known and sold in the market by the ordinary grocer as peanut butter?

Mr. SHERMAN. It might be used in a very slight degree, but I understand that peanut butter is entirely a domestic production.

Mr. NORRIS. Peanut butter is made from the peanuts themselves?

Mr. LODGE. From American peanuts.

Mr. SHERMAN. Yes; and the peanuts remain in the butter.

I wish to say further to the Senator from Minnesota [Mr. NELSON] that while peanut oil is used in compounding oleomargarine, I do not think in any of the points I have mentioned oleomargarine is put on the market because of having peanut oil in it in such a way as to deceive or defraud any purchaser.

Mr. NELSON. Mr. President, does not the peanut oil change the color?

Mr. SHERMAN. Very slightly, as I have explained; and I think the Senator heard me make the explanation. It does not change it in any degree to deceive any purchaser of butter.

Mr. NELSON. It changes the color so that the oleomargarine more nearly approximates the color of natural butter, does it not?

Mr. SHERMAN. It does not. I do not myself know what the natural color of butter is.

Mr. NELSON. Well, I am sorry.

Mr. SHERMAN. I am sorry, too, to think the Senator does not appreciate the extent of my ignorance. Let me ask the Senator, as he is informed, what is the color of butter in January?

Mr. NELSON. That depends on whether you have a new milch cow or not. [Laughter.]

Mr. SHERMAN. It depends upon the latitude and the cow's habitat.

Mr. NELSON. It depends upon whether it is a short-horn or some other kind of breed, and whether it is a fresh cow in winter. I am glad I can give the Senator from Illinois, who, I know, lives in the big city of Chicago—

Mr. SHERMAN. I am not from Chicago; I live down among the farmers, just as the Senator does.

Mr. NELSON. I am glad that I can inform the Senator that in winter a fresh cow will make very much the same butter as an old cow will in the summer on grass. [Laughter.]

Mr. SHERMAN. I wish to say to the Senator that I live down among the farmers, as he does, and I know both those who raise beef for the market and those who are engaged in the production of butter or selling the product to the dairy people. They are not opposing present conditions in the manufacture of oleomargarine.

Mr. NELSON. Will the Senator allow me?

Mr. SHERMAN. Certainly.

Mr. NELSON. I have no doubt the Senator in his early days lived among farmers and on the farm, but in later days I fear he has lived too near the shadow of the packers.

Mr. SHERMAN. I do not blame the Senator. I have lived at lunch counters for 20 years of my life, and that is one reason why, when butterine is manufactured, I want it as good as it can be made. I said to the Senator that I did not know the natural color of butter. I do not know it unless the latitude, the time of the year, and the habitat of the cow are specified. All of those considerations enter into the color of the product. The suggestion by the Senator that I am under the shadow of the packers is gratuitous and unworthy of his usual sense of fairness. They have had no communication with me, directly or indirectly, on this or any other subject. They are citizens of this country, a part of my constituents, and I am glad of it.

The color you have in your mind, and that we all have, is an ideal color. It is the June shade, made by the cow browsing out in the pasture on Kentucky blue grass, or some place where she has natural food. That kind of butter is the kind we all dream of and hope for. It is the kind we seldom get.

I have had some experience with natural butter that is unsatisfactory, as I have had with other products, because natural butter must be good in order to be palatable. I know that the dairies rework butter. I know that they rewash it and re churn it with preservatives and then send it out and sell it as reworked butter. They are subject to law, and under the regulations of the pure-food law of the country must brand and sell it as reworked butter; so that the dairyman is subject to the same rules that anybody else is, and properly so.

Mr. NELSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. SHERMAN. Yes, sir.

Mr. NELSON. I think the Senator from Illinois is a little astray in that matter. They make what they call renovated butter. There are factories that buy up homemade butter that is not very good, melt it, and make it over again. That is sold in the market as renovated butter. They have to pay a special tax on it. In so far as I know, nobody is deceived in that respect. It is real butter, only it is worked over again, melted, and cream and fresh milk added to it, so it is greatly improved; but still it is nothing but butter—butter from the cow.

Mr. SHERMAN. It is cow butter; that is true; but it has been reworked—"reworked" and "renovated" are identical—and reworked butter is like somebody else that has been worked. [Laughter.]

Mr. GRONNA. Mr. President—

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

Mr. SHERMAN. Yes, sir.

Mr. GRONNA. I have listened to this discussion with a great deal of interest, but I fear the country will get some misinformation unless we go into the matter a little further. If I understood the Senator from Mississippi correctly, he said there is a tax of 10 cents a pound on oleomargarine. That, as I understand, is not a fact if it is not colored.

Mr. SHERMAN. That is so.

Mr. GRONNA. There is no tax on oleomargarine in its natural color. Am I right about that?

Mr. SHERMAN. It is taxed, I think, at one-fourth of a cent a pound.

Mr. GRONNA. If there is a tax, it is only a nominal one?

Mr. SHERMAN. A nominal tax.

Mr. GRONNA. The argument of the Senator from Illinois, of whom I am very fond, as he knows, and who is almost always right, is not satisfactory to me in all respects. I can not understand how the consumer of oleomargarine will be benefited by allowing the use of peanut butter or peanut oil, because if it does not change the color of the oleomargarine I understand it will not be subject to the tax. Am I right in that?

Mr. SHERMAN. The oleomargarine will not be subject to the tax unless the use of the peanut oil has so changed its color that the Internal Revenue Commissioner would hold, under the statute, that it had acquired the similitude of butter.

Mr. GRONNA. Mr. President, I think we should make that very plain. The State from which I come is more and more interested every year in dairying. I wish to say to the Senator from Illinois that I believe the manufacture of oleomargarine is what prevents good dairy butter being sold to the laborer in the mine. We have plenty of territory in the United States, if an adequate opportunity is given to those who go into the industry, to enable them to manufacture genuine butter in large enough quantities to make it possible for everybody in this country to eat dairy butter.

I believe the manufacture of these spurious goods is one of the grossest injustices to the dairying industry in this country that has ever been perpetrated. The Senator from Mississippi [Mr. WILLIAMS] would make us believe that the manufactured article of butterine is a more wholesome article than butter. He will not make that argument to one who knows what are the ingredients of butter. He may make it in the Senate of the United States, but I say he will not care to make it to a chemist or one who knows the real value of the two articles of food.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. SHERMAN. I do.

Mr. SMITH of South Carolina. Will the Senator from Illinois allow me to make a statement to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. SMITH of South Carolina. In the early part of the session we had before our committee an expert from the Agricultural Department, and there came up the question as to this very tax on oleomargarine. A question was put to him which is now incorporated in the hearings before the committee charged with investigating the cost of living. He stated that oleomargarine, when properly colored with the extract of carrots, giving it the yellow butter color, was just as wholesome, just as nutritious, just as palatable, and that as to the content of butter fat it was as rich or richer than genuine butter.

Mr. GRONNA. Yes, Mr. President; but he did not state that it was a more wholesome article than butter.

Mr. SMITH of South Carolina. He stated that it was just as wholesome.

Mr. GRONNA. At no place in the hearings before the Committee on Agriculture of the House will the Senator from South

Carolina find that Dr. Wiley said that oleomargarine was a more wholesome article than butter.

Mr. SMITH of South Carolina. He did not say it was more wholesome, but he said it was just as wholesome.

Mr. GRONNA. I am simply speaking with reference to the claim made by the Senator from Mississippi [Mr. WILLIAMS] that oleomargarine is a more wholesome article of food. I say that in no argument made by anyone before any Committee on Agriculture will you find the statement made that oleomargarine is a more wholesome article of food than butter. I well know, however, that the people of the South for 25 years or more have tried to invade the dairying industry, and to impose upon it an article that would come in direct competition with it. We who produce butter have no objection to your producing oleomargarine, but we do not want you to say it is butter, because it is not.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from South Carolina?

Mr. SHERMAN. Yes, sir.

Mr. SMITH of South Carolina. If the Senator will permit me, in reply to that I will say that there are millions of people, not only in the South, but elsewhere, who are entitled to have a substitute which, according to experts, is as wholesome, as palatable, and as nutritious as butter itself.

Mr. GRONNA. If the Senator will allow me to reply to that, we have no objection whatever to that, but we say you have no right to call it butter.

Mr. SMITH of South Carolina. Under our pure-food law the contents of it must be known. All persons know the name "oleomargarine." They know practically what it contains and how it serves as a substitute for butter. The argument I should make if I were to address myself to the subject would be that the 10-cent tax is a direct imposition of an internal-revenue tax, not for the purpose of collecting revenue, but for the purpose of protecting an industry which makes an article for which there is a substitute in the by-product of another industry.

Mr. GRONNA. Mr. President—

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

Mr. SHERMAN. Yes, sir.

Mr. GRONNA. If the Senator will permit me, may I ask my friend from South Carolina who is the producer of oleomargarine? Is not the manufacture of oleomargarine controlled by certain large factories?

Mr. SMITH of South Carolina. In answer to that question, I think the argument of the party to which the Senator belongs has always been that the only hope we have of having things properly adjusted in this country through the operation of protection is by encouraging competition. If the manufacturers of oleomargarine can put on the market a substitute for butter, which in all essentials is as good as butter, why should the people be mulcted in this large sum and denied this food product for the sake of a few men who raise cows?

Mr. GRONNA. Mr. President—

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

Mr. SHERMAN. I do.

Mr. GRONNA. I think the Senator from South Carolina will not say, and I know if he does say it he will regret it when he reads it in the RECORD, that there are only a few men engaged in raising cows in this country. He knows as well as I do that there are some 30,000,000 or 35,000,000 people in this country who are interested in the industry of raising cows.

Mr. SMITH of South Carolina. Mr. President, if the Senator from Illinois will permit me—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. SHERMAN. I do.

Mr. SMITH of South Carolina. I am not going to discuss how many cows there are in this country, but I am surrounded by a host of witnesses who know that something is wrong with the price of butter. It has risen to a point where it is almost prohibitive to the average man, to the common people.

I want to say to the Senator from North Dakota that we should not have any quarrel about this matter, because I think the chemists are largely right. I can take cottonseed meal and cottonseed hulls and feed them to a cow, and milk her, and then churn the product of cottonseed hulls and cottonseed meal and make butter, but if I can find a process by which I can run the same ingredients through a machine instead of running them through the cow, why should I not be allowed to do it, if I can do it cheaper?

Mr. SHERMAN. I have only a few words more to say, and then I will close, with apologies to the Senator from North

Carolina. I did not anticipate that this discussion would take so long. I will then yield for the purpose of promoting the disposition of the bill.

I wish to say to the Senator from North Dakota that he wholly misunderstands the purport of the proposed amendment. It is not an attack on the farmer, on the dairyman, or upon the man who handles the dairy product. But the fact remains, just as the Senator from South Carolina says, that the price of butter has risen until the average wage earner in a city can not buy it. He must either use something as a substitute or do without it.

In order that there may be no misunderstanding, let me quote from the Statistical Abstract for 1912, which is the latest available information on the subject. The total quantity of butter produced in 1911 can only be estimated. In 1910 the total quantity of butter produced in the United States was, in round numbers, 1,619,000,000 pounds. That must feed the whole of our 95,000,000 or 96,000,000 people. The total production of oleomargarine for the same year was 126,000,000 pounds. The 126,000,000 pounds could not depopulate the dairies or the farms of milk-producing cows. One hundred and twenty-six million pounds is the total production of oleomargarine for the year 1912. The figures are available here for that year.

In other words, the total annual butter production of the country amounts to 1,619,000,000 pounds. That is all that is available for what are practically now 100,000,000 people, 16 pounds per head, including men, women, and children, per year.

Hundreds and thousands of my constituents are engaged in the dairy business. I am not talking unadvisedly on this subject. I know their feelings. They feel just as strongly on the subject as the Senator from North Dakota does. But they are now producing, everywhere in the western country, every possible pail of milk and every possible pound of butter. With all that production of 1,619,000,000 pounds the price of genuine butter has steadily risen until with the mine worker, the shopman, the locomotive engineer, and the brakeman, butter is on the prohibited list, because it sells for from 40 to 60 cents a pound in the city where he has his home. With him it is a question of giving this substitute, a part of this 126,000,000 pounds, to his children, or doing without anything.

I now yield the floor to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, we have now been discussing this item about an hour and a half. I move to lay on the table the amendment of the Senator from Massachusetts [Mr. LODGE].

The PRESIDING OFFICER. The question is upon the motion of the Senator from North Carolina [Mr. SIMMONS] to lay on the table the amendment of the Senator from Massachusetts [Mr. LODGE] to paragraph 46.

Mr. SMOOT. Mr. President, on that I ask for the yeas and nays. The Senator from Massachusetts is out of the Chamber, and I know he desires a record vote on his motion.

Mr. TOWNSEND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

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

Ashurst	Gallinger	Martine, N. J.	Simmons
Bacon	Gore	Norris	Smith, Ga.
Bankhead	Gronna	O'Gorman	Smith, Md.
Borah	Hollis	Oliver	Smith, S. C.
Bradley	Hughes	Overman	Smoot
Brady	James	Owen	Stone
Brandegee	Johnson, Me.	Page	Sutherland
Bristow	Johnston, Ala.	Perkins	Swanson
Bryan	Jones	Pittman	Thomas
Burton	Kenyon	Poindexter	Thompson
Catron	Kern	Pomerene	Tillman
Chamberlain	La Follette	Reed	Townsend
Chilton	Lane	Saulsbury	Vardaman
Clapp	Lea	Shafroth	Walsh
Clark, Wyo.	Lewis	Sheppard	Warren
Clarke, Ark.	Lippitt	Sherman	Weeks
Cummins	Lodge	Shields	Williams
Fletcher	Martin, Va.	Shively	Works

Mr. SMOOT. I desire to state that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the Chamber. I shall allow this announcement to stand for the day.

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum of the Senate is present.

The question is on the adoption of the motion of the Senator from North Carolina [Mr. SIMMONS] to lay on the table the amendment proposed by the Senator from Massachusetts [Mr. LODGE], on which the yeas and nays have been demanded. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GALLINGER (when Mr. BURLINGHAM's name was called). I desire to announce that the junior Senator from Maine [Mr.



BURLEIGH] is detained by protracted illness and hence is not present. I will let this announcement stand for the day.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON], which I transfer to the Senator from Arizona [Mr. SMITH] and vote. I vote "yea."

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE]. In the absence of that Senator I withhold my vote.

Mr. SHEPPARD (when Mr. CULBERSON's name was called). The senior Senator from Texas [Mr. CULBERSON] is necessarily absent. He has a general pair with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. PAGE (when Mr. DILLINGHAM's name was called). My colleague [Mr. DILLINGHAM] is necessarily absent. He is paired with the junior Senator from Colorado [Mr. SHAFROTH]. I desire this announcement to stand for all votes to-day.

Mr. GRONNA (when Mr. McCUMBER's name was called). I wish to announce that my colleague [Mr. McCUMBER] was expected to return to the city either to-day or Monday, but due to the fact that his daughter is ill with typhoid fever at Detroit Lake, Minn., where the family is at present, it is not known when he can return. I wish to state that my colleague is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I will let this announcement stand for the day.

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. SAULSBURY (when his name was called). I am paired with the junior Senator from Rhode Island [Mr. COLT] and therefore withhold my vote.

Mr. SHAFROTH (when his name was called). I am paired with the Senator from Vermont [Mr. DILLINGHAM]. If I were permitted to vote, I should vote "yea." I withhold my vote.

Mr. HUGHES (when the name of Mr. SMITH of Arizona was called). The senior Senator from Arizona [Mr. SMITH] is necessarily absent from the Chamber on public business. He is paired with the Senator from Maryland [Mr. JACKSON]. The senior Senator from Arizona requested me to make this announcement.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I wish to transfer my pair with the Senator from Pennsylvania [Mr. PENROSE] to the Senator from Arkansas [Mr. ROBINSON] and vote "yea."

The roll call was concluded.

Mr. JOHNSTON of Alabama. I desire to state that my colleague [Mr. BANKHEAD] is paired with the Senator from West Virginia [Mr. GOFF]. My colleague is temporarily absent on public business. He would vote "yea" if present.

Mr. BACON (after having voted in the affirmative). I am informed that the senior Senator from Minnesota [Mr. NELSON] has not voted, and as I have a general pair with him I withdraw my vote.

Mr. MYERS. Has the Senator from Connecticut [Mr. McLEAN] voted?

The PRESIDING OFFICER. He has not.

Mr. MYERS. I have a pair with that Senator. In his absence I will refrain from voting. If I were at liberty to vote I would vote "yea."

The result was announced—yeas 47, nays 22, as follows:

YEAS—47.

Ashurst	Hughes	Overman	Smith, Md.
Borah	James	Owen	Smith, S. C.
Bryan	Johnson, Me.	Pittman	Stone
Chamberlain	Johnston, Ala.	Poindexter	Swanson
Chilton	Jones	Pomerene	Thomas
Clapp	Kenyon	Ransdell	Thompson
Clarke, Ark.	Kern	Reed	Thornton
Cummins	Lane	Sheppard	Tillman
Fletcher	Lea	Shields	Yardaman
Gore	Martin, Va.	Shively	Walsh
Gronna	Martine, N. J.	Simmons	Williams
Hollis	O'Gorman	Smith, Ga.	

NAYS—22.

Bradley	Clark, Wyo.	Oliver	Townsend
Brady	Gallinger	Page	Warren
Brandegee	La Follette	Perkins	Weeks
Bristow	Lippitt	Sherman	Works
Burton	Lodge	Smoot	
Catron	Norris	Sutherland	

NOT VOTING—27.

Bacon	du Pont	McLean	Saulsbury
Bankhead	Fall	Myers	Shafroth
Burleigh	Goff	Nelson	Smith, Ariz.
Colt	Hitchcock	Newlands	Smith, Mich.
Crawford	Jackson	Penrose	Stephenson
Culbertson	Lewis	Robinson	Sterling
Dillingham	McCumber	Root	

So Mr. LODGE's amendment was laid on the table.

Mr. TOWNSEND. Mr. President, the Senator from North Carolina made his motion to lay the amendment of the Senator from Massachusetts on the table before I had an opportunity to address myself to that particular provision.

Mr. SIMMONS. I will state to the Senator if I had known that, I would not have made the motion.

Mr. TOWNSEND. I thought it must have been an inadvertence.

Mr. SIMMONS. I stated to the Senator from Massachusetts, before I made it, that I thought probably it had had enough discussion, and I did not know of anyone else who probably would want to prolong the discussion. I made the motion to save time.

Mr. TOWNSEND. I understood the Senator to say he wanted to make the motion for the purpose of closing debate.

Mr. SIMMONS. No; not particularly for that purpose. If I had known that any Senator desired to speak, I should not have made the motion.

Mr. TOWNSEND. Mr. President, I am not very familiar with peanut butter. I have learned more about it this afternoon than I ever knew before. But I should like to state now what I have learned from the discussion that has already taken place.

The Senator from Maine [Mr. JOHNSON], who has charge of the schedule, stated that this duty was levied for the purpose of revenue. The Senator from Minnesota [Mr. CLAPP] favored the provision because he said practically that it would prevent importation and therefore would be in the interest of the butter makers of the United States. The Senator from Illinois [Mr. SHERMAN] has shown quite conclusively to me that if this product is shut out, other substitute products will be used in its place, and no one has attempted to answer that statement.

The Senator from Massachusetts [Mr. LODGE] has shown from the record presented by the committee that the importations of peanut oil have been reduced from 3,284,000 gallons in 1910 gradually down to 878,000 gallons in 1912, and the estimate of the committee is that there will be imported 600,000 gallons during the next fiscal year.

The statement of the Senator from Massachusetts has been undisputed that, owing to the high price of this oil, practically approximating the value of olive oil, there will be no amount imported next year.

The Senator from Massachusetts has also stated another thing to which no answer has been attempted, namely, that this item is not introduced into the bill for the purpose of producing revenue, but it is introduced for the purpose of protecting a substitute product, namely, cottonseed oil. That argument has not been answered, and I do not believe it is possible to answer it.

So far as I am concerned, if it is necessary to establish a great American industry to impose a duty upon its product, I want to do it directly, but not under the guise of producing revenue do I want to impose a duty for the purpose of protecting a southern product.

So, Mr. President, the sum of the arguments that have been presented thus far have led me to this conclusion, and there has been no attempt to answer the statements which have been made.

Mr. HUGHES. Mr. President, I do not know whether anyone has attempted to answer the statement of the Senator from Massachusetts. I do not know that the Senator from Massachusetts made the statement quoted by the Senator from Michigan. If he said that the duty upon peanut oil would force the use of olive oil, then he is making an incorrect statement, because the value of olive oil is nearly double that of peanut oil, and the duty on it is a great deal more than the duty on peanut oil.

Mr. WEEKS. Mr. President, I do not know what statement my colleague [Mr. LODGE] made in that respect, but I have a letter from importers of oil, who are doing business in Boston, which states:

It is used in woolen and other manufacturing. Proposed rate will more than cover the difference in price and will simply mean that its importation will cease. We import on an average 5,000 barrels a year—

That would be substantially 25 per cent of all that will be imported under the proposed law—

Under proposed duty we will have to stop its importation. To-day we sell imported olive oil at 81 cents a gallon and imported peanut oil at 79 cents a gallon. A duty of 6 cents will prohibit all importations will compel those who use this oil in manufacturing to buy olive oil at a higher cost, simply adding to the cost of manufacture.

And in another place the letter says that for use commercially it has been imported in competition with olive oil when the prices of olive oil have been prohibitive. That would seem to indicate that olive oil was not selling at twice the price of peanut oil, but that they were selling at substantially the same price.

Mr. HUGHES. The Senator can get the Treasury figures for himself. The Treasury figures show the average import

value of peanut oil and olive oil, and that olive oil is nearly twice the price of peanut oil.

Mr. WEEKS. The letter is written by people of the highest standing, and I have no reason to doubt the statement which I have read.

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

The Secretary continued the reading, on page 11, line 15, as follows:

Hempseed oil, 3 cents per gallon; almond oil, sweet, 5 cents per pound; sesame or sesamum seed or bean oil, 1 cent per pound.

Mr. BURTON. I move to strike out from lines 16 and 17, beginning with the word "almond" and ending with the word "pounds," the words "almond oil, sweet, 5 cents per pound; sesame or sesamum seed or bean oil, 1 cent per pound."

Both of these are now on the free list. The almond oil has been produced in a very limited quantity in this country, but the industry has not developed. There has been some promise of domestic production of sesame oil, but it has not been encouraged. Both these articles are used in medicinal compounds. Sesame oil is used in the making of soap also. I submit that these are utterly injudicious duties.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Ohio to strike out, on page 11, after the word "gallon," in line 16, down to and including the word "pound" in line 17.

Mr. JOHNSON of Maine. I ask for the yeas and nays.

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

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. ROOT] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WILLIAMS (when his name was called). Making the identical announcement that I made upon the last roll call, I vote "nay."

The roll call was concluded.

Mr. LEA (after having voted in the negative). Has the senior Senator from Rhode Island [Mr. LIPPITT] voted?

The PRESIDENT pro tempore. He has not.

Mr. LEA. I have a pair with the senior Senator from Rhode Island, and I withdraw my vote. If I were at liberty to vote I would vote "nay."

Mr. CHILTON. I transfer my general pair to the Senator from Arizona [Mr. SMITH], who is necessarily detained from the Senate on business of the Senate, and vote "nay."

Mr. JOHNSTON of Alabama. I wish to state that my colleague [Mr. BANKHEAD] is absent on public business, and is paired with the Senator from West Virginia [Mr. GORF]. If my colleague were present he would vote "nay."

Mr. SAULSBURY. I have a pair with the junior Senator from Rhode Island [Mr. COLT]. I transfer that pair to the Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. ASHURST. I desire to announce that my colleague [Mr. SMITH] is absent from the Chamber this afternoon on important business.

The result was announced—yeas 29, nays 42, as follows:

YEAS—29.

Bradley	Crawford	Nelson	Sutherland
Brady	Cummins	Norris	Townsend
Brandegee	Gallinger	Oliver	Warren
Bristow	Gronna	Page	Weeks
Burton	Jones	Perkins	Works
Catron	Kenyon	Sherman	
Clapp	La Follette	Smoot	
Clark, Wyo.	Lodge	Sterling	

NAYS—42.

Ashurst	Johnson, Me.	Pomerene	Stone
Bacon	Johnston, Ala.	Ransdell	Swanson
Borah	Kern	Reed	Thomas
Bryan	Lane	Saulsbury	Thompson
Chamberlain	Martin, Va.	Sheppard	Thornton
Chilton	Martine, N. J.	Shields	Tillman
Clarke, Ark.	O'Gorman	Shively	Vardaman
Fletcher	Overman	Simmons	Walsh
Hollis	Owen	Smith, Ga.	Williams
Hughes	Pittman	Smith, Md.	
James	Poindexter	Smith, S. C.	

NOT VOTING—25.

Bankhead	Goff	McCumber	Shafroth
Burleigh	Gore	McLean	Smith, Ariz.
Colt	Hitchcock	Myers	Smith, Mich.
Culberson	Jackson	Newlands	Stephenson
Dillingham	Lea	Penrose	
du Pont	Lewis	Robinson	
Fall	Lippitt	Root	

So Mr. BURTON's amendment was rejected.

The next amendment of the Committee on Finance was, on page 11, line 18, after the numerals "20," to strike out "per centum ad valorem" and insert "cents per gallon," so as to read:

Olive oil, not specially provided for in this section, 20 cents per gallon.

The amendment was agreed to.

The remainder of paragraph 46 was read, as follows:

Olive oil, in bottles, jars, kegs, tins, or other packages having a capacity of less than 5 standard gallons each, 30 cents per gallon; all other expressed oils and all combinations of the same, not specially provided for in this section, 15 per cent ad valorem.

Mr. WORKS. Mr. President, I desire to offer two amendments to this clause in the paragraph, and in order to save time, which seems to be highly valued in this body, if there is no objection, I will incorporate them in one so as to take but one vote upon them.

I move to strike out "20" in line 18 and to insert in lieu thereof "40," and in line 21 I move to strike out "30" and to insert "50."

The PRESIDENT pro tempore. The amendment proposed by the Senator from California will be stated.

The SECRETARY. On page 11, line 18, paragraph 46, after the word "section," it is proposed to strike out "20" and to insert "40," and in line 21, before the word "cents," it is proposed to strike out "30" and to insert "50."

The PRESIDENT pro tempore. Unless there is objection, the amendment offered by the Senator from California will be submitted as a single proposition. The Chair hears none. The question is on the adoption of the amendment offered by the Senator from California.

Mr. WORKS. Mr. President, the effect of this paragraph of the bill as it relates to olive oil will be to reduce the duty on olive oil in packages of 5 gallons and over from 40 cents per gallon to 20 cents, and to reduce the duty on olive oil in packages of less than 5 gallons from 50 cents to 30 cents per gallon.

I endeavored to show in some remarks that I had the honor to submit to the Senate yesterday that this reduced tariff would afford no protection to the olive-oil manufacturers in my State. If the reduction is placed upon other grounds, and this duty is not intended to protect the industry, it is idle for me to take up the time of the Senate in discussing the question. I therefore ask the Senator in charge of this schedule of the bill whether it was understood by the committee that this reduced duty of 20 cents per gallon would adequately protect the industry in my State, or elsewhere in this country, or whether the question of revenue was considered and taken into account by the committee or by the Democratic caucus.

Mr. JOHNSON of Maine. The information before the committee, Mr. President, was that the consumption in this country is about 10,000,000 gallons yearly, and that the greater part of it is imported. I think the testimony was that somewhere about 800,000 gallons was produced in the State of California, a very small part of the consumption in this country. In keeping with the other reductions in the bill the committee has reduced the duty upon olive oil as here recommended.

Mr. WORKS. Mr. President, I submit that the Senator from Maine has not answered my question as to whether it was intended or expected that this reduced duty would protect the industry in my State, or whether the duty was reduced upon other grounds and for other reasons.

Mr. JOHNSON of Maine. I have already stated to the Senator that the production in this country seemed to be a small amount as compared with the consumption in the country, and that the duty fixed here is about the average in this schedule. The average in the whole schedule is not 20 per cent; and it seemed to the committee that the duty was sufficient.

Mr. GALLINGER. Will the Senator again state the maximum consumption?

Mr. JOHNSON of Maine. It is about 10,000,000 gallons yearly.

Mr. WORKS. Then, I take it, Mr. President, although I have not yet received a direct answer to my question, that the question of protection was not taken into account at all. I think I have shown quite conclusively by what I have already stated upon the subject and the data that I have furnished that it would not protect the industry in my State. If this tariff is to be reduced as here proposed, I certainly want the people of California to know why.

Mr. GALLINGER. Will the Senator from California permit me just a word?

Mr. WORKS. Certainly.

Mr. GALLINGER. The Senator from Maine [Mr. JOHNSON], as I understood him, said that the annual consumption of this article is 10,000,000 gallons, and yet there seems to have been



only 3,600,000 gallons imported last year. That would seem to indicate that there is a very large production in this country now, unless I read the figures incorrectly; and that is the way it is stated in the Tariff Handbook.

Mr. JOHNSON of Maine. It is something more than that. Of both kinds of oil the consumption is about 5,000,000 gallons, as given in the handbook; but I stated that the evidence before the committee was that the consumption was about 10,000,000 gallons. In the handbook the importation of both kinds is stated as having been 5,000,000 gallons in 1912—about 3,000,000 gallons of one kind and 1,700,000 gallons of the other.

Mr. WORKS. I should like to ask the Senator from Maine whether it is understood by him and his committee that this reduction would increase the revenue to the Government?

Mr. JOHNSON of Maine. As I have already stated, the large consumption of the article in the Eastern States, where it is particularly largely used by the poorer people—the laboring people—led the committee to recommend this reduction. A duty of 20 per cent on the article seemed to the committee to be a duty which ought sufficiently to protect a domestic industry and at the same time not impose any unnecessary tax upon an article of food used, as is this, by the laboring people.

Mr. WORKS. Mr. President, the Senator has not yet answered my question. I assume that he does not desire to avoid an answer. My question was a very simple one, as to whether he understood this duty would increase the revenue to the Government.

Mr. JOHNSON of Maine. It is estimated that by the reduction the revenue will be increased, I think.

Mr. WORKS. I think the Senator will find by the estimates to the contrary. The estimates show that it will result in a loss of revenue to the Government.

Mr. JOHNSON of Maine. I find that though the importations might be increased the Senator is correct that the duties collected would be somewhat less.

Mr. WORKS. Now, Mr. President, in view of what has been said by the Senator from Maine as to conditions, I have extracted from a more detailed account of conditions the figures relating to that subject, which I should like read by the Secretary.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

OLIVE OIL.

Present tariff: Packages containing less than 5 gallons, 50 cents; 5 gallons and over, 40 cents per gallon.

Reduction proposed: 20 cents per gallon.

Ninety per cent oil sold to consumer in United States is in small cans or bottles, six to a gallon, 20 ounces each.

Average selling price per bottle or can, 80 cents.

Reduction of 20 cents per gallon would be 3½ cents per bottle.

Imported in United States during year ending June 30, 1912, 3,050,322.96 gallons, valued at \$4,335,294.25; duty paid on it, \$1,525,161.58, a value of \$1.42 per gallon. This was in packages containing less than 5 gallons.

Also imported 1,709,923.67 gallons, valued at \$1,729,491; duty paid, \$683,969.44, a value of \$1.01 per gallon. This was in packages larger than 5 gallons.

Also imported 702,565 gallons denatured oil; no duty.

Under tariff protection of 1908, 6,000 acres planted to olives, making total acreage of State 18,000 acres, from which is secured at present 8,000 tons for oil and 4,000 tons for pickles, a total of 12,000 tons.

Four years ago average net income was \$17; this year average net income is \$36.88 an acre.

In 1908 olive industry of California represented \$4,500,000; to-day it represents over \$7,500,000.

There is in California to-day available for olive trees 375,000 acres.

Total cost harvesting and delivering olives in Europe to the factories rarely exceeds \$7 per ton, while cost in United States is seldom under \$20 per ton.

Labor in Europe, including field, manufacturing, office, is \$1.04 per day.

In California, including some help as mentioned above, it is \$2.47 per day.

Average cost California oil in tanks is \$1.85 per gallon.

Average selling price, \$2.

Manufacturer's profit, 15 cents a gallon.

FREIGHT.

Foreign oil laid down in New York or Chicago, 7½ cents a gallon. California rate delivered any point from Denver east, 15 cents, and to what is known as the Northwest, through Montana and Idaho, from 18 to 20 cents a gallon.

Mr. WORKS. Mr. President, in that connection I also desire to read a short extract from a showing that was made before the committee having the bill in charge, which is as follows:

The proposed reduction of 20 cents a gallon, as far as we can see, will in no way reduce the cost of olive oil to the consumer, for this reason: Ninety per cent of the olive oil sold to the consumer in the United States is sold in bottles and small cans called sixes (6 to the gallon), and contain 20 ounces of oil each. The average selling price in the United States is 80 cents per can or bottle. A reduction of 20 cents per gallon would be 3½ cents per bottle. It is very obvious that the retailer would not sell at 75 cents and lose 1½ cents per bottle of his profit, which profit is small enough at the present time. Neither would he make a 76½-cent price.

We claim that the proposed reduction on an average annual import of 4,000,000 gallons, or \$800,000, would go to the importer alone, and

the Government would lose this revenue and not help the consumer and work a very serious hardship on the olive-oil industry of California. A 20 cents per gallon reduction on 4,000,000 gallons would be a fine plum for the importer and absolutely of no benefit to the consumer. The importers' argument has been that a 20-cent reduction would increase the sale and thereby increase the revenue. If you will follow the European markets you will find that all of the olive oil being manufactured is readily sold and that each year the supply is far below the demand, and especially so on the better grades of oil which come in competition with the California products.

In addition to that, Mr. President, without taking up the time of the Senate by their reading, I desire to submit a couple more letters bearing upon this question, in order to make my case on the record, and have them printed as a part of my remarks.

The PRESIDENT pro tempore. Unless there is objection, such will be the order. The Chair hears none.

The letters referred to are as follows:

LOS ANGELES, February 15, 1912.

Senator JOHN D. WORKS,  
Washington, D. C.

DEAR SIR: We sent you last night a night letter regarding the proposed attack on the olive industry of this State.

Three or four years ago this same question came up regarding the tariff on oil and olives, and at that time strong efforts were made by eastern representatives and importers of foreign olives and olive oil to throttle this industry. While slight changes were made, no material change was given the industry at that time. It remained practically as it was, with the exception that all mechanical oil that was coming into this country was ordered denatured and the word "green" was left from the tariff so that it read "olives," which thereby forced the duty on both green and ripe olives. Heretofore ripe or black olives, or what was termed "Greek olives," were coming in free of duty.

Under these conditions, not of the very best to the olive industry, the past three years have seen a wonderful stride for the better in the advancement of California olive oil and olives. It is safe to say that the business has increased over one-third in the past three years and at the present time is still increasing, and there are possibly 2,500 acres of young olive orchards being set out at the present time. From an acreage of about 8,000 bearing trees four years ago there has been an increase to 13,000 to 14,000 acres in old and young orchards combined. If the olive industry is let alone under the present tariff, you will see an increase larger than at any previous year. Under conditions as they now are the olive industry is in a fair way to rival either that of the orange or lemon industry in California.

The reduction as proposed by the Ways and Means Committee would mean in dollars and cents about 20 cents a gallon. The average yield of oil from a ton of olives throughout the State of California in the past four years has been close to 40 gallons. This reduction would mean 20 cents a gallon, or \$8 a ton. This \$8 can not come out of the manufacturer, because he has not been making 20 cents a gallon profit. The strong European competition has forced him to sell his olive oil on a very close margin and make his profits, if there are any, out of the ripe olives. In consequence of this the reduction must fall on the grower.

The average price paid to the grower during the past five years for what are termed "oil olives" has been \$20 per ton on the trees. This year a little more has been paid, possibly \$25, but it is safe to figure \$20 as the average price for oil olives on the trees. It costs the manufacturer from \$18 to \$25 to pick these olives. At \$20 on the trees for the grower means that the \$8 reduction per ton in the tariff taken from the \$20 leaves him \$12. The average yield of oil olives is 1 ton to the acre, and they have not yielded more up to the present time; that is, taking the total acreage in the State. In some instances there have been taken from 1 acre 2 tons of oil fruit, so that taking the outside limit, 2 tons, \$40 on the trees, out of which must come \$8 per ton, or \$16, of which must come cultivating, irrigating, fertilizing, pruning, and taxes, which at the present time is approximately \$9 per acre, which leaves the grower \$15 per acre net. This is providing he gets 2 tons to the acre; but as the average yield up to the present time has been only 1 ton, it would only net him \$7.50 per acre, so that it is safe to say that the actual earnings, providing this tariff went into effect, on an acre of olive ground would be \$7.50 to \$15, according to the yield of oil fruit. This reduction which they contemplate making virtually means the annihilation of the olive industry, both oil and pickles, as they will not and can not produce olives at any such prices.

From the manufacturers' standpoint: Imported olive oil, as you know, can be bought at \$1.65 per gallon, a fine grade; in fact, an A 1 grade. If we pay the growers \$25 a ton on the trees, it costs \$20 to pick it and \$5 freight, which makes \$50. It costs \$10 a ton to handle it in the house, making a total of \$60. If we get 40 gallons to the ton, this would mean \$1.50 for the oil (raw). This oil has to be carried one year at 6 per cent, which is 9 cents a gallon; insurance, taxes, etc., 5 cents a gallon, plus selling cost, 10 per cent, gives you the approximate cost of California olive oil to the manufacturer \$1.80 per gallon. This cost is figured extremely low, and I believe that 85 per cent of the oil in the State of California is not manufactured for less than \$1.90 a gallon under present conditions. You see that the reduction of 20 cents a gallon would practically cut the manufacturer out entirely.

The retailer says he pays \$2.50 or \$3 a gallon for oil. This is very true; he does; but on top of our cost must be figured the package, jobbers' profit, and retailers' profit. The jobbers' profit is generally 15 per cent, and the retailers' profit is 25 per cent, or perhaps 30 per cent; so that even with the duty on oil at the present time it is inadequate to increase the olive industry very rapidly.

We have been able under the present protection to figure our cost and made a small profit and increased the interest and acreage in the olive industry, but under this contemplated reduction I don't think that a manufacturer in the State would attempt to press olives into oil unless this tariff reduction fell entirely on the grower, which he can not under any consideration stand.

Yours, very truly,

AMERICAN OLIVE CO.,  
W. O. JOHNSON, Manager.

LOS ANGELES, March 13, 1912.

Senator JOHN D. WORKS, Washington, D. C.

DEAR SIR: The consensus of opinion of the growers, as well as the manufacturers, is that the chemical bill, which includes olive oil, will not pass the Senate and that they are as ably represented there by



our Senators from California, with all the knowledge that they have at hand, without a needless expense of a representative going to Washington.

Of course, you thoroughly understand that while the writer has taken a great deal of interest in this as a manufacturer, the grower is the one most vitally interested and the one upon whom all the hardships will fall. The packer or manufacturer, as you know, will always protect himself, as he will not purchase the fruit unless it can be purchased at a price upon which he can make a profit.

No doubt the various interests here have written you fully regarding the serious condition that this reduction in tariff will put the olive industry of this State in. They might just as well take the entire duty off of olive oil as to take off approximately 20 cents a gallon. A total reduction is the only way that any cheaper price would get to the consumer, for 20 cents a gallon will not in any way affect the price to the consumer. Ninety per cent of the olive oil sold in the United States is sold in small packages, the base of which is sixes—meaning six bottles to the gallon. The average price to the consumer is 90 cents to \$1 per bottle. The reduction in tariff, therefore, means a cut of 3½ cents on each bottle of oil. On the face of it it is plain to be seen who wants the profits. It is the importers and brokers. You know and I know that olive oil would not be sold at 85 cents a bottle because the duty was reduced 3½ cents a bottle, as the importer or jobber is not going to lose 1½ cents a bottle. You also know that they would not make a retail price of 86½ cents a bottle. This whole matter of tariff on olive oil is not a reduction to reduce the cost of living, neither, as some of our Congressmen stated, is olive oil a poor man's food. The whole proposition is to put more money into the pockets of the importers and brokers of olive oil in Chicago, San Francisco, and New York; and the putting of this 20 cents a gallon into the pockets of the above-named gentlemen takes away from the grower \$8 a ton, or, in other words, will virtually annihilate the olive industry of this State, which is what our importers are after.

Ten years ago less than 100,000 gallons of olive oil were manufactured in this State. In 1912 there will be over 500,000 gallons of oil manufactured in this State. Five hundred thousand gallons of oil means approximately 15,000 tons of fruit, or a clean, clear case of \$120,000, at \$8 a ton, out of the pockets of the growers to give to the importers and brokers of olive oil, a profit of virtually 20 cents a gallon on 6,000,000 gallons of oil imported each year into the United States. This in a very few words is absolutely what the reduction in tariff on olive oil means in California, and if you will investigate the facts and figures you will find that these statements are pretty nearly correct.

Trusting that your interests are our interests in this matter, we beg to remain,

Yours, very truly,

AMERICAN OLIVE CO.  
W. O. JOHNSON.

LOS ANGELES, CAL., February 19, 1912.

Hon. JOHN D. WORKS,  
United States Senate, Washington, D. C.

DEAR SIR: We have noticed, with regret, from the Associated Press dispatches that the Finance Committee have proposed a reduction of duty upon olive oil of about 20 cents per gallon, and in this regard we wish to impress upon you the unreasonableness of this contemplated action. Up until a few years ago there was no increase in olive acreage on account of the fact that it was not profitable to the growers, but on the other hand a great many acres of olives that had been previously planted were grubbed out so that the land might be available for other products that would give them a living.

During the last three or four years the conditions have been somewhat improved, and in view of this encouragement there are, at the present time, preparations being made for planting out an additional acreage, but if this contemplated reduction in the duty should be passed and become a law, it will, no doubt, give the industry another setback, from which it will take a long time to recover. The present duty upon olive oil really is not sufficient to cover the difference in cost of production at home and abroad. We simply make this statement because it is a fact, although we are not asking for an increase in the duty, and, in order to demonstrate to you with some actual figures the difference in cost, we want to quote from a report which we received from the consul general at Constantinople, Mr. Edward H. Ozmun, dated in 1908, in which he says:

"The cost of wages for adults range from 24 cents to 28 cents per diem, and each person can gather about 60 oke of olives a day. The hire of a horse or mule per day costs 40 cents, and each animal will, or rather ought, to carry about 600 oke of fruit per diem. This, together with the price paid for gathering the olives, and other sundry expenses, such as mending baskets, etc., brings the total cost of harvesting to about 7 paras the oke, or \$5.55 per ton."

You will see that Mr. Ozmun has gone into detail in figuring this cost, and we have no doubt but what he is practically correct. In his consular district there are 6,000,000 trees, which means a vast amount of olive oil. In making a comparison of cost we can not do the work for which they pay \$5.55 per ton in this country for less than \$22 to \$25 per ton. It is reasonable to presume that the same difference in cost that prevails in the gathering of the fruit would exist in the taking care of the trees and manufacturing the oil, and such being the case you can readily see that the present duty is not sufficient to cover the difference in cost of production.

We have in California and Arizona a vast area of acreage that is suitable for the growing of olives, and we can not understand why it is not fair to allow us the privilege of building up this infant industry to the extent of the available resources in acreage, instead of reducing the duty and allowing the industry to be squelched with the foreign products produced by a cheap labor.

No doubt you fully realize the importance of retaining the tariff upon the olive oil as it exists at present, and would like to have you call upon us for any information that we may be able to give you relative to the industry for your use in opposing the reduction, and we will gladly use our utmost efforts in a conscientious manner to secure for you any data available. We believe that if a majority of the Senators are made fully acquainted with the actual conditions they will readily see the necessity of protecting this infant agricultural industry, at least, until such time as the available acreage has been planted out and reached the age of production.

Believing you will defend our industry to the fullest extent of your ability, we beg to remain,

Yours, respectfully,

LOS ANGELES OLIVE GROWERS' ASSOCIATION,  
FRANK SIMONDS, Secretary.

Mr. WORKS. Now, Mr. President, we in California pride ourselves on the fact that we produce the finest and purest olive oil produced anywhere in the world. The olive oil that is produced there is noted for its purity and high quality. It seems to me to be a great misfortune that an enterprise of that kind which has been built up in my State should be destroyed by the reduction of the tariff, as is here proposed.

This bill, however, does not stop at the reduction of the tariff upon olive oil, but further along proposes to reduce the tariff on the olives themselves, striking not only the manufacturer of olive oil, but the grower of the olives. The result of it, in my judgment, will be that the industry will be crippled, at least, for years to come; its advancement will be retarded, and the probability is, as the figures show, that it will result in its absolute destruction.

Mr. President, I ask for a yea-and-nay vote upon the amendment.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from California [Mr. WORKS], on which the yeas and nays are demanded.

The yeas and nays were ordered.

Mr. GALLINGER. Mr. President, I desire to ask a further question of the Senator from Maine. I understood the Senator to say that there were 9,000,000 gallons of olive oil consumed in this country.

Mr. JOHNSON of Maine. That was the testimony given before the committee.

Mr. GALLINGER. According to the Tariff Handbook, furnished by the majority, there were imported in 1912 3,050,323 gallons of olive oil in bottles, and of all other olive oil not specially provided for, 1,709,924 gallons, making a total of 4,760,247 gallons. That seems to show that we are producing in this country 4,239,753 gallons, which is the difference between 4,760,247 gallons and 9,000,000 gallons.

Mr. JOHNSON of Maine. I do not think those figures can be correct, because I think it is not claimed that the production in California is more than a million gallons, and I understand there is no other production of olive oil in this country.

Mr. GALLINGER. Then, the figures as given in the handbook are manifestly wrong.

Mr. HUGHES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from New Jersey?

Mr. GALLINGER. I do.

Mr. HUGHES. I think perhaps the discrepancy in the figures may be explained by the practice of selling other oils as olive oil. Admixtures of various oils are sold as olive oil. I think, perhaps, that will explain the discrepancy in the figures.

Mr. GALLINGER. Well, my attention was attracted to this apparently very large production in this country, which did not seem to correspond with the amount given by the Senator from Maine; but I assume that there must be a mistake.

I will ask the Senator from California now if there is anything in a suggestion which has been made to me more than once, that cottonseed oil is being exported from this country to European countries, where foreign labels are placed upon it and it is then sent back here as olive oil, just as California wine has to some extent been exported to France and has come back here with French labels?

Mr. WORKS. No; if there is anything of that kind done I have no knowledge of it whatever. As I said a while ago, we in California pride ourselves on the fact that we make a pure olive oil; and I am quite certain that there is no truth in that assertion.

Mr. GALLINGER. I did not impute anything to California; but it has been stated to me that certain enterprising men have engaged in that business. I know nothing about it myself.

Mr. WORKS. If that be true, I will say to the Senator that I have no knowledge of it and never before heard of it.

Mr. WILLIAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Mississippi?

Mr. GALLINGER. Yes.

Mr. WILLIAMS. In connection with the question just asked, a moment ago some Senator said that we had put a tax on peanut oil with the idea of protecting cottonseed oil.

Mr. WORKS. I am not able to hear what the Senator from Mississippi is saying.

Mr. WILLIAMS. I said that a moment ago some Senator charged or insinuated that there had been a tax put upon peanut oil with a view of protecting cottonseed oil. I want to call the attention of the Senate to the fact that we have reduced the duty on olive oil, which really does come in competition with cottonseed oil.

In connection with the question which the Senator from New Hampshire [Mr. GALLINGER] has asked, it is true that a



good deal of cottonseed oil, mixed with enough olive oil to give it a flavor, is sold as olive oil. There is no doubt about that; and the discrepancy in these figures, I imagine, is explainable because of that fact.

Mr. WORKS. Mr. President, I should like to inquire of the Senator—

Mr. WILLIAMS. By the way, before the Senator proceeds, I want to say that the best quality of cottonseed oil, called "butter oil" in the trade, is as pure, as wholesome, and as good as any olive oil that ever came from any olive orchard in the world. Of course, I do not stand to defend any sort of fraud upon the consumer in selling one thing as being another thing, but, so far as the healthfulness of the product is concerned, it is less apt to have germs in it, does not get rancid so quickly, and is a purer vegetable oil than the olive oil itself. There is no doubt about the fact, however, that a great deal of fraud is perpetrated on the consumer by putting just enough olive oil in the best quality of cottonseed oil—which is "butter oil" and very rich, very nutritious, and very healthful—to give it the flavor of olive oil.

Mr. WORKS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from California?

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

Mr. WORKS. I want to say that this sort of deception may be practiced in Mississippi, but it certainly is not practiced in California.

Mr. WILLIAMS. I have made no charge that it was practiced in California, and I wonder how the Senator from California could have arrived at the conclusion that I had made such a charge, when he must have known that I knew that there was not a gallon of cottonseed oil produced in the State of California. I merely said that a lot of cottonseed oil is mixed with enough olive oil to give the flavor and is labeled olive oil. I did that merely because I thought it was honest politics to make that confession, since the Senator from New Hampshire had asked the question. How the Senator from California could possibly have arrived at the conclusion that there was any thrust at him or at California in connection with a product of which California does not produce one gallon I can not imagine.

Mr. GALLINGER. Now, Mr. President, I will ask the Senator from California, as I have always been much interested in the advancement of that great State, and especially in the direction of fruit raising, what the possibilities of California are in this direction? I have seen the olive groves of California to some extent, and I will ask if the possibilities are such that, if properly protected, the domestic production can be greatly increased?

Mr. WORKS. Yes, Mr. President, it may be greatly increased; it has been increasing very rapidly, and in the last three or four years has increased more than at any other time in its history. Some people in my State go to the extent of saying that if the industry is properly protected it will exceed that of the citrus industry. As has been stated, it has become a very important industry in my State, and is one that may grow almost without limit.

Mr. GALLINGER. It strikes me, Mr. President, that the Senator from California, in the most interesting speech he made yesterday and in his observations to-day, has pretty clearly shown that the duty now proposed will work not only to the detriment but to the possible extinction of that great industry in California; and I do hope that our Democratic friends, relaxing their determination to carry this bill through as it is, will see the justice of the proposal which the Senator from California has made, and permit the change in the bill to be accomplished.

Mr. BRISTOW. Mr. President, I understand—and if I am not correct I shall be glad to be set right—that the present duty is 50 cents a gallon.

Mr. WORKS. It is 40 and 50 cents per gallon, depending upon whether the olive oil is in large or small packages.

Mr. BRISTOW. And the proposed duty in the bill is 30 cents?

Mr. WORKS. And 20 cents.

Mr. BRISTOW. Thirty and 20 cents. The Senator's proposition is to increase the 30-cent duty to 40 cents?

Mr. WORKS. The amendment is to increase "20" to "40" and "30" to "50."

Mr. BRISTOW. To the rates of the present law?

Mr. WORKS. Yes.

Mr. JOHNSON of Maine. Mr. President, in reference to the statement which I made a few moments ago, I will say that I had reference to the testimony given before the Ways and Means Committee of the House of Representatives as to the consumption of this product. On reference to that testimony,

which I have before me, I find the statement has been made that the consumption of olive oil in the United States is about 10,000,000 gallons a year, of which four and a half million gallons come from Italy, France, and to some extent from Greece. California produces about 800,000 gallons. The remainder, less than 5,000,000 gallons, sold in this country is a compound oil made up of olive oil compounded with cottonseed oil and peanut oil. I was before misled, as I did not read the entire paragraph.

Mr. SUTHERLAND. Mr. President—

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

Mr. JOHNSON of Maine. Yes.

Mr. SUTHERLAND. I should like to ask the Senator from Maine whether or not the investigation which the committee made upon the subject convinced the Senator from Maine that the olive industry in California would not be injured by this reduction?

Mr. JOHNSON of Maine. I will say to the Senator from Utah that it seemed to the committee and it seemed to me that a duty as high as this, being about 20 per cent ad valorem, should be sufficient for the industry in California.

Mr. SUTHERLAND. Then does the Senator answer my question by saying that he thinks the industry in California would not be injured by this reduction?

Mr. JOHNSON of Maine. I do not think it will.

Mr. SUTHERLAND. Does the Senator think that, notwithstanding the reduction, the industry will continue to grow in the future as it has in the past?

Mr. JOHNSON of Maine. I will say to the Senator from Utah that I am not sufficiently informed in regard to all the conditions, nor can I look into the future, to say that.

Mr. SUTHERLAND. Does the Senator from Maine think it of any consequence that the industry in California should grow in the future as it has in the past?

Mr. JOHNSON of Maine. I do think that it is of importance if it is a business that ought to be legitimately encouraged in this country, but it should not become a burden upon all the people of the country for the benefit of a very few.

Mr. SUTHERLAND. Does the Senator think, then, that the duty ought not to be sufficient to encourage the growth of the industry in California?

Mr. JOHNSON of Maine. Not if it has to be an excessive duty, which I think the present duty is.

Mr. SUTHERLAND. Then, if I understand the Senator, he thinks the present duty is excessive, and he is in favor of reducing it to the rate proposed in this bill, irrespective of what happens to the industry in California?

Mr. JOHNSON of Maine. I can not tell, of course, what may happen to the industry in California. I will only say that, in my opinion, any industry of this kind where, as is the case of those interested in the production of olive oil in California, a very few people only are directly benefited by the duty. An industry which can not exist in this country without a high rate of duty and can not exist upon a rate of duty as high as 20 per cent is not one which I believe the Congress of the United States or the people of the United States are interested in encouraging here.

Mr. SUTHERLAND. The Senator, then, if I understand him, is in favor of reducing this duty, no matter what may happen to the industry in California?

Mr. JOHNSON of Maine. I should be very sorry if anything should happen to the industry in California.

Mr. SUTHERLAND. I know the Senator would be sorry; but would the Senator still be in favor of reducing the duty, notwithstanding his sorrow upon the subject?

Mr. JOHNSON of Maine. If it were a burden upon all the people of this country, as it is, and added to the cost of an article of necessity, as olive oil is to many of our people, I do not believe they should all be taxed for the benefit of a few people in California. I would be willing to give them a reasonable protection, but not to the extent of the present law.

Mr. BRISTOW. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Kansas?

Mr. JOHNSON of Maine. Certainly.

Mr. BRISTOW. Let me inquire of the Senator if he thinks that 35 per cent ad valorem on olive oil is an excessive and unwarranted duty, which is not justified, while a 42 per cent duty on dextrine is a just and proper per cent on that product, for which all the people have to pay?

Mr. JOHNSON of Maine. The condition with reference to dextrine is entirely different, as was pointed out when we went through that matter on yesterday, because the raw material used in the manufacture of dextrine bears a tax. That is not

true in the case of olive oil, the raw material of which is not taxed.

Mr. BRISTOW. The raw material, being potatoes, is placed on the free list, but the duty on dextrine is maintained at 42 per cent, and insisted upon by the Senator from Maine, while now he says that a duty of 35 per cent on olive oil is an extravagant and unwarranted duty.

Mr. JOHNSON of Maine. But there is nothing entering into the production of olive oil which bears a rate of duty, as is the case in the manufacture of dextrine. Dextrine is made from a raw material which bears a duty of 1 cent a pound, as the Senator knows, while olive oil is not made from any raw material which is taxed.

Mr. BRISTOW. The dextrine that we are discussing is made from potatoes.

Mr. JOHNSON of Maine. Oh, not at all.

Mr. BRISTOW. The first process would get starch and the second process would get dextrine.

Mr. JOHNSON of Maine. Not at all. It is not made in the same factory at all with potato starch, or by the same concerns. Potato starch is made in one factory and shipped to another as a finished product, and becomes the raw material of the dextrine factory.

Mr. BRISTOW. Then I will ask the Senator another question. In this bill, which he is so ably defending, he places a duty of 1 cent a pound on potato starch, which is at the rate of 57 per cent ad valorem, while now he is complaining bitterly of a duty of 35 per cent on olive oil.

Mr. JOHNSON of Maine. That was a reduction of 50 per cent from the present law upon potato starch, as large a reduction as we have made in the case of olive oil. The duty was a cent and a half a pound upon the potato starch and we reduced it to a cent a pound.

Mr. BRISTOW. It is the same duty, however. That is, the duty on starch is 35 per cent, as fixed by the Senate committee.

Mr. JOHNSON of Maine. That is a reduction from a cent and a half a pound in the present bill.

Mr. BRISTOW. That is entirely justified on the potato starch made from potatoes grown in Maine; but 35 per cent on olive oil made from a product of California is an enormous duty, if it is imposed, and should be taken off.

Mr. JOHNSON of Maine. It makes but little difference where the potatoes were grown. As I said to the Senator yesterday, they were the culled potatoes. The farmers of Maine would treat with a good deal of humor what the Senator is saying about the price of their potatoes, and about their being protected, because the little potatoes, the refuse potatoes, find a market at the starch factories.

In that connection let me call the attention of the Senator to the fact that we took the tariff bill and found certain rates in it. If we had commenced to make a new bill, and could have started afresh, we would have been in a different position. But we took the duty as we found it, a cent and a half a pound upon potato starch, and made a reduction to a cent a pound. We found the duty upon olive oil, and we made a reduction there. We made as great a reduction in one case as in the other.

Mr. CLARK of Wyoming. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Wyoming?

Mr. JOHNSON of Maine. I do.

Mr. CLARK of Wyoming. I simply wanted to ask the Senator, then, if it is true that this bill is founded upon the bill of 1909, or is it founded upon the business necessities of the country?

Mr. JOHNSON of Maine. In my opinion, it is founded a good deal upon conditions as we found them and existing duties under which business had been built up, which had to be taken into consideration and were taken into consideration, and it seems to me wisely so. We were not constructing a bill from the ground up.

Mr. CLARK of Wyoming. Does the Senator believe it is well to justify a wrong rate in this bill because of a wrong rate in a former bill?

Mr. JOHNSON of Maine. I do not make that argument; but I say we found existing conditions depending upon legislation and upon a tariff bill. Those conditions had to be taken into consideration, and wisely so, in attempting to frame a new bill and making modifications of it.

Mr. CLARK of Wyoming. Did the Senator's committee carefully investigate the conditions relating to the olive-oil industry in California?

Mr. JOHNSON of Maine. We investigated them as carefully as we had time to investigate them. I presume no committee

could make the careful investigation which the Senator, perhaps, has in mind. So far as I am concerned, I do not claim that we were able to do so. There were some letters and briefs furnished us, and we gave such consideration as we could to the matter.

I think I should be the last Senator to stand here in this presence and claim that I had special, intimate knowledge, from careful, thorough study, of all the questions presented in this most complex schedule. I should not claim, and I do not think it will be understood, that any member of the committee could do that.

We called to our assistance such help as we could. I want to say upon that point, while I am on my feet, because reference has been made to it, that we had with us as conscientious an expert, as careful and as well-informed an expert, as any committee of the Senate of the United States or any other body has had in framing any schedule. He is entitled to the confidence not only of the committee but of the Senate. He not only recommended himself to the committee, but because of his research, because of his knowledge, he had recommended himself to the Tariff Board when it made its investigations and prepared a glossary.

Mr. WORKS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from California?

Mr. JOHNSON of Maine. I should like to complete this statement before I yield.

The PRESIDENT pro tempore. The Senator declines to yield for the present.

Mr. JOHNSON of Maine. When the President of the United States had under consideration a chemical bill which had been sent to him for signature he called upon this same expert for advice in regard to a veto message which he prepared upon the chemical bill. The Ways and Means Committee of the House had with them this same expert and the Finance Committee of the Senate called to their assistance the same gentleman.

I want to say that he came to us with no bias and with no prejudice. I do not know to what political party he belongs. I am very sure he does not belong to mine. We depended very largely upon him, because he had given very thorough study to this schedule in connection with the Tariff Board and in connection with the Ways and Means Committee. Before that he had been a chemist in the Agricultural Department of the United States; and we necessarily looked to him for a great deal of information. Of course, it is idle for me or for any other member of the committee to come here pretending that by thorough, careful investigation, as the Senator suggests, we have informed ourselves as to every item in this bill. We have of necessity depended upon information furnished us by others.

Mr. CLARK of Wyoming. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine further yield to the Senator from Wyoming?

Mr. JOHNSON of Maine. Certainly.

Mr. CLARK of Wyoming. I want to suggest to the Senator, then, in the absence of the carefully compiled information that might have been furnished and of course would have been readily received had it been at hand at the time, if it would not be well now to receive as the final word on this subject the information which the Senator from California has furnished upon this important industry?

Mr. JOHNSON of Maine. We had the letters and the briefs from which the Senator has read.

Mr. WORKS. Not all of them, Mr. President.

Mr. JOHNSON of Maine. We had one brief, I know.

Mr. WORKS. I should like to ask the Senator from Maine whether the expert to whom he refers was directed to ascertain what would be a duty sufficient to protect adequately the olive industry in California?

Mr. JOHNSON of Maine. I know he was consulted in regard to that.

Mr. WORKS. Will the Senator kindly answer my question?

Mr. JOHNSON of Maine. I thought I had done so. I know he was consulted in regard to it, but I am not prepared to say whether he was directed specially to ascertain that fact in regard to this one item. I do not think he was.

Mr. WORKS. I will ask the Senator, further, whether in fact the expert did report to the committee what would be the duty necessary to protect the industry?

Mr. JOHNSON of Maine. We consulted him in regard to it, and got his opinion in regard to it.

Mr. WORKS. Now, will the Senator be kind enough to answer my question?

Mr. JOHNSON of Maine. I think I have answered it as fully as I can. I have said that we consulted with him and got his



views in regard to it. I do not know how I can be more specific than that.

Mr. WORKS. Does the Senator mean to say that the committee got the expert's views in respect to what would be a protective duty?

Mr. JOHNSON of Maine. In regard to what would be a fair duty, under all the circumstances, and in line with the policy of the committee in framing the bill.

Mr. JONES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Washington?

Mr. JOHNSON of Maine. Certainly.

Mr. JONES. I will ask whether the committee endeavored to ascertain the difference in the cost of production of olives in this country and abroad?

Mr. JOHNSON of Maine. I think we spent very little time upon that subject, because it seemed to me it would have as little weight as finding the difference in the cost of producing corn in this country and somewhere else.

Mr. JONES. So that there is no part of the duty levied by the committee that was intended to cover any possible difference in the cost of production here and abroad? Is that correct?

Mr. JOHNSON of Maine. The question before us was one of raising revenue and still providing what seemed to be a reasonable, fair duty and making a reduction from an excessive duty in the present law, as we did in the case of nearly all the items of this schedule.

Mr. JONES. Did the committee consider a part of this revenue duty as being put here to take the place of the difference in the cost of production here and abroad?

Mr. JOHNSON of Maine. I think we knew nothing about the cost of production here and abroad.

Mr. SMOOT. Mr. President—

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

Mr. JOHNSON of Maine. I do.

Mr. SMOOT. I did not hear the answer that was given by the Senator from Maine to the question asked by the Senator from Kansas [Mr. Bristow]; and if the Senator has no objection, I will ask it again.

The present rate of 50 cents a gallon on olive oil in bottles, jars, kegs, tins, and so forth, is equivalent to an ad valorem rate of 35.18 per cent. The Senator has just denounced that as an outrageous rate and one that could not be justified. Yesterday we passed the paragraph in connection with which there was discussed the question of the rate on potato starch.

Mr. JOHNSON of Maine. We have just been over that.

Mr. SMOOT. In the case of potato starch, with the rate that the committee had provided of a cent a pound, the equivalent ad valorem is 34.58 per cent. Why should a rate of 35 per cent on olive oil in bottles be considered an outrageously high rate, when 34.58 per cent on potato starch was satisfactory, and not an excessive rate?

Mr. JOHNSON of Maine. At a time when the Senator was not present I tried to state the reason. The raw material of the dextrine—oh, the Senator is speaking of potato starch?

Mr. SMOOT. I am speaking of potato starch.

Mr. JOHNSON of Maine. I will come to that. We found a duty of 1½ cents a pound upon potato starch, and we made a reduction to a cent a pound, which was a reduction of practically 50 per cent.

Mr. SMOOT. Then, the theory of the bill is that wherever you found a rate you reduced it, no matter whether it was 200 per cent or 20 per cent?

Mr. JOHNSON of Maine. Oh, no; but we made reductions where we thought they should be made, and exercised our judgment about it. We did not make a bill from the ground up, of course.

Mr. SMOOT. That is what we expected the bill to be.

Mr. JOHNSON of Maine. The Senator may make that statement, but he makes it with no idea except for the purpose of discussion here, perhaps.

Mr. SMOOT. Not at all.

Mr. JOHNSON of Maine. Does the Senator think we should have undertaken to make this bill from the ground up, without reference to the rates which had been assessed before, and the conditions under which business had been built up? Did the Senator do that, without reference to former rates, when he prepared the present bill in 1909?

Mr. SMOOT. Mr. President, I only assisted in preparing that bill as a member of the Finance Committee, but I will say that we started with Schedule A, and we went through all the items in the bill from beginning to end.

Mr. JOHNSON of Maine. So did we; but did you do your work without reference to what the preceding tariff had been upon the various articles?

Mr. SMOOT. Certainly, Mr. President.

Mr. JOHNSON of Maine. Without any reference to, and without being influenced by, the conditions under which business had been built up, or what the preceding rates had been?

Mr. SMOOT. We took into consideration the difference in the cost of producing the various articles in this country and abroad. I do not say that every item was perfect. I certainly never have claimed that. No bill ever will be made that will be perfect. But what I want to get at is this—

Mr. JOHNSON of Maine. I should like to have the Senator answer my question, if he will, since he has put one to me.

Mr. SMOOT. Wait until I get through, please.

Mr. JOHNSON of Maine. Did you take into consideration the preceding rates in the Dingley bill when you made the Payne-Aldrich tariff?

Mr. SMOOT. No, Mr. President. We took into consideration the conditions of the country and the conditions of the business in this country as compared with foreign countries.

Mr. JOHNSON of Maine. And you gave no consideration to the previous rates in the Dingley tariff when you drew up that bill?

Mr. SMOOT. None whatever. They were not taken into consideration, because we revised the tariff; and we started with that in view, and went from the beginning to the end.

Mr. GALLINGER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from New Hampshire?

Mr. JOHNSON of Maine. Certainly.

Mr. GALLINGER. I have had and have now great sympathy for our Democratic friends in producing a tariff bill. I have full knowledge that they have had all the burdens they could well carry. I know that some of our Democratic friends have learned that it is not an easy matter to construct a tariff bill.

I recall the fact that one gentleman in public life, not a Member of this body, said not long ago that about all there was to do to make a tariff bill was to find out how much revenue was needed and write it in the bill. Our friends on the other side have learned that that is not the fact; that it is a difficult and complex and irritating task to make a tariff bill. Yet I do not think the answer given by the Senator from Maine [Mr. JOHNSON] as to the manner in which the bill was made up will be very satisfactory to the country.

The Democratic Party had tariff legislation under consideration during the last session of Congress, and they have had it under consideration during this session of Congress. It seems to me they ought to be willing to assume responsibility for the bill as a Democratic measure and not fall back on the fact that they consulted a Republican tariff bill and made the rates as they thought they ought to be made.

It strikes me that in a great many instances these rates have been made simply on the hypothesis that the existing rates were too high and could stand some reduction; so the reduction was made without any careful consideration as to the particular item or interest affected. I think that has been a dangerous procedure. In this particular instance, where 50 cents per gallon was found to be the duty, a reduction was made to 30 cents without a careful investigation as to this industry in California, which is struggling not only for existence, but for expansion.

I fear it will be found, as we go along, that this bill has been constructed upon the principle that the "wicked Republicans" imposed a duty of 40 per cent which can well be reduced to 30 per cent, or that they imposed a duty of 30 per cent which can well be reduced to 20 per cent. If any such theory as that has been put into operation, it will not work out well in practice, because there is a protective line; and I want to call attention to that. If 40 per cent is the protective line in reference to any American product, a rate of 38 per cent may be just as destructive as if you took off the entire duty. If there are 3 feet of water that we have to ford, and we put on rubber boots 2 feet high, we might just as well go in barefooted.

Mr. HUGHES. Mr. President, will the Senator permit an interruption?

Mr. GALLINGER. Certainly.

Mr. HUGHES. I want to call the Senator's attention to the fact that under the Wilson tariff, in 1896, the equivalent ad valorem rate on olive oil in bottles was 29 per cent, and yet the importations were less than in 1905 under the Dingley tariff, when the rate was 42 per cent.

Mr. GALLINGER. We were doing everything on a smaller scale when the Wilson bill was passed and put in operation.

Mr. HUGHES. No; if the Senator will permit me, my recollection of the year 1896 is that the exports for that year were greater than for any previous year in the history of the country.

Mr. SHEPPARD. Mr. President—

The PRESIDENT pro tempore. Will the Senator from New Hampshire yield to the Senator from Texas?

Mr. GALLINGER. I yield to the Senator from Texas.

Mr. SHEPPARD. Will the Senator tell us exactly what he means by "the protective line"? Does he mean a duty sufficient to cover the difference in the cost of production at home and abroad?

Mr. GALLINGER. I mean this, Mr. President: We are building dikes on the Mississippi River. The Government has spent, I believe, nearly \$100,000,000 in that enterprise. If we build a 10-foot dike, and the water rises 12 feet, the dike does very little good, and we might just about as well not have any dike at all.

Mr. SHEPPARD. Does the Senator mean, by "the dike," a duty equal to the difference between the cost of production here and abroad?

Mr. GALLINGER. I do. I mean that there is a protective line as between this country and foreign countries which must be measured by the difference in the cost of production, the difference in the wages paid in the several countries, and that if we go below that protective line it does not make very much difference whether the duty is 20 per cent or 40 per cent or whether we entirely wipe out the protection.

Mr. SHEPPARD. Then it is the Senator's idea that a duty below that line would not affect the price in this country?

Mr. GALLINGER. I do not know how that may be, but I do know that if you go below that line you inevitably permit an inundation to come from foreign countries into this country.

Mr. SHEPPARD. It has been frequently stated, in both political parties and by a certain school, that a duty of 1 per cent is, pro tanto, that much protection. It seems to be the Senator's idea that before a duty becomes protective it must equal the difference between the cost of production in this country and abroad.

Mr. GALLINGER. I do not agree at all to the proposition that a duty of 1 per cent necessarily implies that degree of protection.

Mr. SHEPPARD. Neither do I. I dispute the proposition that a duty below the difference in domestic and foreign cost of production is a protective duty. The Senator does not agree to such a proposition?

Mr. GALLINGER. No; neither does the Senator from Texas.

Mr. SHEPPARD. I merely wanted to understand the Senator's position.

Mr. GALLINGER. So, coming back to the matter of olive oil, I do not know, and we can not determine until we have tested this rate, whether or not it is going to wipe out the olive-producing industry of California. The Senator from California [Mr. WORKS], a very well-informed Senator, says in all human probability it will practically destroy that industry.

I assumed from the statement of my distinguished and good friend from Maine [Mr. JOHNSON], who always means to do just the right thing, that this reduction in duty was simply made with a pen because the committee found a higher duty in the Payne-Aldrich bill, and they felt that that duty ought to be reduced, as they felt that pretty much all the duties in the bill ought to be reduced. I fear that making a tariff bill in that way is going to prove very disastrous to a great many industries in the United States, to some of which I shall call attention as the debate proceeds.

I want to renew my appeal that, in view of what the Senator from California says and in view of what some of us know concerning this industry, I hope the majority will concede the request he makes to have the olive industry in California adequately protected, as he wishes. It is a pretty grave matter to wipe out an industry of that kind, or to cripple it seriously, so as to permit the products of foreign countries to come into our country to be sold to our people.

In that connection I will say that it has always been my theory, which has been pretty well justified by the facts, that if we destroy an American industry and give it to any foreign nation, instead of getting the product cheaper we will get it at a higher price, because the foreign nation, having a monopoly, can then fix the price to suit itself.

I have made this little contribution to the discussion simply for the purpose of appealing to the majority to waive their contention as to the necessity of reducing the rates in the Payne-Aldrich bill, at least to the extent of permitting this industry to have a better chance for life than it will have if the present provision of the bill is adopted without amendment.

Mr. BRISTOW. Mr. President, as I listened to the presentation of this matter by the Senator from California, I understood that in his judgment the duty that now exists is necessary, but one of the reasons given for the maintenance of this duty, and one of the considerations that was presented to us, was the freight rate.

I am not willing to concede that we ought to regulate freight rates by tariff duties. I should prefer to vote for a protective duty on this product, eliminating the freight-rate consideration. It seems to me, from the presentation made, that if the freight rate is not considered, instead of 50 cents a gallon the duty ought to be about 40 cents a gallon in the one instance and 30 instead of 20 in the other. That is a duty for which I should like to vote.

I wanted to present this phase of the matter to the Senator, because in fixing protective duties I do not think we can undertake to cover the matter of transportation charges from one part of the country to another.

Mr. WORKS. Mr. President, the position taken by the Senator from Kansas is about as bad as that taken by the majority on the other side. It simply amounts to discriminating against the industries of California because she happens to be farther away from the great markets of the country. The test ought to be the cost of producing the article in the market. While the freight rates may be too high—and in that case, of course, they ought to be regulated in some other way—certainly it would be utterly unjust to permit that to stand as a kind of discrimination against the people of California, because they live at a distance from the markets and produce at a distance from the markets the things that come from that State.

Therefore I have no sympathy with the position taken by the Senator from Kansas with respect to the matter. Besides that, the discussion to which the Senator from Kansas refers, dealing with the question of freight rates, related particularly to lemons and not to olives or olive oil. I should not want the Senator to be misled by anything that might have been said with respect to that particular question.

Mr. BRISTOW. Mr. President, if the Senator will yield, I think I remember accurately that among the items in the literature sent to the desk to be read, and that were given in the argument, were the freight rates to Chicago and to New York and to points in Montana and Idaho.

Mr. WORKS. I have no doubt those items are all included in these figures; but it does not by any means follow from that fact that the rate I am contending for is not necessary in order to protect this industry independently of the freight rates. I am satisfied that it is.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. WORKS], on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. SAULSBURY (when his name was called). I am paired with the junior Senator from Rhode Island [Mr. COLT]. I will transfer that pair to the junior Senator from Tennessee [Mr. SHIELDS] and vote. I vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. ROOT] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. THOMPSON (when his name was called). I am paired with the senior Senator from Ohio [Mr. BURTON], who was compelled to leave the Chamber for a short time. If permitted to vote, I would vote "nay."

Mr. WILLIAMS (when his name was called). I wish to transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Arkansas [Mr. ROBINSON] and vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from South Carolina [Mr. TILLMAN] and vote "nay."

Mr. JOHNSTON of Alabama. I wish to make the same announcement for my colleague [Mr. BANKHEAD] that I made on the last vote.

Mr. JONES. I wish to announce the fact that the Senator from Michigan [Mr. TOWNSEND] has been called from the Chamber by official business. If he were present, he would vote "yea."

Mr. LEWIS. I beg to announce a pair for the remainder of the day between the senior Senator from Delaware [Mr. DU PONT] and the senior Senator from Texas [Mr. CULBERSON].

Mr. CHILTON. I make the same announcement of the transfer of my pair that I made on the former vote. I vote "nay."

Mr. LEA. I am paired with the senior Senator from Rhode Island [Mr. LIPPITT]. If at liberty to vote, I would vote "nay."



Mr. GALLINGER. I will ask if the junior Senator from New York [Mr. O'GORMAN] has voted?

The PRESIDENT pro tempore. He has not.

Mr. GALLINGER. I have a pair with that Senator, which I will transfer to the junior Senator from Maine [Mr. BURLEIGH]. I vote "yea."

Mr. SMOOT. I desire to announce that the Senator from Rhode Island [Mr. LIPPITT] has been called from the city this afternoon, and that if present he would vote "yea."

The result was announced—yeas 22, nays 44, as follows:

YEAS—22.		
Bradley	Crawford	Page
Brady	Gallinger	Perkins
Brandegee	Jones	Poindexter
Catron	Lodge	Sherman
Clapp	Nelson	Smoot
Clark, Wyo.	Oliver	Sterling
		Sutherland
		Warren
		Weeks
		Works

NAYS—44.		
Ashurst	Gronna	Martine, N. J.
Bacon	Hollis	Norris
Borah	Hughes	Overman
Bristow	James	Owen
Bryan	Johnson, Me.	Pittman
Chamberlain	Johnston, Ala.	Pomerene
Chilton	Kenyon	Ransdell
Clarke, Ark.	Kern	Reed
Cummins	La Follette	Saulsbury
Fletcher	Lewis	Sheppard
Gore	Martin, Va.	Shively
		Smith, S. C.
		Stone
		Swanson
		Thomas
		Thornton
		Vardaman
		Walsh
		Williams

NOT VOTING—30.		
Bankhead	Goff	Myers
Burleigh	Hitchcock	Newlands
Burton	Jackson	O'Gorman
Colt	Lane	Penrose
Culberson	Lea	Robinson
Dillingham	Lippitt	Root
du Pont	McCumber	Shafroth
Fall	McLean	Shields
		Smith, Ariz.
		Smith, Mich.
		Stephenson
		Thompson
		Tillman
		Townsend

So Mr. WORKS's amendment was rejected.

Mr. BRISTOW. I move to amend this paragraph in line 18 by striking out "20" and inserting "30"; and in line 21 by striking out "30" and inserting "40."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Kansas.

Mr. BRISTOW. The present law imposes a duty of 40 cents per gallon in the first instance and this amendment of mine reduces that to 30 cents per gallon, 10 cents less than the present law and 10 cents more than is carried in this bill. The present law provides a duty in the second instance of 50 cents a gallon and the rate proposed is 30 cents. My amendment reduces the present law 10 cents and increases this proposed duty 10 cents. I ask that these two amendments be voted on together, and I ask also for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Kansas asks that the two amendments proposed by him shall be taken as a single proposition. Is there objection? The Chair hears none. The Senator from Kansas demands the yeas and nays on the adoption of the amendment offered by him.

The yeas and nays were ordered.

Mr. STONE. I desire to ask what the amendment is.

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

The SECRETARY. On page 11, line 18, in the item "olive oil, not specially provided for in this section," it is proposed to strike out "20" and insert "30," and in line 21, imported "in bottles, jars, kegs, tins," and so forth, to strike out "30" and insert "40."

Mr. STONE. I see. I supposed it had some reference to dextrine or cheap wool grease.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. LEA (when his name was called). I transfer my general pair with the senior Senator from Rhode Island [Mr. LIPPITT] to the senior Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. SAULSBURY (when his name was called). I will transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the Senator from Tennessee [Mr. SHIELDS] and vote. I vote "nay."

Mr. STONE (when his name was called). I ask if the Senator from Wyoming [Mr. CLARK] has voted?

The PRESIDENT pro tempore. He has not.

Mr. STONE. I have a pair with that Senator and withhold my vote.

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. ROOT] to the Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "nay."

Mr. THOMPSON (when his name was called). I am paired with the senior Senator from Ohio [Mr. BURTON] and withhold my vote.

Mr. WARREN (when his name was called). I am paired with the Senator from Florida [Mr. FLETCHER]. I desire to make the announcement for the remainder of the day that I stand paired with that Senator.

Mr. WILLIAMS (when his name was called). Repeating my announcement upon the last roll call, I vote "nay."

The roll call was completed.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH], and therefore withhold my vote. If he were present, I would vote "nay."

Mr. LEA (after having voted in the negative). The Senator from Oklahoma [Mr. OWEN], to whom I transferred my pair, has come into the Chamber and voted. Therefore I withdraw my vote.

Mr. CHILTON. I again announce my pair and its transfer and vote. I vote "nay."

Mr. JONES. I wish to announce the absence of the junior Senator from Michigan [Mr. TOWNSEND] on official business. If he were present, he would vote "yea."

The result was announced—yeas 26, nays 38, as follows:

YEAS—26.			
Bradley	Cummins	Nelson	Smoot
Brady	Gallinger	Norris	Sterling
Brandegee	Gronna	Oliver	Sutherland
Bristow	Jones	Page	Weeks
Catron	Kenyon	Perkins	Works
Clapp	La Follette	Poindexter	
Crawford	Lodge	Sherman	

NAYS—38.			
Ashurst	James	Owen	Smith, S. C.
Bacon	Johnson, Me.	Pittman	Swanson
Borah	Johnston, Ala.	Pomerene	Thomas
Bryan	Kern	Ransdell	Thornton
Chamberlain	Lane	Saulsbury	Tillman
Chilton	Lewis	Sheppard	Vardaman
Clarke, Ark.	Martin, Va.	Shively	Walsh
Gore	Martine, N. J.	Simmons	Williams
Hollis	O'Gorman	Smith, Ga.	
Hughes	Overman	Smith, Md.	

NOT VOTING—32.			
Bankhead	Fall	McLean	Shields
Burleigh	Fletcher	Myers	Smith, Ariz.
Burton	Goff	Newlands	Smith, Mich.
Clark, Wyo.	Hitchcock	Penrose	Stephenson
Colt	Jackson	Reed	Stone
Culberson	Lea	Robinson	Thompson
Dillingham	Lippitt	Root	Townsend
du Pont	McCumber	Shafroth	Warren.

So Mr. BRISTOW's amendment was rejected.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the bill.

The Secretary read the next paragraph, as follows:

47. Oils, distilled and essential: Orange and lemon, 10 per cent ad valorem; peppermint, 25 cents per pound; mace oil, 6 cents per pound; almond, bitter; amber; ambergris; anise or anise seed; bergamot; camomile; caraway; cassia; cinnamon, cedrat; citronella and lemon-grass; civet; fennel; jasmine or jasimine; juniper; lavender; and aspic or spike lavender; limes; neroli or orange flower; origanum, red or white; rosemary or anthoss; attar of roses; thyme; and valerian; all the foregoing oils, and all fruit ethers, oils, and essences, and essential and distilled oils and all combinations of the same, not specially provided for in this section, 20 per cent ad valorem: *Provided*, That no article containing alcohol shall be classified for duty under this paragraph.

Mr. SMOOT. I move to strike out, on page 11, line 24, the words "and lemon." I do that for the reason that lemon oil to-day is on the free list, paragraph 639. It has been there in every tariff act, I suppose, since there was a tariff act. It is the product used in many of the medicinal preparations.

Mr. WEEKS. Mr. President, in addition to the reason for making that motion which the Senator from Utah has just given, I wish to suggest that oil of lemon is largely used in manufacturing extract of lemon. In fact, 54 per cent of the cost of the extract of lemon is the oil of lemon, and adding the 10 per cent duty to something which has been on the free list will make the proportional part of the cost of the extract of lemon 59 per cent instead of 54, as it is now.

Outside of staple articles of food probably nothing is used in the average family any more generally than extract of lemon and extract of vanilla. It is sold in very small quantities, in ounce bottles. An ounce bottle of extract of lemon sells at 10 cents, and adding this cost would quite likely make the retail price 15 cents. Therefore, it would probably affect the average family as much as any similar item could. It is not produced in this country to any extent, and, therefore, it can not be claimed that it will add to the production of this country.

I think the motion made by the Senator from Utah should prevail.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Utah to strike out the words "and lemon" in line 24, on page 11.

The amendment was rejected.

Mr. SMOOT. I move to amend the bill on page 12, line 1, beginning with the words "mace oil," down to and including the word "valerian" in line 7.

Mr. President, all the oils mentioned in the bill from mace oil down to and including valerian oil are now on the free list and have been. They are not produced in this country and they should be upon the free list. I therefore move that those lines be stricken from the bill.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah.

Mr. JOHNSON of Maine. Mr. President, these distilled oils are most largely used in the manufacture of perfumery. The duty upon perfumeries has been increased in this bill from 50 to 60 per cent, and the small duty here placed upon the oils which are used in the preparation of those perfumeries is thought to be entirely justifiable as a revenue duty.

Mr. SMOOT. I merely want to call the Senator's attention to the statement he made that perfumery had been increased 10 per cent; that is, from 50 to 60 per cent. I call his attention to the fact that the present law says, "perfumery, including cologne and other toilet waters," and so forth, "if containing alcohol," 60 cents per pound and 50 per cent ad valorem. You have provided in this bill 40 cents per pound and 60 per cent ad valorem, which, of course, is not an increase from 50 to 60 per cent. The equivalent ad valorem of the present law is 72.8 per cent, while the equivalent ad valorem of this bill is 74.72 per cent.

Mr. JOHNSON of Maine. In each instance it is our understanding that the specific duty in the present bill was placed upon perfumeries to compensate for the tax paid upon alcohol used in their manufacture. We have been advised that 40 cents per pound is sufficient. So, while the duty in the Payne-Aldrich tariff was 60 cents per pound and 50 per cent ad valorem, we have made it 40 cents per pound and 60 per cent ad valorem. When I referred to an increase I referred to an increase in the ad valorem duty, the specific duty being laid in each instance to compensate for the alcohol used in the manufacture.

Mr. SMOOT. That statement, of course, as to the rate agrees with what I said, but as to the equivalent ad valorem I think the Senator will admit that it is 72.8 and 74.72. That is all there is of difference between the rates of the present law and the rates provided in this bill.

Mr. HUGHES. This is one of the commodities which falls in the class of commodities we discussed here the other day, and the same statement can be made with reference to it, namely, that here is a commodity highly protected for revenue purposes. Instead of making a severe reduction in the finished product the duty was laid on certain essential parts which are imported almost exclusively. So, even if a reduction were made upon the finished product, that reduction would go, we believe, to the consumer, and the tax laid upon the intermediate products which go into the manufacture of perfumery would go exclusively into the trade. Everybody, I think, understands that the House and the Senate committees have been trying in this connection to make the perfumery industry pay the rate of duty laid upon these products.

The PRESIDING OFFICER (Mr. KERN in the chair). The question is on the amendment of the Senator from Utah.

Mr. SHERMAN. Mr. President, I regret greatly being obliged to impose myself on the Senate again before this vote is taken.

This paragraph must be construed with paragraph 67, the paragraph on soaps. The essential oils mentioned in this paragraph are an indispensable adjunct to every soap manufacturer in the country. I am not informed at present whether the framers of this bill regard soap in the light of a luxury or a necessity, and so I will not undertake to precipitate that discussion in this body.

There are two classifications of soap in paragraph 67 with which these essential oils are connected—the perfumed, toilet, and medicinal soaps, and the other soaps not otherwise especially provided for. Of the list of ad valorem duties I do not care to say anything. The ad valorem duties are evidently imposed for revenue purposes.

Whatever incidental protection will follow from a revenue tariff it is not necessary to consider in the view I take of these two provisions. The latter portion of the paragraph relates to soaps not otherwise especially provided for. That includes all laundry or common soaps used in the kitchen by the housewife or by the laundry in cleaning ordinary garments.

The old rate, Mr. President, on the latter classification is 20 per cent. The new rate is 5 per cent ad valorem. The vice of those two paragraphs construed with each other is that which pervades this bill as I see it in a great many particulars. It taxes what is the raw material to the manufacturer and either greatly reduces or free-lists his finished product. That product

goes upon the market and is a highly competitive article. It meets in the domestic market soaps of the kinds specified from at least three great foreign countries, all of them exporting to a considerable degree.

Mr. HUGHES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Jersey?

Mr. SHERMAN. Yes, sir.

Mr. HUGHES. I wish to call attention to the fact that the soap of which the Senator is speaking is the common, ordinary garden variety of soap, of which we are large exporters. Over \$3,000,000 worth was exported last year. The rate of 5 per cent still left on that soap in my judgment will be sufficient for any tax that might have been paid on the small amount of essential oil that would enter into the soap. I do not care to enter into it further than that. I do not pretend to be an expert.

Mr. SHERMAN. That exportation is very largely, as suggested to me by Senators, to Cuba and Porto Rico and points of that kind.

Now, in response further to the suggestion made by the Senator from New Jersey, I wish to carry out very briefly the effect of these essential oils if the import duty is increased. There are practically none, from a marketable point of view, produced, or it is not produced in sufficient quantities to affect the soap manufacturers. Very largely the laboratories of foreign chemists or manufacturing chemists are to-day furnishing in the large manufacturing centers of this country these essential oils. In the city of Chicago, in Cincinnati, Ohio, in Cleveland, Ohio, in St. Louis, Mo., and other points—I need not enumerate them all—an examination of the output of the production shows that these essential oils are an element that the manufacturer must always take into account in placing his product upon the market.

Here is the way it works out. The essential oils which are free listed under the present law, under this bill bear various rates of duty of an ad valorem character. This increased cost in this instance is emphatically a tax. This importation of essential oils is not a competitive article. The laboratories of the United States do not send out into the general market enough of these essential oils to affect materially this production. These essential oils are not used altogether in the perfumed, castile, toilet, and medicinal soaps. They are used in the ordinary soaps, the soap of the plain people, if I may be permitted to use that expression; the soap that is compounded of animal fats, vegetable oils, and a certain percentage of alkaloids. In that combination if nothing was put in of these essential oils it would be unusable. If we could go back to the old soap-kettle days when our grandmothers made the soap, what we called the domestic soap, we would not use it nowadays. It is rather offensive. It is just as cleansing as the castile soap of commerce is to-day, or the perfumed soap that is in the boudoir of the highly-cultivated gentleman. There is not any difference in the cleansing property, but because of the offensive animal fats when combined with the alkaloids and the vegetable oils, if these essential oils are not placed in it to subdue or tone down the preparation it practically would find no buyers on the market, not even as to the commonest kinds of country soap in the kitchen.

Now, in order to put them in that form they use these essential oils which are imported. Here is the result: The duty on the essential oils used in common soap when that soap is put on the market will add on an average 5 cents to every box of soap. A box is of standard size, containing a given number of bars—two dozen. You will pardon me for going into these details as much as I do, but I think it is essential to do so.

Mr. LANE. I should like to ask a question of the Senator.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. SHERMAN. With great pleasure.

Mr. LANE. I should like to inquire of the Senator whether it is not a fact that where these essential oils are used in cheap soap they are not used for the purpose of disguising a compound which the people would not use if they knew of what it was composed? Are there not large quantities of old, rancid, and diseased fats used in those cheap oils which are deleterious and unhealthful and which ought not to be placed on the market under the name of soap, but which should be sold on their face for what they really are? Is there not one very enterprising gentleman, in fact, who is skimming the sewers of one of our cities and getting out animal fat, and, after disguising it by these essential oils, working it off on the people? It is a composition which the people ought not to be forced to use and which



ought not to be sold to them; not, at any rate, disguised as a preparation, if you please, pleasing to the nostrils.

Mr. SHERMAN. I think I can answer that very readily, and I believe correctly, by saying no.

Mr. LANE. Then I will say to the Senator that in the hospitals and in the practice of medicine we dare not use these cheap, inferior, and highly scented soaps in the treatment of disease, for the reason that they are unsafe; but we do use the simple vegetable-oil soaps. I think the Senator from New Hampshire [Mr. GALLINGER], a distinguished physician, will confirm my statement on that point. We use the mildest alkali in the way of soft soap, if you please, the old soft soap, such as was made a hundred years ago in Spain, for the reason that we are afraid of the preparations in which the essential oils are employed. If the only excuse that can be offered for leaving these articles on the free list is the one which has been set forth, I have but little confidence in it. If you would base the argument on some other use that can be made of such articles, I would have some respect for it; but I have little faith in those soaps; I carefully avoid them; I never allow them to come into my house; and, as a physician, for years I have warned my patients against using them. They are bad soaps.

Mr. LODGE. I was going to ask the Senator if the essential oils were not used generally in the manufacture of soaps. Do we have any soaps with no essential oil in them at all?

Mr. LANE. The best soaps for medicinal purposes must be free of oil.

Mr. LODGE. There must be no essential oil in them?

Mr. LANE. Not at all.

Mr. LODGE. There are a great many soaps that have no perfume at all.

Mr. LANE. Yes; those are the better soaps. If you go into the market to buy soap, let me, as a friend, advise you to steer clear of the highly scented soaps, and get those that have not been doctored up with essential oils. You will come nearer knowing what you purchase, and you will come nearer getting a better article. Any soap manufacturer will tell you that you can cover up an awful mess in soap with a few drops of essential oil. Steer clear of such soap.

Mr. SHERMAN. If the Senator had followed correctly the classification of soaps made in the paragraph, he would not have found it necessary to ask me the question. As to the perfumed and the scented soaps, I make no comments at present. My remarks were confined entirely to the unscented soaps or the common soaps embraced in the general basket clause not otherwise specially provided for. These are the laundry soaps used about the kitchen by the average housewife. They have no perfumery to them that is susceptible of being known to the senses when the soap is used; they are not scented soaps any more than the average type of soap, if I may take some common type like Ivory soap or the soap manufactured by the Babbitts or Fairbanks. The common soaps are unscented, and the oils in them reduce the offensive animal odor of the animal fat contained in the compound. They are not put there for scenting a soap or for perfumery, and do not bring that soap within the classification of those subject to an ad valorem duty.

Now, to return to the original point that I briefly wish to make, I will say that the addition of these duties to the essential oils used in the manufacture of common soap will add to the price by 5 cents per box of two dozen in a box. Soap is wholesaled at a very close margin. I suppose the department in which I once served has bought in the last five years a great deal of soap. We buy on bids and on chemical analysis of the samples submitted or taken at random from the boxes. These bids indicate a very great competition from every part of the country. There is no combination among the soap manufacturers, but every factory is an independent plant and an independent competitor on the market with his fellows.

The bids that are submitted with a 5-cent margin added by the cost of these essential oils that go into the manufacture determine the purchase on the market. Five cents on a box will sell the goods; and if the advantage is given to the foreign manufacturer importing on a reduction from 20 per cent to 5 per cent ad valorem, with these essential oils made dutiable where before they were free listed, the market will not only have to readjust itself for the domestic producer, but it will give such an unfair advantage to the foreign importer into this country that we do not think it will be at all fair to the domestic producer. The result will be that he will lose by that 5 per cent margin, and it is estimated that the result will be the loss of the market, that the output will be lessened, and that the importations from abroad will supplant the domestic product.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah to strike out the parts of paragraph 47 which have been stated.

The amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 49, page 13, in line 16, after the word "foregoing," to strike out "wholly or partly manufactured," so as to make the paragraph read:

49. Perfumery, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentifrices, including tooth soaps, pastes, including theatrical grease paints, and pastes, pomades, powders, and other toilet preparations, all the foregoing, if containing alcohol, 40 cents per pound and 60 per cent ad valorem; if not containing alcohol, 60 per cent ad valorem; floral or flower waters containing no alcohol, not specially provided for in this section, 20 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 50, on page 13, which is as follows:

50. Ambergris, enfleurage greases and floral essences by whatever method obtained; flavoring extracts, musk, grained or in pods, civet, and all natural or synthetic odoriferous or aromatic substances, preparations, and mixtures used in the manufacture of, but not marketable as, perfumes or cosmetics; all the foregoing not containing alcohol and not specially provided for in this section, 20 per cent ad valorem.

Mr. SMOOT. Mr. President, I move to strike out paragraph 50, which has just been read. Ambergris is on the free list now under paragraph 489 of the existing law. "Enfleurage greases and floral essences by whatever method obtained" are at present upon the free list under paragraph 639. Civet is free under paragraph 533 of the present law. I therefore move to strike out paragraph 50.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah to strike out paragraph 50.

The amendment was rejected.

The reading of the bill was resumed and continued to the end of paragraph 52, on page 13, which is as follows:

52. Baryta, sulphate of, or barytes, including barytes earth, unmanufactured, 15 per cent ad valorem; manufactured, 20 per cent ad valorem; blanc-fixe, or artificial sulphate of barytes, and satin white, or artificial sulphate of lime, 20 per cent ad valorem.

Mr. SMOOT. Mr. President, I will ask the Senator in charge of this schedule of the bill to allow that paragraph to be passed over. I think the Senator from Rhode Island [Mr. LIPPITT] has also spoken to the Senator in relation to it.

Mr. JOHNSON of Maine. He has done so.

Mr. SMOOT. The Senator from Rhode Island was called from the city this afternoon, but will be here on Tuesday morning. He has told me that then he will be ready to take up this paragraph.

Mr. JOHNSON of Maine. The Senator from Utah is correct. The Senator from Rhode Island desired to be heard on that paragraph. I have no objection to its being passed over.

The PRESIDING OFFICER. Without objection, paragraph 52 will be passed over for the present.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 53, page 14, line 16, after the word "ultramarine," to insert "valued at 7 cents or less per pound, 1 cent per pound; valued over 7 cents per pound," so as to make the paragraph read:

53. Blues, such as Berlin, Prussian, Chinese, and all others, containing ferrocyanide of iron, in pulp, dry or ground in or mixed with oil or water, 20 per cent ad valorem; ultramarine blue, whether dry, in pulp, or ground in or mixed with oil or water, and wash blue containing ultramarine, valued at 7 cents or less per pound, 1 cent per pound, valued over 7 cents per pound, 15 per cent ad valorem.

54. Black pigments, made from bone, ivory, or vegetable substance, by whatever name known, gas black and lampblack, dry or ground in or mixed with oil or water, 15 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 58.

Mr. SMOOT. Mr. President, I should like to ask that paragraphs 57 and 58 be passed over until we reach the lead paragraph, and after we have taken action on that paragraph we can return to and vote upon the two paragraphs I have indicated.

Mr. JOHNSON of Maine. I have no objection, Mr. President. The PRESIDING OFFICER. In the absence of objection, paragraphs 57 and 58 will be passed over.

The reading of the bill was resumed and continued to the end of paragraph 61, which is as follows:

61. Whiting and Paris white, dry, and chalk, ground or bolted  $\frac{1}{2}$  cent per pound; whiting and Paris white, ground in oil, or putty, 15 per cent ad valorem.

Mr. LODGE. Mr. President, I desire to say in regard to that reduction, which is a very severe one, indeed, that the whitening and Paris white industry is conducted on a very narrow margin. We have to import all the raw material, which is chalk, and, although that is on the free list, the freight they have to pay puts our manufacturers, of course, at an inevitable disadvantage in their raw material, as compared with the manufacturers of France and England, where the chalk is found. The cost of getting the chalk is from \$3 to \$4.25. The labor is all able-bodied men, and the pay is from \$1.65 to \$3 a day, while the labor cost abroad is from \$1 to \$1.50 per ton less. The margin of profit is close, and the freight rates very largely determine the market. It is very difficult for the industry to live, even at the present rate, and the duty has been cut from one-fourth of a cent to one-tenth of a cent, which is a very heavy cut.

I know that it is useless to offer amendments, and I have no desire to detain the Senate, but I wish to make this protest against the reduction. I should also like permission to file, without reading, some statistical statements with regard to the industry. I ask that the statement I send to the desk may be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The matter referred to is as follows:

"Whiting" and "Paris white" are commercial terms, and refer to articles of merchandise produced principally from crude chalk, an insignificant amount only being made from English cliff stone.

H. R. 3321 provides for one-tenth of 1 cent per pound. If this became operative, it would, in our opinion, close out the manufacture of whiting and Paris white in this country.

Raw material: There are no deposits in this country. It is all imported in the crude state, coming in free of duty. A ton of chalk will not make a ton of whiting. It requires about 2,800 pounds of the crude material to make 2,000 pounds of whiting or Paris white. *The freight and handling charges on this 800 pounds of waste reduces by so much the duty protection.*

Cost of raw material: To the European manufacturer, whose mills are located at the chalk quarry, the cost of sufficient chalk to make a ton of whiting or Paris white does not exceed 50 cents. To the American manufacturer the cost is \$3.75 to \$4.25.

Consumption: In this country, from 100,000 to 125,000 tons per annum.

Wages: The amount of wages paid out on account of this industry is about \$500,000 per annum. *If all the whiting and Paris white consumed in this country was imported under the proposed rate of one-tenth of 1 cent per pound, the Government would receive less than one-half now paid out in wages, the industry would be wiped out, and the labor seek other employment. The labor is all able-bodied men. No women or children employed in whiting mills. Labor constitutes a large portion of the cost of whiting and Paris white. Wages in New England mills is from \$1.65 to \$3 per day. To make a ton of whiting and Paris white we estimate the European labor cost from \$1 to \$1.50 per ton less than the American labor cost, so that in the raw material and labor the European manufacturer has an advantage of \$4.75 to \$5.50 per ton. It is only by superior methods of manufacturing that the American whiting manufacturer is able at the present time, with one-fourth of 1 cent a pound protection, to hold the business.*

Margin of profit to American manufacturer: Small; so close, in fact, is the margin of profit that the freight rates largely determine the market in which the consumer places his orders. There is no trust or combination in the business. The sharp competition among manufacturers is and always has been ample for protection to the American consumer.

Careful investigation will verify these statements and we feel confident show that any reduction from the present tariff rate of one-fourth of 1 cent per pound is certain to seriously disturb and, if the rate proposed is maintained, probably wipe out the industry in this country.

Yours, respectfully,

STICKNEY, TIRRELL Co.,  
Boston, Mass.

DECEMBER 12, 1912.

Mr. BRANDEGEE. Mr. President, let me ask the Senator who has this portion of the bill in charge whether shellacs come under paragraph 59, which was read a few moments ago? Are shellacs included under the term "varnishes"?

Mr. JOHNSON of Maine. No; they are not.

Mr. BRANDEGEE. In what paragraph of the bill are shellacs found?

Mr. JOHNSON of Maine. I think they are found under the term "lac."

Mr. BRANDEGEE. I attempted to find shellacs, Mr. President, but they are not indexed under the term "shellac," and I was told that they came under the head of "varnishes." I have looked through the varnish provision, but, so far as I have been able to ascertain, shellac is not mentioned in terms.

Mr. JOHNSON of Maine. I think the Senator will find shellac in paragraph 530.

Mr. BRANDEGEE. Would that be on the free list?

Mr. JOHNSON of Maine. I am quite sure it is on the free list. It is found in paragraph 530, which reads:

530. Lac dye, crude, seed, button, stick, and shell.

Mr. BRANDEGEE. But does the word "lac" mean shellac?

Mr. JOHNSON of Maine. We were informed that paragraph 530 covered shellac.

Mr. BRANDEGEE. I was in some confusion about it. I looked up the word "lac" and the word "shellac" in the dictionary and found definitions for both of those words, but I was not able to tell which paragraph of the bill covered them. I do not desire to interrupt the regular procedure, however, at this time.

Mr. JOHNSON of Maine. We were informed that shellac came under the paragraph to which I have referred. I will ask the chemical expert if that is correct.

Mr. BRANDEGEE. If the Senator is sure that shellac is on the free list, I will not interrupt the proceedings at this time.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, at the top of page 16, to strike out:

62. Zinc, oxide of, and white sulphid of, lithopone, and pigments containing zinc but not containing more than 3 per cent of lead, ground dry, 10 per cent ad valorem; when ground in or mixed with oil or water, 15 per cent ad valorem.

And in lieu thereof to insert:

62. Zinc, oxide of, and pigments containing zinc but not containing more than 5 per cent of lead, ground dry, 10 per cent ad valorem; when ground in or mixed with oil or water, lithopone and white sulphide of zinc, 15 per cent ad valorem.

Mr. LODGE. Mr. President, in regard to lithopone, which is a comparatively new compound developed of late years, I understand that it is a nonpoisonous white pigment which is gradually taking the place, to a large extent, of white lead. It is very desirable, of course, to have a nonpoisonous pigment. White lead, I think, bears a duty—

Mr. JOHNSON of Maine. I will say to the Senator from Massachusetts that white lead is found in paragraph 57.

Mr. LODGE. I will inquire what is the equivalent ad valorem on white lead?

Mr. JOHNSON of Maine. It is 25 per cent ad valorem.

Mr. LODGE. That is what I thought. The duty on lithopone, which, as I have said, is a nonpoisonous pigment which has been developed of late years, is cut to 15 per cent, while the duty on white lead is left at 25 per cent. I merely make this suggestion, and desire to put into the RECORD the statement I have in regard to it. I will not delay the Senate by offering any amendment, but the reduction of duty seems to me a mistake, and I should be glad if the committee would look into the matter, because they have raised lithopone from 10 per cent, as proposed by the House, to 15 per cent, and I think it ought to be raised more. I ask that the statement which I send to the desk may be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The statement referred to is as follows:

APRIL 24, 1913.

We are manufacturers of lithopone, classed in the tariff bill as sulphide of zinc.

H. R. 10 reduces the tariff on this article from about 50 per cent, in the shape of specific duty, to 10 per cent ad valorem, a cut of 80 per cent in the tariff on this article.

We are confident that this exceptionally drastic reduction is due to misunderstanding and confusion of this product with other zinc pigments, particularly zinc oxide, with which it is grouped in H. R. 10.

The manufacture of zinc oxide is well established in this country, and we are inclined to believe that a reduction in duty to 10 per cent ad valorem would have no injurious effect on that industry, as zinc oxide has for some years been largely exported from this country to Europe, and is, we believe, more cheaply produced in this country than anywhere else in the world. This is on account of the superior nature for this purpose of the special zinc ore (found in quantity only in this country) from which the zinc oxide is made direct at minimum cost.

Lithopone, on the other hand, is the result of elaborate chemical processes, the raw materials having to be brought into solution and after purification mixed in suitable proportions to form the basis of lithopone. The process is complicated in character and costly in labor. In its manufacture we use a crude barium sulphate which is imported from Germany in tonnage approximately equal to the tonnage of lithopone produced. We beg to call to your attention that H. R. 10 provides a duty of 15 per cent on this raw material, while reducing the duty on the finished product to 10 per cent ad valorem.

Our other principal raw material is zinc or spelter, and the duty on this it is proposed to reduce from 1 cent per pound to an ad valorem equal to about one-half of 1 cent per pound under H. R. 10, a much smaller reduction in duty than is proposed for lithopone.

We now have invested in this industry large sums of money. The business and the use of lithopone in this country is increasing rapidly, and as a nonpoisonous white pigment is tending to take the place, to a large extent, of white lead. In H. R. 10 white lead, our principal competitive pigment, is accorded protective duty of 25 per cent, while the duty on lithopone is cut to 15 per cent.

We believe that if the industry in this country is not now crippled by too drastic a cut in the tariff we will eventually be able to meet the German manufacturer on an even basis, but we feel that the cut proposed by H. R. 10 is unreasonably severe, and must, as we have said, be due to confusion of this product with zinc white, technically known as zinc oxide. We submit the following data, which is taken from official handbook, showing the heavy and rapid increase in importation of German lithopone into this country at the rate of duty imposed by



the present and preceding tariff, and which we submit as a convincing argument that the excessive cut of 80 per cent in duty proposed by H. R. 10 is unjust and unnecessary:

*Zinc, sulphide of, white, or white sulphide of.*

IMPORTS.

Item.	Dingley tariff.		Payne tariff.	Estimates for a 12-month period under H. R. 10.
	1905	1910	1912	
Quantity.....pounds..	1,189,511	2,307,699	6,325,072	7,000,000
Value.....	\$30,997	\$68,925	\$157,921	\$180,000
Average unit.....	\$0.026	\$0.029	\$0.025	\$0.026
Duties.....	\$14,869	\$28,846	\$79,063	\$18,000
Equivalent ad valorem.....per cent..	47.98	41.85	50.07	15.00

Yours, very truly,

THE BECKTON CHEMICAL CO.,  
President.

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

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 64, on page 16, line 13, after the word "or," to strike out "fusians" and insert "fusains"; so as to make the paragraph read:

64. Enamel paints, and all paints, colors, pigments, stains, crayons, including charcoal crayons or fusains, smalts, and frostings, and all ceramic and glass fluxes, glazes, enamels, and colors, whether crude, dry, mixed, or ground with water or oil or with solutions other than oil, not specially provided for in this section, 15 per cent ad valorem; all paints, colors, and pigments commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, 20 per cent ad valorem; all color lakes, whether dry or in pulp, not specially provided for in this section, 20 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Maine on what theory the duty on enamel paints and all paints, colors, pigments, and so forth, has been cut from 30 per cent ad valorem, as provided in the present law, to 15 per cent ad valorem, while at the same time the duty on coal-tar dyes, from which paints are made, has been left at 30 per cent ad valorem, which is the rate of the present law? There is no change whatever in the duty on coal-tar colors, but the articles made from the coal-tar colors, enamel paints, and paints, colors, pigments, and so forth, are cut in two, from 30 per cent to 15 per cent.

Mr. JOHNSON of Maine. Mr. President, nearly all the materials that enter into the manufacture of paints have been cut very heavily in the bill. The duty on linseed oil has been largely reduced, and the same is true as to nearly all the pigments and other materials used in the manufacture of paint. The paint trade is a well-established one in this country, and has large exports.

I find from the statistics that in 1912, of varnishes we exported \$1,118,000 worth; of other paints and pigments, \$3,864,000 worth; of gas black, carbon, and lampblack, \$907,623 worth; and of zinc oxide, \$1,182,000 worth. In view of these large exports, and the fact that we have reduced the duty upon the materials which enter into the manufacture of paints, the reduction from 30 per cent to 15 per cent seemed wise.

Mr. SMOOT. The Senator has not answered my question. I asked him in relation to the coal-tar colors. The duty on coal-tar colors is left at 30 per cent, just as under the present law; and yet they enter into the manufacture of paints, the duty on which is cut 50 per cent. I ask the Senator why the rate of 30 per cent is left on coal-tar dyes?

Mr. JOHNSON of Maine. I will ask the Senator to what extent coal-tar colors enter into the manufacture of paints?

Mr. SMOOT. I do not know exactly the percentage, but the Senator knows that they do enter into the manufacture of paints.

Mr. JOHNSON of Maine. Are they not a small part of the material required in the manufacture of paints?

Mr. SMOOT. They certainly are not the largest part, I am quite sure; but what I was trying to get at was why a 30 per cent duty is left on coal-tar dyes, as the present law provides?

Mr. JOHNSON of Maine. The coal-tar dyes we have already passed, I think, back in paragraph 21.

Mr. SMOOT. That is true.

Mr. JOHNSON of Maine. I have not supposed they were used to a very large extent in the manufacture of paints or varnishes. They are largely used as dyes, and we have placed

upon the free list quite a large number of the coal-tar dyes used in the textile industries.

Mr. SMOOT. Does the Senator say coal-tar dyes are placed upon the free list?

Mr. JOHNSON of Maine. Some of them.

Mr. SMOOT. Simply alizarin.

Mr. JOHNSON of Maine. And carbazol and the derivatives of carbazol.

Mr. SMOOT. Those are the derivatives; that is all. I believe, though, I gave notice that I would refer back to paragraph 21, in which coal-tar colors are included. Therefore at this moment I shall not take the time of the Senate further.

Mr. HUGHES. Mr. President, is it not true that the lake colors carry a rate of duty, not of 30 per cent, but of 20 per cent?

Mr. SMOOT. No; all lake colors to-day carry a duty of 30 per cent.

Mr. HUGHES. I think the Senator will find he is mistaken about that.

Mr. SMOOT. I think the Senator will find it in paragraph 56 of the present law.

Mr. HUGHES. I mean the proposed law.

Mr. SMOOT. Oh, yes; under the proposed law all lake colors carry a duty of 20 per cent.

Mr. HUGHES. Not 30 per cent?

Mr. SMOOT. No; I said 30 per cent under the present law, not the proposed law.

Mr. HUGHES. I misunderstood the Senator.

Mr. SMOOT. Under the present law all lake colors, as the Senator knows, carry a duty of 30 per cent, just the same as do all enamel paints, other paints, colors, and pigments. Under paragraph 56 of the present law they carry a rate of 30 per cent.

The reading of the bill was resumed, beginning with line 23, page 16.

The next amendment of the Committee on Finance was, in paragraph 65, page 16, line 25, to strike out the words "cyanide of, 1½ cents per pound," so as to make the paragraph read:

65. Potash: Bicarbonate of, refined, ½ cent per pound; chlorate of, chromate and bichromate of, 1 cent per pound; nitrate of, or saltpeter, refined, \$7 per ton; permanganate of, 1 cent per pound; prussiate of, red, 2 cents per pound; yellow, 1½ cents per pound.

The amendment was agreed to.

The next amendment was, in paragraph 66, page 17, line 4, after the word "silver," to strike out "and" and insert "or," so as to make the paragraph read:

66. Salts and all other compounds and mixtures of which bismuth, gold, platinum, rhodium, silver, or tin constitute the element of chief value, 10 per cent ad valorem.

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

Mr. SMOOT. This paragraph, as amended, uses the words "silver or tin constitute the element of chief value." Of course, in referring to tin, that means lac spirits; and lac spirits to-day are upon the free list. Did the Senator intend to take lac spirits from the free list and put them in paragraph 66? Was that the intention?

Mr. JOHNSON of Maine. I will say that I had not had my attention called to the matter of lac spirits.

Mr. SMOOT. It is not specifically stated as lac spirits. The language here is:

Salts and all other compounds and mixtures of which bismuth, gold, platinum, rhodium, silver, or tin constitute the element of chief value.

In other words, if the salts are from tin, they are lac spirits; and to-day lac spirits are on the free list, under paragraph 606.

Mr. JOHNSON of Maine. The committee is informed that lac spirits are tin tetrachloride. Is that what the Senator refers to?

Mr. SMOOT. I say the salts of tin.

Mr. JOHNSON of Maine. They would be included under this language.

Mr. SMOOT. If they are included, they would come in under this rate, and that would take them from the free list under paragraph 606 to-day and put them here with a duty of 10 per cent ad valorem. I ask the Senator if that was the intention of the committee? If not, the Senator should strike out the words "or tin," and let the word "salts" apply only to silver and the other metals named.

Mr. JOHNSON of Maine. I will say that it was the intention of the committee to include tetrachloride of tin here, and that is what the Senator alludes to as lac spirits. They are made taxable here at 10 per cent.

Mr. SMOOT. It was the intention of the committee to take lac spirits from the free list, and impose a duty upon them?

Mr. JOHNSON of Maine. It was.

Mr. SMOOT. Was that for revenue purposes?

Mr. JOHNSON of Maine. It was for revenue purposes, and to class them with the other salts and compounds that are given here.

Mr. SMOOT. Mr. President, of course if it is the intention of the committee to put lac spirits in here for revenue purposes, well and good, but I could not find anything in the free list specifically mentioning lac spirits, and to-day they are on the free list under paragraph 606. Of course, knowing that the salts of tin were lac spirits, I wondered whether this language was put in here intentionally or whether it was just a mistake. But the Senator has said it was intentional, and therefore I will not offer an amendment, because I know it would do no good.

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

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 67, page 17, as follows:

67. Soaps: Perfumed toilet soaps, 40 per cent ad valorem; medicinal soaps, 30 per cent ad valorem; castile soap, and unperfumed toilet soap, 10 per cent ad valorem; all other soaps not specially provided for in this section, 5 per cent ad valorem.

Mr. LODGE. Mr. President, that cut in the duty on all soaps not specially provided for is very heavy, indeed. It is heavier, I think, than the others. I know it is entirely useless to offer any amendment and I do not care to take the time to discuss the matter, but I shall ask leave to print with what I have said a letter on the subject from a constituent of mine. I desire to have it accompany this statement.

Mr. BURTON. I should like to know to what it relates.

Mr. LODGE. Soaps not specially provided for in this section, which are made dutiable at 5 per cent ad valorem.

Mr. BURTON. What is the difference between that and the present duty?

Mr. LODGE. The present duty is 20 per cent.

The PRESIDING OFFICER. If there is no objection to the request of the Senator from Massachusetts, the matter referred to will be printed in the RECORD. The Chair hears none.

The matter referred to is as follows:

LYNN, MASS., May 29, 1913.

Hon. HENRY CABOT LODGE,  
United States Senate, Washington, D. C.

DEAR SIR: We beg to take the liberty of writing you personally at this time relative to the proposed change in duty on common soap, which has been reduced to 5 per cent ad valorem in House bill 3321, while a duty of 20 per cent ad valorem has been imposed on essential oils used in the manufacture of this commodity, thereby increasing the cost of manufacture and reducing the protection on the manufactured product.

It would be extremely difficult to determine to what extent the soap industry would be affected by such a drastic act in the tariff, but it seems entirely reasonable that the change in rate should be more gradual.

Unlike other industries, the soap business is largely composed of many concerns of moderate capital and output, and as the matter of volume enters into the cost of production to a very considerable extent, it would be absolutely impossible for any but the very largest manufacturers to compete with the enormous plants in England.

Of late years the supply of raw materials in this country available for soap making have been so deficient that it has been necessary to depend upon foreign markets at greatly increased prices, whereas on account of severe competition the consumer to-day receives greater value for the same or less money than at any time in the history of the business.

This has been made possible only by the application of the strictest economy in every detail, and the margin of profit to-day is so small the average American manufacturer could not possibly compete with the foreign-made goods unless protected by a reasonable rate of duty.

We hope you will use your efforts to prevent a change in the present tariff covering on common soaps, and taking this opportunity to thank you in anticipation of your courtesy, we remain,

Respectfully, yours,

THE GEO. E. MARSH CO.,  
JAMES M. MARSH, President.

WASHINGTON, D. C., May 22, 1913.

To the Chairman and Members Subcommittee Committee on Finance,  
United States Senate, Washington, D. C.

GENTLEMEN: This statement is submitted on behalf of the laundry-soap manufacturers of the United States, representing over 75 per cent of the production of common laundry soap.

On January 6 last a statement on behalf of the common laundry-soap industry was submitted to the Committee on Ways and Means of the House, in which, on behalf of this trade, with reference to the duty on common soap, it was stated:

"No change in this item is requested or desired by the laundry-soap manufacturers. They do not, however, object to the reduction to 15 per cent ad valorem, as was proposed in House bill 20182, provided the raw materials used by them are allowed to remain on the free list and are not taxed, as was proposed in House bill 20182."

The passage of House bill 3321 prompts a further presentation of these views, and a renewal of the petition of the common laundry soap manufacturers in respect of the duty on common soap (par. 67) and in respect of the duty imposed on essential oils (par. 47). The present duty on common soap is 20 per cent ad valorem; and instead of a reduction to 15 per cent ad valorem, as was proposed in House bill 20182, the duty has been reduced to 5 per cent ad valorem in House

bill 3321, while a duty of 20 per cent ad valorem has been imposed on essential oils used in the manufacture of common soap, thereby increasing the cost of manufacture, and reducing the duty on the manufactured article.

COMMON LAUNDRY SOAP.

(Paragraph 67.)

There is no soap trust. There is no combination of soap manufacturers.

There is keen competition in all sections of the country. This competition compels each manufacturer to give the largest possible cake, or the best possible quality, or the lowest possible price, or all of these; otherwise this volume of business can not be increased or even maintained. The prices to the consumers of the common laundry soaps we are discussing run between 2½ cents and 5 cents per cake or bar.

While there have been large and almost universal advances in the cost of other essentials of life, the retail price of laundry soap has shown no substantial change during a long period of years.

The number of soap factories in the United States, according to the United States census, is 436, scattered through 38 States in numbers varying from 1 to 67.

Character of establishments (out of 436).

Individual ownership.....	146
Firms.....	108
Corporations.....	182
Invested capital.	
Less than \$5,000.....	101
\$5,000 but less than \$20,000.....	103
\$20,000 but less than \$100,000.....	140
\$100,000 but less than \$1,000,000.....	79
\$1,000,000 and over.....	13

While the largest and strongest of these institutions may successfully compete with foreign manufacturers with the very slight duty of 5 per cent ad valorem, it is respectfully submitted that a large proportion of the common-soap manufacturers of this country, as shown by the preceding table of capital invested, are of comparatively moderate financial strength, and that they would find it extremely difficult to meet the foreign competition which would be invited by the proposed radical reduction of 75 per cent from the present duty.

The cost of soap is so largely determined by volume of output that the lowest competitive basis can only be realized by manufacturers operating on a very large scale. Some of the largest and wealthiest manufacturers of common soap in the world are located in England, and the proposed reduction is so radical that there is danger that they will rapidly appropriate the markets of our smaller soap manufacturers, especially those near the seaboard.

THE PROPOSED REDUCTION EXCESSIVE.

The reduction proposed—that is to say, from 20 per cent to 5 per cent ad valorem—is equivalent to 45 cents on a \$3 box of soap and 60 cents on a \$4 box of soap. A duty of 5 per cent would only represent 15 cents on a \$3 box of soap or 20 cents on a \$4 box of soap as against the present duty of 60 cents on a \$3 box and 80 cents on a \$4 box.

This statement shows the extremely radical cut in the duty; the proposed reduction upon common soap is greater than that proposed upon any other article in Schedule A with the exception of borax, which is produced almost exclusively in the United States.

A large part of the raw materials used in the manufacture of soap—expressed vegetable oils and essential oils—are to-day purchased through European markets.

With the decrease in the supply of animal fats in this country available for soap-making purposes, the tendency is to constantly use more and more of imported vegetable oils. Most of these oils pass through European markets and are largely controlled thereby. In view of these conditions the proposed duty of 5 per cent, equal to 15 or 20 cents a box, is not sufficient to insure to the American producer equality with his foreign competitor, but will give the European manufacturer an advantage. England and Germany have at present an advantage over the United States in the cost of labor, of alkalies, and of the vegetable oils, which are imported through the European markets.

The proposed duty would adversely affect our trade with our insular possessions. Before the acquisition by the United States of Porto Rico, Hawaii and the Philippines, and Panama the entire soap markets of these countries were practically in the hands of foreign manufacturers. Since the acquisition of these possessions the United States tariff has enabled the American manufacturer to obtain an increasing trade, which will be checked and probably lost under the proposed duty.

The following table shows the shipments of common soap from the United States into Porto Rico:

1906.....	\$230, 107
1907.....	257, 198
1908.....	348, 733
1909.....	392, 970
1910.....	410, 765
1911.....	502, 610
1912.....	555, 192

The shipments from the United States to the Philippines were:

1906.....	\$11, 810
1907.....	6, 805
1908.....	21, 960
1909.....	22, 917
1910.....	28, 423
1911.....	41, 244
1912.....	96, 952

The shipments from the United States to Hawaii were:

1906.....	\$76, 628
1907.....	83, 759
1908.....	124, 273
1909.....	96, 514
1910.....	117, 950
1911.....	127, 235
1912.....	161, 490

The shipments from the United States to Panama were:

1906.....	\$82, 659
1907.....	102, 689
1908.....	136, 466
1909.....	141, 814
1910.....	123, 903
1911.....	139, 611
1912.....	149, 295



The American soap manufacturer knows by experience that English and Spanish soaps will immediately invade the Porto Rican market should the duty be reduced to the extent proposed. The Philippine market will in all probability also be lost by us to English, Spanish, and Japanese manufacturers.

**AMERICAN EXPORTS OF SOAP DO NOT WARRANT THE RADICAL REDUCTION PROPOSED.**

The Government figures relative to the total exports of common soap are misleading, unless carefully analyzed. The total exports in 1912, for example, in pounds, 57,855,457, and in dollars, \$2,695,991, include the exports to Panama and the Philippines and also include a very large quantity of saponified cottonseed oil "foots," shipped in barrels, which is used in fulling mills and for other textile purposes, for which it is peculiarly adapted. These figures are not a correct index of the exportations of common laundry soap manufactured by your petitioners.

The exports of all soaps, excepting toilet or fancy soaps, from 1907 to 1912, inclusive, are as follows:

	Total, including Panama and Philippines.	Total, excluding Panama and Philippines (net foreign).	Panama, Philippines, Porto Rico, and Hawaii.
1907.....	\$2,661,218	\$2,551,723	\$340,957
1908.....	2,165,267	2,006,841	631,432
1909.....	2,341,708	2,176,977	654,215
1910.....	2,140,676	1,988,350	681,041
1911.....	2,305,010	2,124,155	810,700
1912.....	2,695,991	2,449,744	962,929

It will be noted that the total exports of common soap (including "foots" soap) during the last six years have remained nearly stationary, while the exports to our insular possessions have steadily increased.

Notwithstanding constant efforts to build up an export business, American soap makers have met with almost entire failure, and it certainly will not help them to tax their imported raw materials and throw open their home market to foreign competition.

We renew our appeal not to make so radical a reduction in the duty on common soap, again calling attention to the fact that the industry in this country is a highly individualized business in which there is the keenest competition. The price at which common laundry soap is sold has not contributed to the high cost of living, since with the general increase of prices in other commodities in this country the price of common laundry soap has remained practically unchanged.

**ESSENTIAL OILS.**

(Paragraph 47.)

The essential oils used in the manufacture of common laundry soap are now and always have been upon the free list. It is proposed in H. R. 3321 to impose a duty of 20 per cent ad valorem upon these oils. A distinction should be made between the high-priced, more delicate perfumes used by the perfumers and the low-priced oils used in the manufacture of common laundry soap, namely, citronella, rosemary or anthonos, cassia, caraway, aspic or spike lavender, thyme, lemon grass, lavender, sassafras, oil of camphor, myrbane, and oil of cedar wood.

The oils in this list are practically used exclusively in the manufacture of common laundry soaps and are properly classed among the raw materials of the common laundry-soap industry. It is respectfully urged that an exception therefore be made as to the essential oils named, and that they be retained upon the free list. They are largely used in the manufacture of common laundry soap to counteract the natural odor of the soap, and for this reason have doubtless heretofore been included in the free list in preceding laws. They are necessary ingredients of common soaps and should not be taxed as luxuries.

The laundry-soap industry has not objected to a reduction of duty upon common soap, provided such reduction was not unreasonable in view of trade conditions, but to couple an excessive reduction of the duty on the manufactured article with a duty upon the essential oils used in the manufacture of soap is imposing a double burden upon the industry.

From a careful consideration of trade conditions it is evident that the proposed reduction from 20 per cent to 5 per cent ad valorem upon common soap is too radical.

It is respectfully submitted that the duty on common soap should not be reduced below 10 per cent ad valorem and that the essential oils used by the makers of common soap should remain on the free list.

We therefore petition that the following amendments be made in H. R. 3321:

1. Amend paragraph 67, line 17, by striking out the figure "5" and substituting therefor the figure "10."

2. Amend paragraph 47 by striking out, in line 14, the words "caraway; cassia; citronella and lemon-"; and, in line 15, the words "grass," "lav-"; in line 16, the words "ender, and aspic or spike lavender"; in line 17, the words "rosemary or"; in line 18, the words "anthonos; thyme"; and by inserting in the free list, in paragraph 566, at the end thereof, the following: "citronella, rosemary or anthonos, cassia, caraway, aspic, spike lavender, thyme, lemon grass, lavender, sassafras, oil of camphor, myrbane, and oil of cedar wood."

Respectfully submitted,

H. W. BROWN, OF THE PROCTER & GAMBLE Co., Chairman,  
W. H. WADHAMS, OF B. T. BABBITT, Secretary,  
F. H. BRENNAN, OF THE N. K. FAIRBANK Co.,  
L. H. WALTKE, OF WM. WALTKE & Co.,

Committee of National Conference of Laundry Soap Manufacturers.

Mr. SMOOT. Is the Senator quite sure that the use of the word "perfumed," the first word in the paragraph, and the word "unperfumed," in line 8 of the paragraph, will not make all perfumed soaps dutiable at 10 per cent?

Mr. JOHNSON of Maine. In reply to the Senator's question, I will say that I did not think of that. I thought it might be extremely difficult to find any soaps that were not perfumed soaps, and it might be hard to find soaps that would fall under the second classification.

Mr. SMOOT. The Senator knows that that matter was decided in the Pears' Soap case.

Mr. JOHNSON of Maine. My attention was called to that case, and the decision distinguishing perfumed soap from unperfumed soap.

Mr. SMOOT. I think this would be better understood, and no mistake could follow, if we should strike out the word "perfumed" on line 6, page 7, and the word "unperfumed" on line 8. Then I do not think there would be any question as to what soaps would fall in each of the brackets. Then it would read:

Toilet soaps, 40 per cent ad valorem; medicinal soaps, 30 per cent ad valorem; castile soap and toilet soap—

That is, pure castile and castile toilet soap—

10 per cent ad valorem; all other soaps not specially provided for in this section, 5 per cent ad valorem.

Mr. LODGE. I think that would lead to very great confusion. It would make two toilet soaps.

Mr. JOHNSON of Maine. I should like to pass for the present the paragraph dealing with this subject. We have had more or less difficulty with it.

Mr. SMOOT. I meant "unperfumed toilet soap"; that is, take out those words, so it would read:

Castile soap, 10 per cent ad valorem.

Mr. LODGE. Oh, the Senator means to leave out "and unperfumed toilet soap"?

Mr. SMOOT. Yes. I do not want the word "toilet" left in. In other words, I suggest having it read this way. I will read the section just as it would appear:

Soaps: Toilet soaps, 40 per cent ad valorem; medicinal soaps, 30 per cent ad valorem; castile soap, 10 per cent ad valorem; all other soaps not specially provided for in this section, 5 per cent ad valorem.

Then there would be no question as to the perfumed soaps, and there would not be any question as to the castile soap being dutiable at only 10 per cent. There would not be any question as to the classification of the soap, because the Senator knows that after the decision that was rendered in the Pears' Soap case it was decided that there was hardly any soap made without perfume being used in it.

Mr. JOHNSON of Maine. I should be very willing to pass that section. I ask that section 67 may be passed over.

The PRESIDING OFFICER. In the absence of objection, the section will be passed over.

The reading of the bill was resumed, beginning with paragraph 68, page 17, line 11.

The next amendment of the Committee on Finance was, in paragraph 68, page 17, line 16, after the word "pound," to strike out "cyanide of, 1½ cents per pound," so as to make the paragraph read:

68. Soda: Benzoate of, 5 cents per pound; chlorate of, and nitrite of, ½ cent per pound; bicarbonate of, or supercarbonate of, or saleratus, and other alkalies containing 50 per cent or more of bicarbonate of soda; hydrate of, or caustic; phosphate of; hyposulphite of; sulphid of, and sulphite of, ½ cent per pound; chromate and bichromate of, and yellow prussiate of, ½ cent per pound; borate of, or borax refined; crystal carbonate of, monohydrate, and sesquicarbonate of; sal soda, and soda crystals, ½ cent per pound; and sulphate of soda crystallized, or Glauber salts, \$1 per ton.

The amendment was agreed to.

Mr. BRANDEGEE. I notice that cyanide of soda, as well as cyanide of potash, in paragraph 65 are stricken out. I assume they have been placed upon the free list.

Mr. JOHNSON of Maine. They are both placed upon the free list.

Mr. BRANDEGEE. What was the object of that?

Mr. JOHNSON of Maine. They are largely used in mining; and while cyanide of soda is produced to some extent in this country, our information was that cyanide of potash is imported. As I say, both are largely used in mining, and they were placed upon the free list. They are in the free list, which is arranged alphabetically.

Mr. BRANDEGEE. Does the Senator say cyanide of potash is used in mining?

Mr. JOHNSON of Maine. It is.

Mr. BRANDEGEE. What was the revenue from it? All the statistics seem to have been eliminated, because it was stricken out.

Mr. HUGHES. If the Senator will turn to the free list, I think he will find the information he desires.

Mr. BRANDEGEE. Oh, the statistics in relation to it are on the free list side?

Mr. HUGHES. Yes.

Mr. BRANDEGEE. What is the paragraph of the free list?

Mr. JOHNSON of Maine. Five hundred and eighty-four.

Mr. PITTMAN. Mr. President, the Senator will find that paragraph on page 147.

Mr. JOHNSON of Maine. Cyanide of potash is in paragraph 584.

Mr. BRANDEGEE. What paragraph of the bill is it?

Mr. JOHNSON of Maine. Paragraph 584 for cyanide of potash, and paragraph 609 for cyanide of soda.

Mr. BRANDEGEE. Why was it taken from the dutiable list and put on the free list?

Mr. JOHNSON of Maine. These articles are very largely used in mining, and are not produced in this country to any great extent.

Mr. BRANDEGEE. Of course I assume that everything that is imported or that is produced is used for something; but these seem to be the only articles of the various preparations of potash and of soda which are taken from the dutiable list and placed on the free list, and I was curious to know why that had been done. Of course I know they are used for something.

Mr. PITTMAN. Mr. President, will the Senator from Maine yield to me for a moment?

Mr. JOHNSON of Maine. Certainly.

Mr. PITTMAN. Both cyanide of potassium and cyanide of sodium are used in the reduction of gold and silver ores, and they are almost essential to the development of the gold and silver mining industry throughout the country. Both of these products are largely controlled by monopolies. In fact, all of the cyanide of sodium that is used in this country is produced practically by one concern. That material has had a tariff duty of 25 per cent in all past tariff bills, and the concern that produces it has held up the price in this country to a point about 25 per cent above that in Mexico and other countries.

Mr. BRANDEGEE. I understood the Senator to say there was none of it produced in this country.

Mr. JOHNSON of Maine. I said I was informed that very little or none of the cyanide of potassium was produced here, but that a little of the cyanide of sodium was.

Mr. BRANDEGEE. The Senator from Nevada now says it is produced by some monopoly. Is that a domestic monopoly?

Mr. PITTMAN. It is both. A large portion of it is controlled by the Deutsche Gold & Silberscheideanstalt, of Frankfurt on the Main, Germany. They own another institution in this country known as the Roessler & Hasslacher Chemical Co., of New York.

Mr. BRANDEGEE. Why should the American market be opened for the benefit of a foreign monopoly?

Mr. PITTMAN. There is this reason for it: They are producing cyanide of potassium in Great Britain, and it will be noticed that the tariff on cyanide of sodium has been much higher than that on cyanide of potassium. That has enabled the monopoly that controls cyanide of soda to sell almost exclusively in this country; and they have increased the production of this one institution from about 1,000,000 to 12,000,000 pounds per annum.

Mr. BRANDEGEE. What is the reason it is not made in this country?

Mr. PITTMAN. The main reason is that a patent on the cyanide of sodium is held by this German concern, which also owns the American concern, and therefore there can be no competition with the cyanide of sodium.

Mr. BRANDEGEE. The article now being upon the free list, and we being absolutely in the hands of the foreign monopoly, does the Senator think the price is likely to be reduced when they have no competition?

Mr. PITTMAN. I believe what will probably occur is that there will be a competition between the British producers of cyanide of potassium and the German producers of cyanide of potassium, which will also reduce the price of cyanide of sodium.

Mr. BRANDEGEE. Did they compete before, when the articles were on the dutiable list?

Mr. PITTMAN. They are competing in other countries where they have no duty, and the price is much lower there than in the United States.

Mr. BRANDEGEE. I fail to see why they should not compete for this market if they were both subject to the same duty.

Mr. PITTMAN. The reason of it is that the sodium product is running the potassium product out of the market.

Mr. BRANDEGEE. The two products themselves compete?

Mr. PITTMAN. The two products compete.

Mr. BRANDEGEE. They perform the same function in the mining industry?

Mr. PITTMAN. A very similar function.

Mr. BRANDEGEE. Of course personally I know absolutely nothing about these articles. I was simply led by curiosity to ask the question. But I fail to see what object is to be gained by surrendering this market to either or both of two foreign monopolies.

Mr. PITTMAN. As has been suggested to me by the Senator from Georgia [Mr. SMITH], we are not surrendering the market to the foreigner at all. We have to-day none but foreigners controlling our market, and if the market must be controlled by foreigners we would rather have competition between those foreigners.

Mr. BRANDEGEE. I understood the Senator to say that the article was made here to some extent, under permission from the foreign patentees.

Mr. PITTMAN. No; not under permission. The foreign institution absolutely owns, in its entirety, the domestic institution. It is the same institution operating in two countries.

Mr. BRANDEGEE. It seems to me, according to the theories I have heard advanced on several other articles, that this article not being produced in this country, would be an ideal article from the Democratic standpoint upon which to raise revenue, and I fail to see why we should surrender the revenue on this article and get no compensation whatever except to help a foreign monopoly.

Mr. PITTMAN. The Government has derived little duty, because the tariff only prevented the importation of cyanide of potassium from Great Britain, while potassium of soda was made by the protected monopoly in America, and sold at a price permitted by the tariff. But we are also, I believe, opposed to monopolies, and both the Republican Party and the Democratic Party have constantly urged the encouraging of industries of all characters in this country. I want to state that the mining industry of this country is one of the greatest of its industries. Having placed upon the free list all of the tools and implements essential to the other industries, I think it is no more than right that when we are dealing with an essential of the development of mining in the western country we should also place it upon the free list, especially when it is controlled by a monopoly.

The reading of the bill was resumed, and continued to the end of paragraph 70, page 18, as follows:

69. Sponges: Trimmed or untrimmed but not advanced in value by chemical processes, 10 per cent ad valorem; bleached sponges and sponges advanced in value by processes involving chemical operations, manufactures of sponges, or of which sponge is the component material of chief value, not specially provided for in this section, 15 per cent ad valorem.

70. Talcum, ground talc, steatite, and French chalk, cut, powdered, washed, or pulverized, 15 per cent ad valorem.

Mr. PAGE. Mr. President, may I ask the Senator from Maine on what particular ground the committee has reduced the duty on talc from 20 to 15 per cent?

Mr. JOHNSON of Maine. I will say to the Senator that it is in general line with the reductions which have been made all through the bill.

Mr. PAGE. The committee was not looking for an increase of revenue under this item, was it? I observe by the handbook that the revenue, commencing at \$5,000 in 1896, and increasing to \$9,000 in 1905 and \$23,000 in 1912, under the committee's estimate will be \$19,000 in 1914; so that I judge that as a revenue producer you reduce rather than increase the revenue on talc.

Mr. JOHNSON of Maine. Under the estimate, the Senator is correct; there would be some reduction.

Mr. PAGE. Did I correctly or incorrectly understand that one of the principles that actuate the Democratic Party in the preparation of this tariff bill is that there shall be a strong competitive basis, and that where competition is severe and the industry is not in the hands of a trust it has been the policy of your party to retain the duties on all industries in order that they may live? Am I correct in that assumption?

Mr. JOHNSON of Maine. I will say to the Senator that I am informed that talc enters into other manufactures; and in line with the general rates under the bill, the basket clause carrying a duty of 15 per cent, we made the duty upon this article to correspond. We took French chalk, which had been classified, I think, with other kinds of chalk, and put it in this section with talcum.

Mr. PAGE. This happens to be an article that is produced in my own county, and I was a little curious to know just the basis of the committee's reasoning.

I recall very distinctly that during the campaign which led up to the election of President Wilson it was asserted many times by him that he did not wish to disturb any legitimate industry if it was on a competitive basis. I can not understand why this industry, which needs protection, should be disturbed, in view of the fact that the increase of imports has been very, very great for these many years. I think the imports are about three times as large now as they were in 1896, and they have increased about 250 per cent since 1905.

I happen to know, because I am in a position to know from my close association with this corporation that makes talc in



my State, that it has been figuring on the very closest basis in order to live. Year by year the amount of imported talc has increased. Let me give you the figures.

In 1896 there were 6,000,000 pounds imported; in 1905, 8,000,000 pounds; in 1912, 20,000,000 pounds; and your estimate is that in 1914 under this bill the imports will be 22,000,000 pounds. With this constant increase of talc coming in from foreign countries it seems to me it comes entirely within the pledge of the President that where a small industry was on a competitive basis it should not be disturbed.

I do not know that I care to discuss this matter or to take time with it, because it is a very small one; but I hardly think I can do less than make a motion to restore the present duty of 20 per cent. I will not ask for a roll call upon it. I believe that if there is any article in the whole schedule that comes within the promise of the President that a business that is on a strictly competitive basis should not be disturbed it is talc.

If the President did not mean what he said about business on a competitive basis like this, what did he mean when he told us that such industries should not be disturbed? I think his statement was that manufacturers of American goods that were on a competitive basis need have no fear that they would be disturbed. I know that this little industry in my own county has been struggling very hard for the past six or eight years to meet the intense and immense competition of foreign imports, and your own statement here shows that the importations have been so great that it seems to me you ought not to disturb this schedule.

Mr. President, I move that line 5 of section 70 be amended by striking out "15" and inserting in lieu thereof "20."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed, on page 18, line 5, to strike out "15" and insert "20."

Mr. GRONNA. Do I understand that the amendment by the Senator from Vermont is to paragraph 69?

Mr. GALLINGER. No; paragraph 70.

The PRESIDING OFFICER. Page 18, line 5. It applies to talcum, ground talc, and so forth.

Mr. GALLINGER and others. Question!

The PRESIDING OFFICER. The question is on the amendment of the Senator from Vermont.

The amendment was rejected.

Mr. GRONNA. If the Senator in charge of the bill will not object, I should like to have some explanation about paragraph 69. Why does the committee estimate that with a duty of 10 per cent there will be a less importation than under a duty of 18.81 per cent? I find in your estimate that in 1912 under the present law there were imported sponges to the amount of \$311,489, and there was collected of revenue \$58,596. The estimate in the handbook is given here at \$150,000 and an estimated revenue of \$15,000 under the proposed bill.

Mr. JOHNSON of Maine. In reply to the question of the Senator from North Dakota, it seems to me there is evidently a mistake in that estimate. It must be a mistake.

Mr. GRONNA. I am simply asking for information. I can not comprehend how it can be estimated that the importations would be more than cut in two when the rate is reduced nearly 50 per cent.

Mr. GALLINGER and Mr. LODGE. It is a mistake.

Mr. JOHNSON of Maine. I share with the Senator in surprise that there should be any such estimate.

Mr. JONES. I should like to know in the matter of the manufacture of sponges what basis there is for the estimate that there will be practically \$200,000 increase when there was only \$58 worth imported under a 30 per cent duty, and they estimate an importation of \$200,000 under a 15 per cent duty.

Mr. SMOOT. I was just going to call the Senator's attention to the fact that that was an error. There is no doubt of it in the world. But I should like to ask the Senator from Maine what items could be called manufactures of sponge. I know the present law has the exact wording. I remember that at the time I tried to find some articles in the United States manufactured from sponges, but I have not been able yet to find one. Of course it is the sponges themselves. You can see there is a mistake in the book, because it says the present ad valorem is 18.81 on the importations of 1912, whereas the rate specifically states that sponges are 20 per cent.

Mr. GRONNA. I thought there must be some mistake. That rate is 20 per cent. The new rate proposed is 10 per cent. It is figured out that the ad valorem rate under the present law is 18.81.

While I am on my feet, I should like to know from the Senator from Maine to what extent we produce or manufacture sponges in this country. I know very little about it, and I am anxious to know how much of an industry there is in this country.

Mr. JOHNSON of Maine. I can not answer the Senator to what extent. I know sponges are gathered here and are very largely imported. The extent of the manufacture of sponges I am unable to state.

Mr. HUGHES. My understanding of it is that the bleaching and cleaning of sponges is regarded as a manufacture. That seems to be consistent with the language of the law that they are "further advanced in value."

Mr. GRONNA. I will ask the Senator from Florida if he will kindly tell us something about the industry of sponges?

Mr. BRYAN. I could not do that at length; it is getting late. I understand that sponges are taken up and brought to land and cleansed. I suppose what is meant by manufacturing is the bleaching and cleansing of the sponges and getting them in a shape to be used. Of course, they could not be used as they are caught. There are two portions of my State where quite a number of sponges are manufactured.

Mr. SMOOT. Then the wording is wrong, because it says "bleached sponges and sponges advanced in value by processes involving chemical operations." Then it says "manufactures of sponges." So the wording of not only the present law, but the wording of this proposed law which has followed the present law is wrong in relation to the manufacture of sponges.

Mr. GRONNA. Mr. President, I must be very unfortunate in expressing myself. I have tried to get information as to what extent this industry is carried on in the United States. It seems to me that the committee ought to be prepared to give the information. I am asking the question in good faith. I should like to get some information as to what extent the industry is carried on in this country.

Mr. BRYAN. I have no disposition to conceal from the Senator any information I have, which is very little.

Mr. GRONNA. I am sure the Senator has no such disposition.

Mr. BRYAN. On the Gulf coast of Florida there is a town near Tampa in which it is the principal industry. I think nearly everybody who lives at Tarpon Springs is engaged in the sponge industry. It is also carried on quite extensively around Key West. I know of it principally from the fact that every now and then the legislature is appealed to for legislation to protect the sponges from destruction. There is quite a Greek colony on the lower Gulf coast engaged extensively in the industry of sponges. I know very little about the matter. If the Senator is interested in it, he can very quickly find the information and familiarize himself with the subject.

Mr. GRONNA. Is the industry carried on to any great extent in any other State except Florida?

Mr. BRYAN. I do not know. I doubt if it is.

Mr. HUGHES. I should like to call the attention of the Senator to the fact that the reason for the apparent error in the estimate under this bracket is that they have been separated into crude and bleached sponges. That will account for it.

Mr. SMOOT. The Senator can not explain it in that way, because this says "sponges, 20 per cent," and in your report you say that the importation of sponges in 1910 and 1912 was 18.58 per cent. Of course it is a mistake; that is all.

Mr. HUGHES. No; it is not a mistake, if the Senator pleases. I am convinced upon an examination that it is not a mistake. In 1912 under the Payne-Aldrich law the imports were \$311,000, and our estimate for the proposed law is \$150,000, and below it we have \$200,000. We have simply separated the crude sponges from all other forms of sponges and manufactures of sponges. That is the "error" which was made.

Mr. SMOOT. I will not detain the Senate any further than to state that the present law specifically says that the rate is 20 per cent; it is no matter whether there is a large importation or a small importation, they can not be made here to bear 18.58, because the law says they are 20 per cent.

The reading of the bill was continued, as follows:

71. Vanillin, 10 cents per ounce; vanilla beans, 30 cents per pound; tonka beans, 25 cents per pound.

Mr. LODGE. The same question arises in regard to vanilla beans and tonka beans, taking them from the free list and putting them on the dutiable list, that has arisen in the case of the essential oils, and so forth. These are used very largely in the making of flavoring extracts. They are in general and common use. The vanilla bean is of course probably more largely used than anything else. But that question in principle has been argued to-day in various directions. It has been passed upon by the Senate against the contention of this side that articles of that sort, not the growth of the United States, should be on the free list. I therefore will not think of detaining the Senate at this time, but I ask to have printed in my remarks a very brief statement from a maker of flavoring extracts.



The PRESIDING OFFICER. If there be no objection, it will be so ordered.

The matter referred to is as follows:

SPRINGFIELD, MASS., May 5, 1913.

Hon. HENRY CABOT LODGE,  
Washington, D. C.

DEAR SIR: The imposition of a duty of 30 cents per pound on vanilla beans will still further injure the flavoring-extract industry, which is struggling under an enormous load of laws, rulings, duties, taxes, etc., at the present time. We are paying a tax to the Government of \$2.10 per gallon on every gallon of alcohol that we use in our business. Alcohol constitutes one of the principal products that is used in the manufacture of flavoring extracts, probably not less than 50 per cent of the cost of the raw material.

Vanilla extract and other extracts are household necessities used in innumerable common articles of food which would be nearly, if not wholly, unpalatable without them. Medical authorities recognize the dietetic value of flavoring extracts in foods.

All materials used by extract manufacturers have increased in cost to such a great extent that the profit to the producer has been reduced to the narrowest margin. Within the past five years vanilla beans have increased in cost from 50 per cent to 200 per cent. Lemon oil has advanced from a price of 65 cents per pound, which prevailed three years ago, to \$3.20, the present market price. This represents an increase of 450 per cent. Neither lemon oil or vanilla beans are produced in this country, and therefore need no protection. An advance in price to the consumer will be absolutely necessary if the proposed duty on vanilla beans and lemon oil should become a law. This increased cost to the consumer would also bring about largely the sale of inferior substitutes for pure vanilla and lemon, or imitation extracts, which would supersede pure flavors, to the harm of everyone who uses flavoring extracts in foods.

There are about 900,000 pounds of vanilla beans shipped to this country annually. Of this amount 400,000 pounds are consumed here. These are Mexican beans and Bourbon beans from the islands of Madagascar, Seychelles, Reunion, and Comores. The balance of 500,000 pounds are made up of inferior quality beans coming from the Tahiti Islands. These beans are all shipped from the islands to San Francisco, and practically the entire crop is reshipped from that point to Hamburg, Germany. In the event of the tax on vanilla beans it will undoubtedly follow that shipments of the Tahiti beans will be made direct from the islands to Hamburg, thus eliminating any income to the Government. This method of shipment will surely come about when the Panama Canal is opened, so that the revenue from Tahiti beans, which constitute at least 50 per cent of the importations at the present time, will be entirely lost.

Respectfully, yours,

BAKER EXTRACT CO.,  
By T. W. CARMAN.

Mr. SMOOT. There is a little difference between vanilla beans and the items that have been considered in the same way to-day, and I wish to state briefly what it is.

In five years 2,006,693 pounds of vanilla beans passed through the United States from Tahiti, for which American merchants supplied merchandise. In other words, San Francisco has been a clearing house for vanilla beans and they have furnished the natives of the island of Tahiti with goods taken in exchange for vanilla beans. That amounts to about \$5,000,000 at the price of vanilla beans. We have, of course, also the American manufacture of vanilla beans, but the great bulk of the trade in the United States is the export trade; in other words, they handle them in San Francisco and they go right through and are sold to England, Germany, and other countries. If this duty is placed upon vanilla beans, that trade is not going to come to the United States; San Francisco will lose that trade entirely; vanilla beans will be shipped direct to foreign countries; and that is where the trade will go.

Mr. JONES. The Senator certainly must know that the estimate is that at 30 cents a pound there will be a million pounds come in, and when free only a little over 100,000 pounds came in.

Mr. SMOOT. I did not speak of that. I spoke of what had come in the last five years, that had passed through San Francisco and been shipped to foreign countries. That is only an estimate on the part of our friends on the other side.

Mr. WEEKS. I should like to inquire of the Senator in charge of the bill how he expects it to be possible to reduce the price of vanilla beans by adding a duty of 30 cents. I notice the price has increased between 1910 and 1912 from about \$1.50 a pound to \$2 a pound, which is now the prevailing price, and yet it is anticipated that by adding a duty of 30 cents a pound the price will be reduced from \$2.50 to \$2.

Mr. HUGHES. Does the Senator say that is now the prevailing price?

Mr. WEEKS. I understand so. It is the last price given in the table which has been submitted.

Mr. HUGHES. Does the Senator understand that \$2.41 is now the prevailing price?

Mr. WEEKS. I understand so.

Mr. HUGHES. Not in 1912. This is 1913.

Mr. WEEKS. In 1912 the price was \$2.41. Now how do you expect to reduce that to \$2 by adding 30 cents a pound?

Mr. HUGHES. What is it now?

Mr. WEEKS. I understand it is about the price it was last year. I have not the exact price here.

Mr. WILLIAMS. Mr. President, if the Senator had gone back of 1912 he would have found a possible explanation.

In 1912 the price was \$2.41; in 1910 it was only \$1.51; in 1905 it was \$1.43. In other words, vanilla beans vary in value from year to year like almost everything else. The estimate is that the normal price for vanilla beans is now \$2. It was put in at that price, or perhaps at less than that price, with a duty added making it \$2. It will not do to jump at a conclusion that the normal price of vanilla beans is \$2.41 just because that happened to be the price in 1912; nor does it do to jump at the conclusion that anybody has supposed that putting a duty of 30 cents a pound upon it could reduce its price. The natural supposition is, in all charity, that the man in making the estimate was taking the price of vanilla beans this year instead of for 1912.

Mr. WEEKS. I should like to call the attention of the Senator from Mississippi to the fact that the price has not been variable except in an ascending scale. There has been a constant rise in the price.

Mr. WILLIAMS. I beg the Senator's pardon. If he will look further back he will find that one time the price was over \$4.

Mr. WEEKS. I did not know but what the committee had some information which led them to the conclusion.

Mr. WILLIAMS. Doubtless the committee did have it. The Committee on Ways and Means did have it, I have not the slightest doubt.

Mr. WEEKS. That is what I asked for.

Mr. WILLIAMS. The Senator from Washington [Mr. JONES] a moment ago, always being critical, said that we were going to increase the importations from \$41,000 pounds, in round numbers, to 1,000,000 by putting a duty upon the article. If the Senator had taken the trouble to look back he would have found the reason for that estimate. We imported 237,000 pounds in 1896; 608,000 pounds in 1905; seven hundred and ninety-six and a half thousand pounds in 1910; and eight hundred and forty-one and over a half thousand pounds in 1912.

Mr. JONES. But there was an increase of only 50,000 pounds in the last two years when they were on the free list. So the committee has made a very violent assumption in estimating that there will be 50,000 pounds imported next year.

Mr. WILLIAMS. If the Senator will put that in the form of percentage he will find the basis of the estimate, whether correct or incorrect. It was the supposition that they will continue to increase their importation at the same percentage, and therefore the conclusion was arrived at that it would be a million pounds.

Of course, it sounds awfully funny to say that you are going to increase the importation by raising the duty, but the man who made this estimate went on the basis that America would not consume that much, and that the percentage of increase which had been going on for years would continue to go on in spite of the taxes, and it will, because vanilla beans and these things are used in connection with products that people are going to have anyhow.

Mr. JONES. The suggestion of the Senator may be correct, but according to the tables here the actual increase from 1910 to 1912 was practically 50,000 pounds. That would be 25,000 pounds a year. But granting that it will increase 50,000 pounds in the next year, it would still be 100,000 pounds short of the million.

Mr. WILLIAMS. Again the Senator is wrong. In 1910 the importation was 796,589 pounds and in 1912 it was 841,639 pounds.

Mr. JONES. Where am I wrong?

Mr. WILLIAMS. You are wrong, because you continue to contend that the increase was only 50,000 pounds a year, when, had you taken the trouble to go back to 1905, you would have found the importations were only 608,000 at that time.

Mr. JONES. I was not referring to that, I will say to the Senator from Mississippi. I was merely referring to the fact that from 1910 to 1912 the increase was practically only 50,000 pounds.

Mr. WILLIAMS. Ah, for that one year?

Mr. JONES. No; for two years.

Mr. WILLIAMS. Yes; but the Senator said that was the yearly increase.

Mr. JONES. No; I said that from 1910 to 1912, which is two years, according to my arithmetic, the increase was only 50,000 pounds, or 25,000 pounds a year.

Mr. CLARKE of Arkansas. I move that the Senate proceed to the consideration of executive business.

Mr. GALLINGER. Will not the Senator allow us to dispose of this item?

Mr. SIMMONS. Let us dispose of this paragraph.

Mr. CLARKE of Arkansas. I withdraw the motion.

Mr. SMOOT. Mr. President—



Mr. GRONNA. Will the Senator from Utah yield to me?

Mr. SMOOT. I yield to the Senator from North Dakota.

Mr. GRONNA. I ask that this item be passed over until Monday. I should like to go into it. I do not care to delay the Senate, but I would prefer to have it passed over until Monday.

Mr. CLARKE of Arkansas. According to the arrangement under which we are proceeding that reservation was made in favor of any Senator who desired a paragraph to be laid aside for further consideration.

Mr. SIMMONS. I will ask the Senator from North Dakota to let action be taken on it now, with the understanding that we can go back to it if he so desires on Monday.

Mr. SMOOT. Then, Mr. President, with that understanding, I move, in line 7, page 18, in paragraph 71, after the word "ounce," to strike out "vanilla beans, 30 cents per pound; tonka beans, 25 cents per pound."

Mr. CLARKE of Arkansas. That can be considered as the pending amendment.

Mr. SIMMONS. Does the Senator desire a vote on that amendment now?

Mr. SMOOT. I have made a motion for that purpose.

Mr. BURTON. I desire to be heard briefly on that, Mr. President.

Mr. SMOOT. Then, I am perfectly willing to have it passed over.

Mr. GALLINGER. There was a little private understanding that we should adjourn a little earlier to-day, and I think the amendment had better go over.

Mr. SIMMONS. That is entirely satisfactory, although I am somewhat anxious to finish this schedule.

#### EXECUTIVE SESSION.

Mr. CLARKE of Arkansas. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded with the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until Monday, July 28, 1913, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate July 26, 1913.*

##### SOLICITOR GENERAL.

John William Davis, of West Virginia, to be Solicitor General, vice William Marshall Bullitt, resigned.

##### UNITED STATES MARSHAL.

B. A. Enloe, jr., of Oklahoma, to be United States marshal for the eastern district of Oklahoma, vice Samuel G. Victor, whose term has expired.

##### POSTMASTER.

###### GEORGIA.

Teressa G. Williams to be postmaster at Greenville, Ga., in place of Pearl Williams, deceased.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate July 26, 1913.*

##### POSTMASTERS.

###### ALABAMA.

Jefferson K. Quillin, Clayton.

###### FLORIDA.

William E. McEwen, Wauchula.

###### HAWAII.

John M. Bright, Lahaina.

###### NEW HAMPSHIRE.

Frank P. Hobbs, Wolfeboro.

James H. Willey, Milton.

###### NEW YORK.

Robert S. Ames, Lake Placid.

Richard L. Earl, Honeoye Falls.

Alpheus D. Jessup, Florida.

Nellie E. Lempfert, Stony Brook.

Charles Miller, Baldwin.

Robert W. Parrish, Brown Station.

James L. Reeve, Mattituck.

Frederick H. Smith, Milton.

Hugh Smiley, Mohonk Lake.

Stephen R. Williams, Kenmore.

##### SOUTH DAKOTA.

John F. McGowan, Hartford.

Alfred E. Paine, Doland.

##### WEST VIRGINIA.

C. B. Riggle, Middlebourne.

## HOUSE OF REPRESENTATIVES.

SATURDAY, July 26, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, fill us with grace divine, that, with clear vision, a willing heart, and inflexible will, we may as individuals, and therefore as a people, keep step with the onward march of progress toward the ideal civilization, when laws shall be few and cheerfully obeyed and each man concerned lest he cheat his neighbor, bear false witness against him, or put a stumblingblock in his way; when distrust shall give place to confidence, selfishness be drowned in generosity, hate consumed in the fire of love, contentions be lost in the music of concord, and each vie with each in living the golden rule that Thy kingdom may come and Thy will be done on earth as it is in heaven. In the Christ spirit. Amen.

The Journal of the proceedings of yesterday was read.

Mr. GARDNER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. The Chair will count.

Mr. AUSTIN. Mr. Speaker, I will ask the gentleman from Massachusetts to withhold his point of order until I can make a request for unanimous consent.

The SPEAKER. Does the gentleman from Massachusetts yield to the gentleman from Tennessee for the purpose of making a request for unanimous consent?

Mr. GARDNER. Mr. Speaker, I must treat everyone alike.

The SPEAKER. The Chair will count. [After counting.] Eighty-two Members present; not a quorum.

#### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 4 minutes p. m.) the House adjourned until Monday, July 28, 1913, at 12 o'clock noon.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII,

Mr. MANN introduced a bill (H. R. 7134) authorizing the Department of Commerce to make original investigation and research concerning forms and processes of manufacture, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. MOSS of West Virginia: A bill (H. R. 7135) granting an increase of pension to Gideon Mason; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7136) for the relief of Mrs. Harvey Sayre; to the Committee on Claims.

#### PETITIONS, ETC.

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

By Mr. BURKE of South Dakota: Petition of the South Dakota Bankers' Association, Watertown, S. Dak., favoring the passage of a 1-cent letter-postage rate; to the Committee on the Post Office and Post Roads.

By Mr. LONERGAN: Petition of the Brotherhood of Locomotive Firemen and Enginemen, favoring the passage of House bill 103, regulating locomotive headlights; to the Committee on Interstate and Foreign Commerce.

By Mr. WALLIN: Petition of the president of the United States Life Insurance Co., of New York, protesting against the passage of legislation exempting life insurance companies from the income-tax bill; to the Committee on Ways and Means.