

more than 50 machine guns and a number of trench mortars. Turned the captured guns on the enemy, and held the position four days, in spite of a constant barrage of large projectiles and gas shells. Crossed 'no man's land' many times to get information concerning the enemy and to assist his wounded comrades."

In view of the foregoing facts and statements it would seem that Uncle Sam is doing a big and highly commendable work among our red brothers. There are many students of the Indian question who believe the Government is doing too much rather than too little for the Indian and that he has been rendered too dependent by benevolent paternalism. At any rate there is no rational cause for the booing of the paleface sob sisters.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess, the recess being under the unanimous-consent agreement until 10 o'clock a. m. to-morrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, August 8, 1922, at 10 o'clock a. m. to-morrow.

## SENATE.

TUESDAY, August 8, 1922.

(Legislative day of Thursday, August 3, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

### THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The pending question is upon the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the amendment of the Senator from Louisiana [Mr. BROUSSARD] to paragraph 501. Unanimous consent has been given the Senator from New Mexico [Mr. JONES] to address the Senate upon questions involved in the bill other than the pending paragraph. The Senator from New Mexico will proceed.

Mr. JONES of New Mexico. Mr. President, a few days ago I offered an amendment to this tariff bill which, in effect, is a substitute for all the bill after the enacting clause. And I desire to discuss briefly the reasons for offering this amendment and its provisions.

The bill now before the Senate has been under discussion for about three and a half months. The circumstances under which it was prepared have been disclosed and its general tendencies developed. In my judgment, the time has arrived when we are justified in making a general survey of the situation and calmly considering whether or not the bill as it has been framed should become law.

A tariff is a tax levied upon commodities which are imported into the United States, and any tariff law affects the welfare of a nation in at least four of its most important economic factors. These factors are (1) the Federal revenue, (2) prices to the consumer, (3) effect on domestic industry, and (4) effect on international trade. They are so related that in the consideration of any one of them neither of the others should be ignored and can not be ignored without serious and harmful results. If a large amount of revenue is to be obtained from the taxes on imports, and that object be the principal purpose in the consideration of a tariff law, the general tendency will be (a) to raise the prices of commodities to the consumer, (b) to aid domestic industry whose products compete with imported commodities, and (c) to restrict international trade. If the law be framed with chief reference to the consumer, its tendency will be (a) to reduce the revenue, (b) to reduce aid to domestic competitive industry, and (c) to extend international trade. If the law be framed for the chief purpose of granting aid to competitive domestic industry, its general tendency will be (a) to decrease the revenue, (b) increase prices to the consumer, and (c) to restrict international trade. If the bill be framed with chief reference to promoting international trade, its general tendency will be (a) to decrease the revenue, (b) lower prices to the consumer, and (c) to decrease the aid granted to domestic industry.

In the early years of the Republic the amount of tax levied upon imports was relatively small. A tax of 5 or 10 per cent

was considered substantial. After the War of 1812 the duties were increased from time to time and reached a point where they became the subject of political controversy. It may be said, however, that at no time prior to the Civil War did duties upon imports upon an average reach the height which was established during our Civil War and which has since, under all tariff laws, been maintained. The tendency of every Republican tariff law since the Civil War has been to increase the duties, and the present bill as it passed the House contains rates of duty which are by far the highest ever proposed in any previous bill. The Finance Committee of the Senate has made some radical reductions from the rates in the bill as it came from the House, but the rates as presented by the Finance Committee to the Senate are upon the average higher, and in numerous instances much higher, than rates which have ever appeared in any tariff law.

It follows, therefore, that the general tendencies of a tariff law upon the economic welfare of the Nation will be intensified and operate to a greater degree than ever before if this bill should become law. In these circumstances it is our duty as legislators to give the greatest possible consideration to what we are doing.

I desire to suggest some of the innumerable questions which should be considered in tariff legislation in connection with each of the major economic factors before mentioned.

I. Our Government requires revenue much beyond any amount dreamed of prior to the recent World War. According to the last report the Treasury of the United States is facing a very substantial deficit during the present fiscal year. A budget law has been passed for the purpose of balancing for fiscal years the estimated receipts and expenditures of the Government. If this purpose shall be accomplished it is necessary to know in advance how much revenue will be derived from the various sources. Before any estimate can be made with reasonable accuracy as to the amount of revenue which will be derived from tariff taxation answers must be found to many questions which naturally arise. Among these are: (a) Will foreign countries continue to produce commodities for export to the United States at the present rate, or will such production be increased or decreased? (b) Will the proposed rates of duties decrease or increase imports? (c) To what extent could domestic producers realize reasonable profits after reducing prices below the point of foreign competition? (d) Will the duties increase or decrease prices in the United States so as to affect the quantity of consumption, and, if so, to what extent? (e) Are the duties so high as to prohibit importation and thus produce no revenue?

II. A tax upon imports affects the consumer by increasing the prices of the commodities which he must buy. If he purchases an imported article on which a tax is levied the tax is necessarily added to the price which the importer has paid for the foreign commodity and, of course, must ultimately be borne by the consumer. If the tax is imposed upon commodities which are produced in the United States it enables the American producer to increase his price by the amount of the duty above the price which could be asked if no duty were imposed and still compete on equal terms with the importer. If the duty be so high that the American producer can sell his products for less than the foreign cost plus the duty it enables him to raise his price to a point just below competitive prices and the increased cost to the consumer will be paid in the form of additional profit to the American producer and the Federal Treasury derives no revenue.

From the consumers' point of view two great questions of public policy present themselves. Having in mind that revenue derived from this source is derived by taxation upon the things consumed by the people and, in the main, upon the things which the people must have in order to provide food, clothing, and shelter, and that this tax will not be borne in proportion to the ability to pay taxes, the question of public policy necessarily arises as to what proportion or how much of the Federal revenue should be raised by means of a tariff. In the second place, to the extent that domestic producers are enabled by reason of the tariff to increase their prices and their profits, the question arises how far the Government is justified, through taxation, in permitting domestic producers to increase their prices and profits at the expense of the consumers of those products. If prices are increased, there will be fewer people able to buy, and this ratio is governed by the amount of the increase of prices. Consideration, therefore, should be given to this question of decreasing consumption because of inability to buy. During the discussions of this bill flippant references have frequently been made to the smallness of the amount by which prices of commodities will be increased in some instances under this proposed bill. I beg to remind Senators that however small the increase of price may be, to many it means inability to obtain the article

at all. We should not and must not ignore the fact that there are thousands and hundreds of thousands of people, even in this great and prosperous Nation of ours, who do and must consider the expenditure of each and every penny which they may be able to obtain. The extent of the sacrifices and suffering which this bill will entail should receive the most careful inquiry and the most conscientious consideration.

III. The next economic factor to which I call attention is that of the effect of this bill on domestic industry. As to any commodity which would be imported into the United States in the absence of a tax upon the importation there can be no such thing as a "free trade tariff." If there be no article produced in the United States which is comparable, or may be substituted, the tax is added to the price and the trade restricted by the lessened demand at the increased price. If there be produced in the United States articles which are comparable, or which may be substituted, the American producer is enabled to increase his prices, and whatever the amount of the tax may be it operates as a protection to the American producer. In this connection many questions arise: (a) Are antiquated and inefficient methods subsidized and are development and progress discouraged? (b) Will undue profits be exacted from the consumer? (c) Will the organization of monopolies be encouraged? (d) At what point shall infant industries be considered as having attained their majority? (e) What are the industries with quantity production, efficient organization and management, and advanced processes, which no longer need protection? (f) What are the "key" industries which must be maintained regardless of cost? (g) To what extent shall our population be encouraged to live in congested manufacturing centers; and (h)

to what extent are we justified through taxation in rendering aid to specific and special industries?

IV. The importance of the foreign trade of the United States does not seem to have impressed itself upon the country to the extent which it demands. The Department of Commerce, under date of May 22, 1922, published a table showing the imports and exports of 20 countries for the calendar years 1913, 1920, and 1921. For the gold-standard countries the original figures for 1913 have been converted into dollars at par and those for 1920 and 1921 have been converted at the average rate of exchange. Following the table just referred to is another table showing the total foreign trade, imports and exports combined, of 20 countries in 1913, 1920, and 1921. These 20 countries are the most important foreign-trade countries in the world. It will be observed that in 1913 the United States was third in the list of these foreign-trade countries, including both imports and exports; in 1920 it was first, and in 1921 it was second. In the last-named year the United Kingdom carried on 23.8 per cent of the foreign trade of all these foreign countries combined and the United States 22.1 per cent. In the previous year, 1920, the foreign trade of the United States was more than one-fourth of all these 20 countries combined. Even prior to the World War, in 1913, the United States was second as an exporting nation, and since the war is by far the largest exporting nation in the world. These tables are worthy of careful examination, and I ask that they may be inserted as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Imports and exports of 20 countries for the calendar years 1913, 1920, and 1921.

Countries.	Imports.			Exports.			Relation to 1913.			
	1913	1920	1921	1913	1920	1921	1920		1921	
							Imports.	Exports.	Imports.	Exports.
	<i>1,000 dollars.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>					
United States.....	1,792,596	5,278,481	2,509,148	2,484,018	8,228,016	4,485,031	294	331	140	181
Canada.....	659,904	1,193,550	715,972	460,519	1,163,002	731,390	181	258	108	159
Argentina.....	478,859	774,612	463,550	500,989	913,389	490,560	162	182	97	98
Brazil.....	326,865	470,664	221,627	318,518	394,520	224,235	144	124	68	70
Uruguay.....	52,076	79,531	65,203	70,839	74,119	48,050	153	105	125	68
Belgium.....	894,865	954,653	748,440	701,475	653,285	531,639	107	93	84	76
Denmark.....	229,234	511,706	290,978	193,306	309,495	264,198	223	160	127	137
Finland.....	95,619	139,982	77,392	78,126	112,900	73,130	146	145	81	94
France.....	1,625,317	3,513,305	1,755,633	1,327,882	1,893,404	1,606,870	216	143	108	121
Germany.....	2,563,185	1,708,722	1,062,684	2,463,142	1,206,902	858,292	67	50	41	36
Netherlands.....	1,568,917	1,146,988	753,767	1,232,303	585,636	460,829	73	48	48	37
Sweden.....	226,872	679,194	285,408	219,049	466,914	247,322	299	213	126	113
Switzerland.....	358,887	710,117	390,026	264,659	553,439	305,959	198	209	109	116
United Kingdom.....	3,741,048	7,081,747	4,182,713	3,089,353	5,706,084	3,118,688	189	186	112	101
British India.....	584,465	1,229,399	729,673	797,116	1,134,559	590,669	215	142	125	74
Japan.....	363,622	1,176,685	778,805	315,281	981,367	604,475	324	311	214	192
Australia.....	380,541	546,217	463,714	360,387	495,186	476,178	144	137	122	132
New Zealand.....	105,372	227,270	165,379	108,570	167,759	170,819	216	162	157	165
Egypt.....	137,551	380,009	218,867	158,620	330,646	167,682	276	208	159	106
Union of South Africa.....	187,471	342,261	191,984	140,977	175,829	107,046	183	125	102	79
Total (20 countries).....	16,373,266	28,172,063	16,070,961	15,220,126	25,546,600	15,563,060	172	168	98	102

Total foreign trade (imports and exports combined) of 20 countries in 1913, 1920, and 1921.

Countries.	Total foreign trade.			Share of the total of the 20 countries.			Relation to 1913.	
	1913	1920	1921	1913	1920	1921	1920	1921
	<i>1,000 dollars.</i>	<i>1,000 dollars.</i>	<i>1,000 dollars.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
United States.....	4,276,614	13,506,497	6,994,179	13.54	25.14	22.11	316	164
Canada.....	1,120,423	2,356,642	1,447,362	3.55	4.39	4.57	210	129
Argentina.....	979,845	1,888,001	954,110	3.10	3.14	3.02	172	97
Brazil.....	645,383	865,184	445,862	2.04	1.61	1.41	134	69
Uruguay.....	122,915	153,650	113,253	0.39	0.29	0.39	125	92
Belgium.....	1,596,340	1,607,938	1,280,079	5.05	2.99	4.05	101	80
Denmark.....	422,540	821,201	555,176	1.34	1.53	1.75	194	131
Finland.....	173,745	252,942	150,522	0.55	0.47	0.47	146	87
France.....	2,933,199	5,405,709	3,362,503	9.35	10.06	10.63	183	114
Germany.....	4,966,327	2,915,624	1,920,976	15.72	5.43	6.07	59	39
Netherlands.....	2,801,220	1,732,624	1,214,596	8.87	3.23	3.84	62	43
Sweden.....	445,921	1,140,108	532,728	1.41	2.13	1.68	257	119
Switzerland.....	623,546	1,263,566	695,985	1.97	2.35	2.20	203	112
United Kingdom.....	6,830,401	12,787,831	7,301,399	21.62	23.80	23.08	187	107
British India.....	1,381,581	2,390,928	1,320,342	4.37	4.45	4.17	173	96
Japan.....	678,903	2,158,052	1,383,280	2.15	4.02	4.37	318	204
Australia.....	740,928	1,041,402	939,892	2.34	1.94	2.97	141	127
New Zealand.....	206,942	395,029	336,198	0.66	0.73	1.06	189	161
Egypt.....	280,171	710,655	386,549	0.94	1.34	1.22	240	131
Union of South Africa.....	328,448	518,090	299,030	1.04	0.95	0.94	158	91
Total (20 countries).....	31,593,392	53,718,663	31,634,021	100.00	100.00	100.00	170	100

Mr. JONES of New Mexico. Even prior to the World War in 1913 the United States was second as an exporting nation, and since the war is by far the largest exporting nation in the world.

I have also a table prepared by the Department of Commerce showing the exports and imports of the United States by great groups in per cent of total. These statistics are given for the years 1910 down to and including the first four months of 1922. I am sure that the agricultural producers and also the manufacturers will be deeply interested in a study of these tables. Special attention is called to the fact that the item marked "Foodstuffs in crude condition and food animals" comprises the least, and the item "Manufactures ready for consumption" comprises the largest single share of our export trade

to-day, whereas in normal pre-war years such manufactures were second to "crude materials." The increasing surpluses produced by our manufacturing industries must be turned to foreign markets, and this is being done at a rate which would seem to indicate that our commercial history will be following along the same path as that of England about a hundred years ago, when her industrial expansion during the rise of the factory system in the Napoleonic war period resulted in compelling her to seek out every foreign market for her surpluses. I ask that the table may be inserted as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Exports and imports by great groups in per cent of total.

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922 (4 months)
<b>EXPORTS (DOMESTIC MERCHANDISE).</b>													
Crude material for use in manufactures.....	33.10	35.41	33.31	30.13	34.03	18.80	12.55	11.76	15.37	20.78	23.15	22.47	24.34
Foodstuffs in crude condition and food animals.....	6.42	5.13	4.60	7.49	5.90	18.66	8.91	8.54	6.42	8.75	11.36	15.81	10.78
Foodstuffs partly or wholly manufactured.....	15.16	14.01	14.69	13.23	12.59	16.74	14.02	11.85	19.76	25.32	13.82	15.29	16.83
Manufactures for further use in manufacturing.....	15.66	15.35	16.04	16.83	16.06	13.10	15.40	19.13	20.58	11.90	11.86	9.13	12.89
Manufactures ready for consumption.....	29.19	29.72	30.98	31.97	31.11	29.73	46.77	47.25	37.43	33.08	39.66	37.12	34.89
<b>IMPORTS (FREE AND DUTIABLE).</b>													
Crude material for use in manufactures.....	36.37	33.48	33.63	35.04	33.42	34.38	43.17	41.73	41.76	42.88	33.19	34.01	35.35
Foodstuffs in crude condition and food animals.....	9.30	11.87	13.93	11.68	13.09	13.38	11.46	12.62	12.65	13.97	10.94	12.12	11.52
Foodstuffs partly or wholly manufactured.....	11.66	11.26	11.88	10.72	12.02	17.07	14.14	12.91	12.91	14.23	23.46	14.70	13.48
Manufactures for other use in manufacturing.....	18.31	18.84	17.77	19.27	16.86	14.17	16.24	17.96	18.36	15.62	15.20	13.71	15.93
Manufactures ready for consumption.....	23.62	23.67	21.78	22.51	23.72	20.04	14.19	14.19	13.67	12.66	16.61	24.66	23.16

<sup>1</sup> Fiscal years, specie values to and including 1918; subsequently calendar years.

Mr. JONES of New Mexico. It is really astonishing to know how many and how varied are the industries of the country which are vitally interested in securing a market for their surplus products. The foreign commerce department of the Chamber of Commerce of the United States, in a pamphlet discussing "Our world trade in 1921," has prepared a table showing the total production in the United States according to the latest available figures, and the exports of a considerable number of the chief products of the United States. The table also shows the percentage of the total production of the several commodities which were exported during the year following that for which the total production was ascertained. I ask leave to have this table inserted in the RECORD as an appendix to my remarks without reading. (See Appendix B.)

It is both important and interesting to know with what countries our foreign trade is carried on. An article by Mr. Roorbach, chief of the Bureau of Research, Department of Commerce, recently discussed the subject "Europe and the development of American foreign trade." He presented some statistics which I believe to be very useful in the consideration of this question at the present time. One table gives the trade of the United States with Europe, both imports and exports, for the years 1910-1920, inclusive, comparing the same with the total imports and exports of the United States. This table I ask to be inserted in the RECORD without reading.

The table referred to is as follows:

TABLE V.—Trade of the United States with Europe, 1910-1921.

Year.	Exports.			Imports.		
	Total (millions of dollars).	To Europe.	Percentage to Europe.	Total (millions of dollars).	From Europe.	Percentage from Europe.
1910.....	1,710	1,136	65.10	1,557	806	51.76
1911.....	2,013	1,308	63.84	1,527	768	50.30
1912.....	2,170	1,342	60.87	1,053	819	45.57
1913.....	2,428	1,479	59.98	1,813	892	49.25
1914.....	2,329	1,486	62.86	1,894	895	47.29
1915.....	2,716	1,971	71.21	1,674	614	36.70
1916.....	4,272	2,999	69.21	2,197	616	28.04
1917.....	6,227	4,324	68.75	2,659	610	22.96
1918.....	5,839	3,732	63.04	2,946	411	13.97
1919.....	7,750	5,187	65.50	3,904	750	19.22
1920.....	8,080	4,466	54.27	5,278	1,227	23.26
1921.....	4,485	2,364	52.70	2,509	765	30.50

Mr. JONES of New Mexico. Mr. Roorbach also furnishes a table regarding this trade by groups of commodities, which I ask also to be inserted in the RECORD without reading.

The table referred to is as follows:

TABLE VI.—Trade of United States with Europe, by groups of commodities, average 1910-1914.

IMPORTS.				
	Total (millions of dollars).	From Europe (millions of dollars).	Per cent of group total from Europe.	Per cent of all imports from Europe.
Crude materials.....	580	217	37.4	26.1
Foodstuffs.....	397	101	25.4	12.2
Manufactures.....	696	506	72.7	61.4
EXPORTS.				
Crude materials.....	701	593	84.4	44.2
Foodstuffs.....	421	300	71.4	22.3
Manufactures.....	995	438	44.0	33.5

Mr. JONES of New Mexico. The discussion of these tables by Mr. Roorbach is so illuminating that I ask that the same may be printed in the RECORD in 8-point type as a part of my remarks without reading.

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

DEPENDENCE OF THE UNITED STATES ON EUROPE.

"The dependence of the United States upon Europe as a market has always been similar to that of the rest of the world. This country has looked to Europe both as a market for goods and as a means of furnishing facilities for financing and transporting such goods not only to Europe but to all other parts of the world as well. Table V gives the total values of American export and import trade, the amount with Europe, and the percentage that the trade to Europe bore to our total trade.

"In the year 1913-14, 62.8 per cent of American exports went to Europe, although there had long been a gradual decrease in the relative importance of the European export market for the United States. In 1880 Europe took over 86 per cent of our exports; in 1890, 80 per cent; in 1900, 74.6 per cent; in 1910, 65.1 per cent. In spite of this decrease in relative importance the absolute values of our exports to Europe were constantly increasing before the war, and Europe has continued by far the most important of our export markets.

"After the outbreak of the war the importance of Europe in our export trade increased, both in actual and relative value, reaching 71.2 per cent of our export trade in 1915, 69.2 per cent in 1916, and 68.7 per cent in 1917. This increase, of course, was a result of large shipments of war supplies to Europe. Following the armistice, however, the proportion of our exports to Europe rapidly declined. In 1921, only 52.7 per cent of our

total export trade found its destination in Europe, as compared with 60 to 65 per cent before the war. Although this was still a very large proportion of our exports, Europe is now far less important relatively than ever before as a market for American goods.

"In the import trade, Europe, preceding the war, supplied the United States approximately 50 per cent of the total. As in the case of exports, there was before the war a gradual but a steady decrease in the proportion of goods bought from Europe. In 1880 we received 55.5 per cent of our imports from Europe; in 1890, 57.1 per cent; in 1900, 51.8 per cent; and in 1914, 47.3 per cent. During the war, however, imports from Europe dropped to unprecedentedly low volumes, as well as to low percentages of total trade. In 1918, less than 14 per cent of our total imports were from Europe, and even the actual value of imports in that year was less than half the value of the imports in 1914. With the signing of the armistice, imports from Europe rapidly increased, but in 1921 the proportion was still far below pre-war levels—only 30.5 per cent. Even the absolute value of imports from Europe in 1921, in spite of inflated prices, was much less than the value of imports in 1914. This inability of Europe to sell to the United States means, of course, that Europe is less able to buy from the United States and that the United States' most important market for exports must remain greatly curtailed as long as this condition exists.

EUROPE AS A MARKET FOR AMERICAN MANUFACTURES.

"Table VI shows the trade of the United States with Europe by groups of commodities for the years 1910-1914.

"Contrary to the general impression, exports of American manufactured goods to Europe constituted a very large proportion of our trade with that continent. The trade of the United States with Europe differs in one important respect from the trade of most other sections of the world with Europe. Most of the other non-European countries are chiefly dependent on Europe as a market for foods and raw materials. The United States, being the largest manufacturing country in the world, depends upon Europe, not only as a market for foods and raw materials, but for manufactured goods as well. And manufactures are the largest element in the United States export trade, and the most rapidly growing group of our exports. During the five years preceding the war exports of manufactured goods to Europe amounted to \$438,000,000, constituting 33 1/2 per cent of our total export trade to Europe and 44 per cent of our total export of manufactures. During this same period foodstuffs exported amounted to \$300,000,000, or 22.3 per cent. Crude material exports were valued at \$593,000,000, or 44 1/2 per cent of our exports to Europe. When it is recalled that manufactured goods make up by far the largest proportion of American exports, and that Europe absorbs 44 per cent of this important group, the dependence of the United States upon Europe as a market not only for our exports in general, but for our manufactures, becomes evident. Europe is by far our most important market not only for foodstuffs and crude materials, but for fabricated materials as well. It should be noted in this connection that 'foodstuffs' imports includes both crude foodstuffs and manufactured foodstuffs. If we should include the manufactured foodstuffs with other manufactured goods, we would find that approximately 50 per cent of American manufactured products are exported to Europe.

"The importance of Europe as a market for American manufactured products is even more clearly indicated when we consider the chief groups of articles which make up our export of manufactured goods. To enumerate only a few of our important manufactures may be interesting. In the year 1913-14 60.3 per cent of American exports of agricultural implements was sent to Europe; 17.1 per cent of electrical machinery and appliances; 72.6 per cent of cash registers; 62.9 per cent of adding machines; 46 per cent of sewing machines; 72.7 per cent of typewriters; 39.9 per cent of tools; 2 per cent of all other machinery, including metal working, textile, mining, and other types of machinery. Iron and steel manufactures other than machinery also depended upon Europe to a very large degree for markets. Of such highly fabricated articles, for example, as pipes and fittings, Europe took 20.8 per cent of our exports; 9.3 per cent of structural iron and steel; and 28.6 per cent of miscellaneous iron and steel manufactures.

"Even in such highly specialized goods as scientific instruments and apparatus, Europe took 39.8 per cent of our exports; 41.2 per cent of our musical instruments went to Europe; 58.5 per cent of motor cycles; 36.9 per cent of automobiles. It is rather surprising that in the group of chemicals, drugs, dyes, and medicines, 26.7 per cent of our large exports went to Europe. Paint exports to Europe constituted 38.8 per cent of our total trade in that commodity; glass and glassware, 17.5 per cent; rubber goods, 41.8 per cent; leather manufactures, 25 per cent;

paper and paper manufactures, 18 per cent; cutlery, 32.4 per cent; clocks and watches, 36.2 per cent. In fact, a list of our most important exports of manufactured goods shows, with few exceptions, that Europe was the dominating market.

EXPORT OF EUROPEAN MANUFACTURES TO UNITED STATES.

"Imports of manufactured goods from Europe during the period of 1910 to 1914 constituted 61.4 per cent of our total imports from Europe. This was 72.7 per cent of the total import of manufactured products of the United States. Since Europe's chief export to the United States has been and must continue to be manufactured goods, the revival of Europe's ability to manufacture and to sell those manufactured goods in the United States is not only one of the indispensable requisites for the revival of European prosperity but also a very important factor in improving economic conditions in the United States. Before the war European-United States trade was resting largely on the exchange of Europe's manufactured goods for goods manufactured in the United States as well as for foodstuffs and raw materials. Before the war American exports of manufactures to Europe were growing more rapidly both in quantity and in relative proportion to our total trade than any other group.

"At the same time—and largely making it possible for our exports of manufactured goods to Europe to develop—Europe was sending manufactures to the United States. Whatever interferes with Europe's ability to export manufactures to the United States must inevitably prevent the United States from exporting to Europe. Europe must depend on manufactured goods to pay her imports. She has comparatively little exportable surplus of other goods. To that degree, therefore, that the manufacturing industry of the United States depends on foreign markets for its full revival, it must largely depend upon the revival of European manufactures.

"Europe's ability to buy is largely conditioned by her ability to sell; and she must sell manufactures—the material she has in largest surplus to sell. Since the export of manufactured goods constitutes the most important and the most rapidly growing part of American export trade, and since Europe is and long has been the principal market for those manufactures, there is a vital relation between the development of American trade and American industry to supply that trade and the development of Europe's manufacturing industry.

"But not only will the revival of manufacturing industry in Europe stimulate directly the trade of the United States with Europe; it will also stimulate United States trade with other parts of the world. Other sections of the world are depending in large degree for their revival upon the resumption of manufacturing in Europe, making it possible for European countries to buy raw materials and foods which the rest of the world has to sell and upon the selling of which world prosperity so largely depends."

Mr. JONES of New Mexico. Much has been said in recent years regarding our trade with Latin America. It is an interesting fact that the supremacy of the United States in Latin American trade was already assured before the war. We lead both England and Germany in the export trade to the 20 Republics in Latin America, and our imports from these Republics nearly equal the combined purchases of the United Kingdom and Germany. Since the war our position has been materially strengthened, but perhaps the most important thought is that even before 1914 our supremacy was clearly established. The Department of Commerce has prepared some statistics showing the competition in Latin American trade. The table of these statistics I ask may be inserted in the RECORD as a part of my remarks without reading.

The table referred to is as follows:

Competition in Latin American trade.

IMPORTS INTO LATIN AMERICA.

	1913		1920	
	United States currency.	Per cent.	United States currency.	Per cent.
Total from all countries.....	\$1,283,703,000	100	\$2,679,579,000	100
United States.....	310,717,000	24	1,332,449,000	50
United Kingdom.....	304,843,000	23	440,400,000	16
France.....	176,896,000	14.5	117,921,000	4
Germany.....	284,439,000	22	64,528,000	2

EXPORTS FROM LATIN AMERICA.

	1913		1920	
	United States currency.	Per cent.	United States currency.	Per cent.
Total to all countries.....	\$1,535,467,000	100	\$3,238,102,000	100
United States.....	463,869,000	30	1,643,287,000	51
United Kingdom.....	317,892,000	21	347,437,000	11
France.....	130,236,000	9	201,575,000	6
Germany.....	192,938,000	12.5	53,217,000	2

Mr. JONES of New Mexico. From July 4, 1789, the date of the first tariff act of the United States, down to the year 1842 the balance of trade was against the United States. We were then a young country and dependent to a considerable extent upon foreign countries for the means of our development. Since the tariff act of August 30, 1842, down to the present time the balance of trade under each tariff act has been in favor of the United States. I ask to have inserted as an appendix to my remarks a table showing the balance of trade from the beginning of the Republic down to and including the calendar year 1921. (See Appendix B.)

Prior to the World War we were a debtor Nation, and the balance of trade in favor of the United States was settled by sending abroad our commodities in payment of interest, expenses of tourists abroad, and other items which will occur to all. Foreign countries were glad to get commodities from us in payment of our indebtedness to them. For the years 1914 down to and including 1921 the average annual balance of trade in our favor has been \$2,563,792,677, making a total for these years of more than \$20,500,000,000. About one-half of this balance of trade was adjusted by the amount of the loans from the United States to foreign Governments during and since the war. Much the greater portion of American securities which were held abroad prior to the war have been resold in the United States. The American Red Cross and other philanthropic organizations contributed large sums in aid of foreign nationals. Immigrants in the United States remitted very substantial sums to their relatives in foreign countries. Since the war there has been a large investment of private American capital in foreign securities. Our manufacturers and others engaged in exporting American products have been and are carrying large unfunded accounts. Such methods have made it possible to finance our foreign trade.

The Federal Reserve Board has prepared an estimated international balance sheet for the years 1919 down to June, 1922. On the creditor side of this sheet is shown the excess exports of merchandise and other net exports amounting to the total sum for the period of \$10,491,000,000. On the debtor side of this sheet appear the items by which the account is balanced. Special attention is called to the fact that notwithstanding our imports of gold and silver United States currency, payments by the United States Government on account of international loans, private investment of American capital abroad, American securities resold to the United States, immigrants' remittances, relief furnished by the Red Cross and other organizations, and tourists' expenditures, there is a credit balance which is carried by our merchants, manufacturers, and bankers to the extent of \$2,809,000,000. I ask that this balance sheet may be printed in the RECORD as a part of my remarks without reading.

The table is as follows:

*Estimated international balance sheet of the United States.*  
(In millions of dollars.)

Items.	1919	1920	1921	January to June, 1922.	Total January, 1919, to June, 1922.
<b>UNITED STATES, CREDITOR.</b>					
Excess of exports over imports of merchandise.....	4,016	2,949	1,976	401	9,342
Net exports of gold and silver.....	441				
Net exports of Federal reserve notes.....	91	103			194
Net interest payments receivable.....	60	125	200	125	510
Net ocean freight payments receivable.....	220	140	65	20	445
Total.....	4,828	3,317	2,241	546	10,491
<b>UNITED STATES, DEBTOR.</b>					
Net imports of gold and silver.....		70	679	116	424
Net imports of United States paper currency.....			125	50	175
Net international payments of United States Government.....	2,375	305	18		2,698
Net private investment of American capital abroad.....	300	235	500	650	1,685
American securities resold to United States.....	190	125	50	25	350
Immigrants' remittances and relief.....	600	700	400	200	1,900
Tourists' expenditures.....	50	150	150	100	450
Total.....	3,475	1,585	1,922	1,141	7,682
Net additions to unfunded credit balance of the United States.....	1,353	1,732	319	1,595	2,809

<sup>1</sup> Excess of debits over credits.

Mr. JONES of New Mexico. If we are to continue exports how shall the accounts be liquidated? During the war and since, foreign countries have been sending us all the gold they could spare, and this country now has nearly one-half of all the gold in the world. We also own about one-half of the diamonds in the world. Art treasures and even heirlooms from foreign countries have been sold in the United States in large quantities.

Almost every day we hear of some foreign government putting up its tariffs and otherwise raising obstacles against the influx of American commodities. We hear much of retaliatory measures taken by foreign countries and contemplated by them, induced largely by the pendency of the tariff bill which is now being considered in the Senate. Should we not weigh all these problems which so directly involve the welfare of the United States and concerning which the passage of the proposed tariff law is such an important factor?

Many of the problems which I have suggested gave us little concern prior to the World War. Tariff making, while complex, was relatively simple compared with present problems. We now have to think of unstable governments, unstable exchange, general business depression throughout the world, the World War debts, changes in industry, new industries, new markets, our increased development, our merchant marine, and our balance of trade. We are now in a new era, fraught with many and varied problems of world economics and world civilization. We can not live in the past, but must live in the present and make our plans for the future.

Under these conditions the present tariff bill is presented. No one can measure its effect. Notwithstanding the Tariff Commission has rendered useful service and done all that could have been expected of it with the meager appropriations allotted, with its limited authority, and the war conditions which have prevailed since its organization, relatively little of the necessary information has been furnished or is presented in connection with the bill. Apparently no thought was given by the framers of the bill to many of the questions which I have suggested or to others which must occur to any student of the subject. Doctor Taussig, a Republican and a great economist, in his Tariff History of the United States, tells us something of how the Payne-Aldrich law of 1909 was framed. He says:

The whole situation was one too familiar in our tariff history; the details of legislation had been virtually arranged by persons having a direct pecuniary interest in the outcome, and having also the closest relations with the legislators controlling the outcome. Even though there was no corruption—and there is no ground for suspecting anything more than generous contributions to party chests—the outcome was much the same as if there had been corruption. It illustrates once more how radically bad was the method by which the details of our tariff legislation were settled.

My mind adverted to the above passage from Doctor Taussig by reason of the remarks made in the Senate on July 28 in the discussion of this bill by the great and venerable Senator from Minnesota [Mr. NELSON], who said:

I had hoped, Mr. President, that protection would not run mad, as it has done. I have sat here quietly. I have voted for many schedules here that I felt were entirely unjustified, hoping against hope that there would be a modification, but every once in a while it seems that the Finance Committee meet, and they come in here with their program for an increase or a change. They get new light as a result of new hearings. I never in all my life saw such a swarm of men as were around the Finance Committee while they had this bill before them. Day after day they came there with their handbags. They swarmed in the corridors, and the bill indicates that most of them got their work in well.

I am very sorry that the committee have gone to such extremes as they have.

Mr. President, prior to the World War there was a growing sentiment demanding that the tariff should be taken out of politics and that tariff making should be based upon scientific principles. Since the war a change in the system of tariff making has become a matter of vital necessity. I do not believe that it is possible to lay down any iron-clad rules of universal application for the making of what might be called a scientific tariff, but I do believe that a situation can be brought about which will to a large extent get the tariff out of politics.

During the course of the present debate there have been proposed in the Senate methods of revising the tariff that differ radically from the method that has prevailed in the past, including the preparation of the present bill. They may be taken as indicating a widespread belief in Congress and in the country that the old method can not effect and continue for a reasonable length of time to maintain a proper adjustment of the tariff to the country's commercial and industrial needs. The reasons for this belief need not be discussed here. The nature and causes of the defects in the old method are obvious and are freely admitted by thoughtful men of all parties and all interests.

The new methods that have been brought forward, all purporting to "take the tariff out of politics" and to provide for a ready and accurate adjustment of duties under any general

policy that Congress may determine, are alike to the extent that they include as the central and dominating feature a provision for fixing duties on the basis of the difference between domestic and foreign production costs.

There is no doubt that this theory of tariff making has won a wide acceptance in the United States. From the point of view of the protectionist it is moderate, it is fair, it provides for as much protection as domestic industries need, and for no more, and it would fix rates at that competitive point where a substantial revenue would be secured for the Government. But it is only a theory, owing in part to the difficulties in the way of its practical application and in part to the fact that in many cases other matters must be considered in addition to production costs before rates of duty can be made to conform to the best interests of the country as a whole.

Without undertaking an exhaustive discussion of this theory some of the difficulties met in efforts to apply it may be mentioned.

First among these is the fact that for the overwhelmingly greater part of the articles that enter into commerce the exact costs of production can not be ascertained in a reasonable time and at a reasonable expense. There are, indeed, some industries with simple processes resulting in a single product whose costs are readily found; and there are in many industries a few exceptional plants with a scientific organization and a well devised system of accounting where costs may be allocated to the different products with a fair degree of accuracy. But these are not representative of the great body of producers in any country. In modern industry most processes result in a number of joint products and by-products, and the costs incurred can be distributed among them only by arbitrary allocation. To the producer this is a matter of relatively little importance as the total cost and the total yield are what concern him. But to the tariff maker it is a matter of vital importance if the exact cost of an article is to determine the duty on it. This is as true of many agricultural operations as it is of manufacturing. When the cattleman, for example, delivers his animals for slaughter he does not know and he does not care how much of the costs which he has incurred should be imputed to the hide and how much to the carcass. Clearly any cost allocation among these products of the industry is purely arbitrary. This is well illustrated by the studies of the cost of wool growing made by the Tariff Board during President Taft's administration, and by the present Tariff Commission. The former Tariff Board made the most extensive and careful investigation of the conditions and the costs of sheep husbandry that was ever undertaken. But its method of determining what part of the costs should be imputed to wool and what part to mutton and lamb has not been generally regarded as satisfactory. That method consisted in deducting from the total costs incurred on a flock all the receipts for sheep and lambs sold, and then dividing the balance by the number of pounds of wool produced. This made it appear in some cases where there were large sales of lambs that the wool had cost actually less than nothing. The fallacy of this method of cost distribution seems self-evident.

The present Tariff Commission, therefore, after ascertaining total costs allocated them to wool and to lambs in proportion to the cash receipts of the producer from these two sources. This method is open to the objection that the number and price of lambs may rise or fall, and thus receipts from this source may grow or decline without corresponding changes in the case of wool. Under such a system of accounting when a good lamb crop is sold at a favorable price the cost of production of wool goes down and that of lambs goes up, while a poor lamb crop and a low price by a curious paradox would greatly reduce the cost of growing lambs and increase the cost of growing wool. To the sheep raiser it is a matter of no practical importance how much of the costs should be theoretically imputed to one of these joint products and how much to the other. But when a duty is to be placed on each of them and those duties are to be based on the cost of production it becomes a matter of vital importance. An arbitrary method of cost allocation such as was used by the Tariff Board or by the Tariff Commission gives results that are sufficiently accurate for most business purposes but surely are not exact enough to serve as the sole basis for levying duties.

The difficulties thus arising in the case of a relatively simple pastoral industry are multiplied many times in the more complicated organization that distinguishes most branches of manufacturing. Men who are at all familiar with accounting methods know that they vary widely from plant to plant. The costs of certain processes and products shown on the books of one establishment frequently differ by 50 per cent or more

from the costs shown on the books of another. It is true that much of the trouble arising from this fact would be removed if and when a uniform system of accounting could be imposed on all producers of a particular article. But aside from the time, the cost, and the doubtful success of efforts to do this, it would frequently show misleading results. For example, what is the chief product of one plant is often the by-product of another, and no uniform system of finding costs could be fairly applicable to both. The business policy of going-concerns in our established industries, the size, the organization, the construction, the degree of dependence on allied branches, show an infinite variety, and yet all must be given consideration in their accounting. It is not too much to say, therefore, that the forcing upon them of any uniform system would upset and seriously endanger the prosperity of many hitherto successful establishments.

It should be remembered, furthermore, that to all the troubles of whatever nature arising in the study of domestic costs there are added others yet more serious when a study is attempted of costs abroad. Government agents may be empowered to demand from domestic producers statements, access to books and accounts, and information of any conceivable kind. But from foreign producers only such information may be procured as is published, as can be deduced from a general investigation of an industry, or as good will and the hope of trade benefits may induce producers to furnish. It can scarcely be supposed that British, German, Japanese, or any other foreign manufacturers would afford to American investigators information which might lead to heavier duties on their products, and which would frequently expose their most intimate trade secrets. This is borne out by the experience of all who have attempted foreign investigations. It follows that statements of foreign costs are estimates that at best must lack in precision and exactness.

In view of these facts is it safe to rely exclusively upon cost difference as the sole measure of duties? Is it not necessary to check cost investigations and to supplement them by investigations of other trade conditions? That they are helpful, and always desirable, in making a tariff is undoubtedly true. But it is equally true that they are not sufficient by themselves.

A second difficulty in applying this theory is found in the fact that however exact our knowledge of costs may be, it is enough to show that they differ widely from plant to plant and from time to time. For example, a report of the Tariff Commission shows that beet sugar, one of the relatively few articles for which exact costs can be learned, is produced in this country at very different costs, rising from a total of \$63.58 a ton for one factory to a total of \$155.36 for another; and this wide divergence does not appear to be exceptional. Similar divergencies, though seldom so great, persist in all fields of production. Now, what figure among so many are we to take as the "domestic cost of production"?

It is obvious that the higher the figure taken the larger will be the percentage of protected establishments in industry. But the most ardent protectionist would hardly urge a duty high enough to protect producers whose high costs are due to unwise location, inadequate equipment, extravagant methods, or poor management. Neither would the average cost always prove to be the right one; for it might well subject to destructive competition a half or more of those engaged in the industry, among them in many cases deserving men whose high costs are due to experiment, research, and innovations that contribute most to progress. In short, even when exact costs of production are ascertained they are found to vary between wide extremes, and serious matters of general economic welfare and of public policy are involved in determining just what figures between these extremes are to be taken as the "domestic cost" and the "foreign cost" of production.

There is a third difficulty which has been suggested a number of times in the present debate, and that is the difference in the cost of production in a given foreign country as compared with the cost of production of other foreign countries. It is evident that if the tariff should be fixed so as to equalize the difference of the cost of production in the foreign country of lowest cost it would amount to an embargo against other countries having higher cost.

At the present time domestic costs are unstable and some foreign costs are violently and rapidly changing. How should we deal with such conditions?

Without enumerating further difficulties in applying the suggested theory of tariff making, is it not clear enough from what has been said that duties can not be fixed by a simple mathematical measure; that we should not give too strict and

literal an interpretation to the proposition that duties shall be based on the difference in costs of production in this country and abroad? What those who advocate this theory really have in mind is the general thought that when foreigners contributing to our markets enjoy advantages over Americans engaged in an established, reputable, and desirable industry, those advantages should be offset by a duty on their products. This is a broader and a much more feasible proposition. To give it application, however, requires investigation, and the investigation should not and can not be limited to costs.

In any attempt to apply the rigid rule of difference in cost many other questions arise. A choice must be made between many domestic costs and many foreign costs for the same product and great discretion is needed in making that choice as a basis for duties. A wise decision is impossible without a careful investigation of the organization of industries, their methods and processes and their general efficiency. To protect antiquated processes and obsolete equipment would be to subsidize stagnation and to put a premium on inefficiency. Unless the organization of the industry, the degree of interlocking control, the possibility of monopolistic tendencies are known, it is impossible to determine whether domestic competition has a normal influence in keeping down costs and stimulating improvements. No mere ascertainment of costs without due regard to these things can be considered sufficient for determining the tariff.

Again, it is as important to analyze the nature of the costs incurred in production as it is to ascertain their total amount. It is hardly too much to say that in all nations at the present time the regulation of industry and trade at least pretends to keep in view before everything else the necessities of the laboring classes who constitute the greater part of the population. Therefore the rates of wages in industries, the ratio of labor costs to total costs of production and the probable effect on wages of changes in duties are considerations both of economic and of political importance. The distribution of costs, therefore, as among the labor employed, the material used, the overhead and fixed charges and other items of varying importance must be examined with intelligence and impartial judgment before the point is fixed that should be taken as the basis for duties.

Any discussion of the difference in cost of production for the purpose of tariff legislation is necessarily restricted to commodities having at least a substantial degree of comparability. Last year the Congress appropriated \$100,000 for the purpose of comparing prices in the United States of domestic and foreign products. An attempt was made in a thorough way to obtain the desired information, and we have had placed before us the Reynolds report, showing what information was gathered. From this report it appears that not more than 25 per cent of the prices obtained were prices of comparable articles, although the prices of such articles were what was being sought. There were such differences in class, kind, quality, and design as to destroy their comparability. No one has suggested how an investigation of the difference in cost would suggest the rates of duty which should be imposed upon works of art, literary productions, diamonds, and innumerable articles which do not compete with articles of domestic production.

Another matter of vital concern is the degree to which an industry is capable of supplying the needs of the people to a reasonable amount and at reasonable prices. It is possible—and indeed some examples have been brought forward in the present debate—to turn out in this country a limited amount of more or less exotic products. Industries of this character, started sometimes as an experiment, tempt men to make permanent investments and devote labor to producing articles at a great cost that it would have been better for them and for the country if they had never tried. They can be continued in business only at the expense of the public in the form of high prices that have to be kept up permanently by shutting out foreign supplies through the help of the tariff. If such an industry is truly an "infant industry" and shows promise of future growth sufficient to supply the market at reasonable prices, the question of equalizing its costs with foreign costs by means of a duty may be fairly considered. But surely the present capacity of the industry and its future possibilities should be carefully investigated before its products are given a heavy duty that must always remain as a perpetual burden on the public. It might be invidious in the present connection to mention by name some industries of this character, but examples must occur to all who have followed the present debate.

Again, there are certain industries for which our supply of raw materials are known to be limited in amount. It is pos-

sible by means of heavy duties to hasten the exploitation of these materials, and thus in a few years to denude the country of supplies that in time of war or other emergency would be vitally necessary. Previous to the recent war "conservation" was a popular word in our language. Have we forgotten all that it connotes, and are we willing by equalizing foreign and domestic costs in these industries of limited supply to stimulate exploitation and to weaken the Nation's future strength? Surely, before fixing such a duty a wise public policy demands a careful investigation of industrial capacity as emphatically as of industrial costs.

And now it may be asked whether any investigation on which a tariff is to be based can be considered as complete unless it has given attention to prices. In view of the inexactness of our knowledge of costs, particularly of foreign costs, is it not necessary to check what we do know by a comparison of prices? Is there any other way to discover the practice of "dumping," to which men of all parties are equally opposed? Above all, is it not here that the interests of the consumer deserve and demand attention? The numerous reasons for supplementing an investigation of costs by an investigation of prices seem too obvious to require discussion.

Attention also should be directed to the fact that there are some industries that altogether, regardless of cost, it is contrary to public policy and the good of the country that our people should maintain, while on the other hand, equally regardless of cost, there are some that the interests of the public welfare require us to foster. In the first group are some industries so notoriously harmful that they are actually prohibited by law. But in addition to these there are others that cater mainly to frivolous and extravagant tastes, sometimes even to demoralizing habits or to physical or social excesses, though not in such obvious and large degree as to make them amenable to the law. Such industries divert labor and capital from other more useful enterprises, and it can hardly be claimed that they are all equally entitled to aid at the hands of the Government. Should not these facts be given consideration as well as the costs at which the products of such industries are turned out? In the other group are all those industries that every country must maintain to defend its independence against aggression. This group includes also what recently it has become common to style "key" industries. No one is opposed to maintaining such industries, whatever their costs may be. But there is room for serious disagreement as to just what is a "key" industry and as to just how necessary some other industry actually may be to the preservation of our safety.

This disagreement can be removed only by a broad and painstaking examination of the nature of the industry involved, its significance for naval and military operations, the degree to which its products are essential for the prosperity of other industries, and in general the importance of the part it plays in the smooth functioning of the Nation's whole industrial system.

Any tariff law framed solely upon the basis of the difference in cost of production has and can have but one object in view; that is, the granting of aid to domestic industry and totally ignoring whatever effect such action would have upon the Federal revenues, our international trade, and the cost of living. As has already been shown, these are such important factors in our present economic life that they can not be ignored without baneful results to our future welfare and prosperity.

Enough has been said to show how much more than the cost finding alone is involved in making the tariff. Wide, careful, and thoroughly unprejudiced and impartial investigation is required, and by its results vital questions of public policy are to be determined.

Who shall make the investigation, and who, using the results, shall determine the matters of policy? Common sense tells us, and experience has fully proved, that Congress can not make the investigation that is necessary. Time and labor and the special aptitude for work of this kind has not in the past been sufficiently available in Congress, whose Members have too many other duties to be able to devote themselves exclusively to this exacting task. It seems unavoidable that the investigation should be intrusted to a commission adequately equipped to conduct it.

But a commission should not be empowered itself to fix the rates of duty in the tariff law. Aside from the doubtful constitutionality of intrusting this power to a commission under any kind of limitations, too much is involved in tariff making for which Congress only and wholly is responsible to justify its delegation to any other agency, even to the Chief Executive himself. We must not forget that the power to make a tariff

is the power to tax. And it is much more than that. What I have said has been said in vain if it is not clear that tariff making involves vital matters of public policy which Congress would be derelict to its duty if it be turned over for settlement to any other agency whatsoever.

The proper course, then, is that the results of the investigations should be reported to Congress. But the reports should be in such form as to make it possible for Members of Congress to understand and to use them. Nothing is more apparent than the utter and wasteful futility of the thousands upon thousands of pages of Government reports coming to every Congressman because it is physically impossible for him to glance through them even if he devoted to it every waking hour of the day. The Tariff Commission's report should begin with a statement of the rate of duty which it would recommend. It should then adduce in language as clear and concise as possible the evidence collected by its investigation which, in its opinion, proves that the rate named should be adopted. The nature of such evidence would necessarily differ in different cases, but whether it is sufficient or not must be left for Congress to decide. The report should also set forth such pertinent facts, uncovered by the investigation, bearing upon organization, efficiency, and other relevant matters as should be given consideration in determining duties. But while such in general should be the nature of the commission's reports, they need not be cast in a mold so hard and fast as to limit the freedom necessary to make a full and true exposition of all relevant facts and any questions of public policy which may be involved.

With facts thus presented in an intelligible and concise manner, facts ascertained after thorough investigation, it would be possible for Congress to legislate on the tariff with a feeling of confidence that it knows what to expect from any action that it may take.

Mr. President, such a plan might not remove tariff making entirely from politics, but it would provide information which would enable any Congress to frame an intelligent tariff law upon any theory which it might adopt. Moreover, it is my judgment that most of the controversies which have arisen in the past regarding tariff legislation have arisen because of the lack of definite information as to facts and as to consequences. No one will openly advocate the creation of monopolies through tariff legislation, and, on the other hand, no one will openly advocate the destruction of any industry which is being prosecuted in a proper way and for the benefit of our country. Furthermore, what the business world needs more than anything else is a feeling of security. Frequent changes of duty, "tinkering with the tariff," slight changes made merely to effect a theoretically perfect adjustment, are apt to do more harm by upsetting calculations and business commitments than they can possibly do good by promoting a minor sort of abstract justice. As changes arise in the fields of industry and commerce, or as other exigencies may occur that render some of the duties fixed in the law no longer applicable to the altered conditions, the machinery should be provided whereby the Congress could intelligently change the law for a definite and fixed purpose. There has also been some demand for what is called a flexible tariff. For the reasons which I have heretofore given, I know of no advisable way of bringing about flexibility other than through action by the Congress from time to time when it shall be made to appear, after full investigation as heretofore discussed, that such changes are necessary.

For the purpose of removing the tariff from politics as far as possible and to prevent the enactment of a general revision of the tariff laws without definite information as to the reasons for such changes or the effects of such changes, and for the purpose of avoiding a general disturbance of business by a general revision of the tariff at this time, a few days ago I offered the amendment which is a substitute for this bill. This amendment is a revision and extension of the powers now conferred by law upon the Tariff Commission. All Senators have been furnished with a copy of the amendment, and I therefore ask that it may be printed in 8-point type as an appendix to my remarks without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Appendix C.)

Mr. JONES of New Mexico. I deem it unnecessary to discuss at this time the detailed provisions of this amendment. I feel certain, however, that if it be adopted the Tariff Commission will have full power and authority to make such investigations, such analyses, and such reports as I have indicated to be necessary to the intelligent understanding and enactment of tariff legislation by the Congress. I believe it is generally agreed

that the Tariff Commission has been seriously hampered in its work by reason of insufficient funds. I have therefore provided for an increase of the present appropriation for the Tariff Commission from \$300,000 to \$1,000,000 per annum.

It is generally conceded that the present bill is unsatisfactory and it does not appear that there is any necessity for its passage. During the war some foreign countries, notably those of South America and Australia, were not able to obtain transportation for their commodities and a large surplus was accumulated. Those countries in the main were producers of agricultural products. When the channels of trade were opened after the war those surplus products sought markets wherever they might be found. Much of them were brought to the United States and thereby contributed largely to the demoralization of prices for our domestic agricultural products. A situation was presented which demanded and received appropriate action by the Congress in the enactment of what is known as the emergency tariff law. I assisted in framing and passing that law and it has been made permanent legislation. It will stand until it is repealed. That law placed a substantial duty upon all agricultural products, with few exceptions, and in my judgment it is far better for the agricultural interests of the country to let the law remain as it is rather than accept the unjustified provisions of the bill which we are now discussing. From a purely selfish standpoint except as to a very few items the agricultural interests of the country will secure no substantial additional advantages under the proposed bill if it should become law. Under the provisions of this bill the duties upon wool and wheat are reduced below the rates of the present law. The bill as it came from the House provided for a greater reduction than that adopted by the Senate. The rates of duty upon cattle in the bill as it came from the House are less than the present law. The rates fixed by the Senate, while changed from ad valorem to specific, are substantially the same.

The tariff upon sugar, corn, and beans as now provided by this bill as it passed in the House and was recommended to the Senate is the same as under the present law. It will thus be seen that upon the principal agricultural products there is no substantial advantage to be gained by the enactment of the pending bill into law. There are considerations, however, which demand the attention and are of great concern to the agricultural interests of the country. The duties upon manufactured products have been increased far beyond the provisions of the present law. The chairman of the Finance Committee [Mr. McCUMBER], in referring to this matter, on July 12 said:

Notwithstanding the fact that rates are higher upon agricultural products than ever before, those rates do not anywhere nearly measure up to the duties which are given for the protection of manufactured articles other than agricultural.

There are now no imports of agricultural products of such quantity as to affect the prices of American commodities. The importations of frozen meats to the United States have ceased. Of such importations which caused so much concern soon after the termination of the war, more than 60 per cent were reexported. They were not of such kind and quality as to be acceptable to the American consumers. The prices of meat products in recent months have been increasing. The real concern, therefore, of the agricultural producers should be directed to the high prices which are being charged and will be charged for manufactured products if the present bill should become law. While according to the latest reports animal products are but little higher in price than prior to the war, while corn is lower in price than prior to the war, the average prices of all commodities, including these low-priced farm products, is more than 50 per cent above the pre-war prices.

It is my contention that the manufacturers of the country are not justified in generally insisting upon higher duties than under existing law. It appears that wholesale commodities, other than farm products, are now, or were in April of this year, 72 per cent higher than prior to the war. A comparative table showing the valuations of the prices of wholesale commodities down to and including April of this year as compared with the prices of farm products, and showing the purchasing power of the farmer's dollar, appeared in *The Producer* for July, 1922. This table should receive careful consideration by any manufacturer who is seeking to have the duties upon his products raised and which he expects to sell to the farmers and other consumers of the United States. According to this table, in April of this year the price of all farm products was only 15 per cent above the 1913 price, while the price of all wholesale commodities was 72 per cent above the pre-war price and the farmer's dollar was only worth 67 cents. Mr. President, I ask that this table be printed as a part of my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

	Price of farm products.	Wholesale commodities.	Purchasing power of farm products.
1913.....	100	100	100
1914.....	106	99	110
1915.....	102	99	106
1916.....	118	122	96
1917.....	186	168	110
1918.....	208	188	111
1919.....	216	206	105
1920.....	203	260	78
1921.....	108	178	61
1922—			
January.....	96	171	56
February.....	106	170	63
March.....	114	171	67
April.....	115	172	67

Mr. SIMMONS. Mr. President, I am very much interested in the table, but I do not know that I caught the significance of it. As I understood the table it shows that farmers' prices have advanced 15 per cent.

Mr. JONES of New Mexico. In April of this year farmers' prices on an average were 15 per cent above 1913 prices.

Mr. SIMMONS. The pre-war prices?

Mr. JONES of New Mexico. The pre-war prices.

Mr. SIMMONS. How about the prices of other commodities?

Mr. JONES of New Mexico. The prices of other commodities were at that time 72 per cent above the 1913 prices.

Mr. SIMMONS. The date from which the Senator calculated the farmers' prices was August?

Mr. JONES of New Mexico. I calculated from 1913, but the present prices were figured from April of this year.

Mr. SIMMONS. That is a little bit more than a year after the emergency tariff law went into effect.

Mr. JONES of New Mexico. It is, and even at that time the farmer's dollar was worth only 67 cents. The prices of manufactured articles are still so much higher than the prices of agricultural products that it leaves the farmer's dollar, measured by his products, worth only 67 cents.

Mr. SIMMONS. I suggest to the Senator that if he could get the figures showing the advances in the farmers' prices, if any, over the pre-war prices, on May 27, 1921, when the emergency tariff act was passed, and the advances in other prices up to that date over the pre-war prices, his table would be exceedingly illuminating.

Mr. JONES of New Mexico. This table includes that. It takes in the year 1913 and every year since that date, down to and including the month of April of this year.

Mr. SIMMONS. I shall be very much interested in examining it.

Mr. JONES of New Mexico. I am sure the Senator will, and it will be found very illuminating to anyone who desires to be informed on this subject.

There has been much depression in industry in the United States, as there has been all over the world. But there is no sufficient evidence to show that any industry in the United States is being seriously affected by reason of importations. Moreover, world prices and conditions are such that the industries are not and can not be menaced by importations. We have index tables for the principal countries of the world from which we might expect competition. While, as I have stated, the prices of manufactured products in the United States are far above pre-war prices, we find that in Canada, England, France, and Japan, after making allowance for exchange, prices are much more above the pre-war prices than they are in the United States.

Mr. SIMMONS. That is one thing I have asserted heretofore, that prices in other countries have advanced equally as much as prices in this country have advanced, if not more; but that has been denied vociferously on the other side of the Chamber.

Mr. JONES of New Mexico. I get my information from official sources, gathered by the Department of Commerce.

Mr. SIMMONS. I am not calling into question the Senator's data. I think they are absolutely correct. I was simply calling attention to the fact that, largely to meet the exigencies of the situation, I suppose, the other side have been calling those figures into question.

Mr. JONES of New Mexico. I think the Senator has very accurately diagnosed the situation.

The Federal Reserve Bulletin for February, 1922, discusses the foreign trade of England and contains a statement showing

the percentage deficiency of quantity in 1921 compared with 1913. This statement gives the names of the commodities whose export value exceeded \$5,000,000 in 1913. The result appears that of such commodities exported in 1921 there was an average decrease of 53.9 per cent. Mr. President, I ask that this table, which is very short, may be inserted at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

Commodities whose export value exceeded \$5,000,000 in 1913.

Percentage deficiency of quantity in 1921 compared with 1913:	
Food, drink, dutiable.....	— 48.4
Coal.....	— 75.9
Earthenware, glass, abrasives, etc.....	— 49.2
Iron and steel, and manufactures thereof.....	— 64.7
Nonferrous metals, and manufactures thereof.....	— 33.2
Cutlery, hardware, implements, and instruments.....	— 53.3
Machinery.....	— 25.9
Cotton yarns and manufactures.....	— 60.3
Woolen and worsted yarns and manufactures.....	— 49.3
Manufactures of other textile materials.....	— 63.1
Apparel.....	— 70.8
Chemicals, drugs, dyes, and colors.....	— 60.3
Vehicles (including locomotives, ships, and aircrafts).....	— 21.1
Total, all classes.....	— 53.9

Mr. JONES of New Mexico. Reference has often been made during the discussion of this bill to competition from Germany, and it must be apparent to all those who have listened to this discussion that this bill was framed with German conditions furnishing the chief excuse for many of the proposed increased duties. It is a fact, however, that Germany in the last eight months of 1921 exported only 40 per cent of the tonnage shipped during the corresponding period of 1913. During the same period the total production in Germany was only 60 per cent of that for the corresponding period prior to the war. It is also established by official reports that only 7.1 per cent of the exports from Germany reached the shores of the United States. This ratio is precisely the same as the figures given for the per cent of Germany's total exports to the United States in 1913. Moreover, every day we read of conditions in Germany which indicate almost a total collapse of German industry.

Mr. SIMMONS. I hope the Senator will pardon me, but he is discussing a matter which I think has not been sufficiently developed, and I am very glad he is developing it, and is now fortifying his position by the citation of official data. Did the Senator give the percentage of German exports which come into the United States?

Mr. JONES of New Mexico. Only 7.1 per cent of the total German exports reached the United States in 1921, and the same percentage of those exports reached the United States in 1913.

Mr. SIMMONS. The Senator probably has answered, by his table, what that 7 per cent amounted to in dollars.

Mr. JONES of New Mexico. In some of the tables which I previously introduced to be printed in the Record I have given a statement of the classes of these commodities imported and exported from this country.

Mr. SIMMONS. My recollection is that the total for the year 1921 was something around \$80,000,000.

Mr. JONES of New Mexico. The Senator is quite right. The total exports from Germany to the United States during 1921 were only a little more than \$80,000,000, while our exports to Germany for the same period were nearly \$400,000,000.

Anyone who is familiar with world conditions, including the conditions in the United States, must realize that no benefit may be expected, but in all probability there will be many baneful results from a general upward revision of the existing tariff laws. Until the recent strikes we were reading every day of increased activity in substantially all the manufacturing industries. Unemployment was continually decreasing. This increased activity, however, was due principally to the increased demands of the American consumer.

The time had come when the consumers of America were compelled to buy in order to meet their necessities. There is little hopeful prospect, however, that our export trade will revive in the near future. Of course, foreign countries will continue to purchase to a limited extent things produced in the United States which they must have in order to sustain life. But the ability of foreign countries to buy from the United States is relatively exhausted. We have their gold, their diamonds, their art treasures, and even their heirlooms. Their ability to obtain credits in the United States is about exhausted. Obstacles in the way of laws and regulations are continually being raised in foreign countries against imports from the United States. The quantities of farm products as

well as manufactured products in the United States which must find markets abroad in order to permanently revive the industry of the United States have been heretofore shown.

Apparently no intelligent consideration was given to these matters by the Finance Committee. The chairman of the Finance Committee, in reporting this bill to the Senate, suggested that the farmers of this country should quit growing the products of which the United States produces a surplus. He advised the wheat growers to stop raising wheat and to raise flax. That admonition, of course, was intended to embrace every industry in the United States which was producing a surplus. It is only upon the theory of the isolation of this country from world trade that this bill can be supported.

Mr. President, a great many of the criticisms which I have made of this bill have been supported by a number of Republican Senators and in the editorials of all the leading newspapers of the country. I have prepared some excerpts from the remarks of Senators and these editorials with a few explanatory comments. I ask that these excerpts, editorials, and brief comments may be printed in the RECORD, without reading, immediately after the conclusion of my remarks, in 8-point type.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Appendix D.)

Mr. JONES of New Mexico. Mr. President, I submit that in all history of tariff legislation there can be found no instance where a tariff bill, during its consideration, received such universal condemnation as has the bill now under consideration. Generally speaking, its active support outside of Congress comes from only those who are obsessed by unreasoning fears and who hope to derive some individual pecuniary gain. The general welfare of the country is ignored. After careful study of the bill and the conditions of industry in the United States and abroad, I am deeply convinced that the passage of the bill will be productive of harm to the individuals and industries, not only of the State which I in part represent but of all the States comprising this Republic. If the amendment which I propose be adopted, and its provisions carried out, any cases of emergency which exist or may arise will be reported to the Congress on the first Monday of next December.

It is widely believed that this bill, after it passes the Senate, will meet an ignominious demise in conference and never become law. The House of Representatives established its rates in the bill on a basis radically different from that proposed in the bill before the Senate. It would seem that there is much reason for the prophecy of the failure of the bill in conference. If it should not fail in conference, the result would be an unwise departure even from the obnoxious methods employed in any previous tariff legislation. The ad valorem rates provided by the House of Representatives are based upon American valuation, while such rates in the Senate are based upon foreign valuation. It has been stated on the floor of the Senate by the chairman of the Finance Committee, and in this I believe he is probably correct, that in such a case every ad valorem rate which may be fixed in the bill by the Senate will be subject to revision by the conferees and without any limitation. If the conferees should finally agree and the bill be reported to the Senate, our parliamentary rule would prohibit any action upon any separate item or items in the bill, and it would have to be accepted or rejected as a whole. The parliamentary procedure in the House of Representatives would be substantially the same. It is evident, therefore, that as to its most important features the bill would be the product of the secret sessions of the conference committee, governed by considerations and influences which no one can foretell.

I appeal to Senators who are supposed to favor the passage of the bill to calmly and conscientiously consider the bill in all its angles before casting their vote. It is my firm conviction that with conditions at home and abroad uncertain, unstable, and ever changing we should not disturb our existing tariff laws as a whole. Let us provide adequate funds for the use of our Tariff Commission. Let it have an opportunity to make scientific studies of any industries which are reasonably supposed to demand a modification of the existing tariff law. Let that commission make its report, containing a finding of facts and recommendations. Any such report prepared as is provided for in the amendment which I have proposed would, in my judgment, be acceptable to the Congress and meet with little opposition. In my judgment there would be manifested little, if any, partisanship in the consideration of such a report. This procedure would result so far as may be in a "scientific tariff" and meet the heartfelt wish of all of us who want "to take the tariff out of politics."

APPENDIX A.

Balance of trade under tariff acts from act of July 4, 1789, to and including the year 1921 of the act of October 3, 1913.

Act of—	Fiscal years. <sup>1</sup>	Imports.	Exports.	Annual average excess imports.	Annual average excess exports.
July 4, 1789	1790	\$23,000,000	\$20,205,156	\$2,794,844	.....
Aug. 10, 1790	1791-1792	60,700,000	39,765,139	10,467,430	.....
May 2, 1792	1793-1794	65,700,000	59,153,297	8,273,351	.....
June 7, 1794	1795-1812	1,523,538,964	1,218,983,049	17,197,551	.....
July 1, 1812	1813-1816	295,114,274	169,261,263	31,464,233	.....
Apr. 27, 1816	1817-1824	686,533,674	608,707,242	9,728,304	.....
May 22, 1824	1825-1828	340,308,444	391,720,223	4,397,055	.....
May 19, 1828	1829-1832	349,589,837	314,995,705	8,723,533	.....
July 14, 1832	1833	108,118,311	90,140,433	17,977,878	.....
Mar. 2, 1833	1834-1842	1,218,445,645	1,060,257,281	17,576,485	.....
Aug. 30, 1842	1843-1846	349,333,077	423,681,648	.....	\$18,589,643
July 30, 1846	1847-1857	2,336,430,244	2,512,765,531	.....	16,030,481
Mar. 3, 1857	1858-1861	1,170,440,593	1,390,001,092	.....	40,115,125
Mar. 2, 1861	1862	178,320,200	227,558,141	.....	49,227,941
July 14, 1862	1863-1864	526,488,602	532,355,587	.....	2,933,492
June 30, 1864	1865-1870	2,176,889,958	2,193,871,147	.....	2,830,198
July 14, 1870	1871-1872	1,059,359,997	1,065,317,286	.....	2,978,644
June 6, 1872	1873-1883	6,235,725,983	7,313,389,153	.....	97,969,379
Mar. 3, 1883	1884-1890	4,758,262,722	5,080,073,791	.....	45,973,010
Oct. 1, 1890	1891-1894	3,112,621,836	3,588,238,021	.....	118,904,046
Aug. 27, 1894	1895-1897	2,280,107,204	2,688,600,689	.....	136,164,495
July 24, 1897	1898-1909	11,981,155,035	17,964,899,699	.....	498,645,889
Aug. 5, 1909	1910-1913	6,482,467,103	8,322,459,209	.....	459,968,025
Oct. 3, 1913	1914-1921	24,205,272,824	44,715,614,243	.....	2,563,792,677

<sup>1</sup> Fiscal years ending Sept. 30 prior to 1843.

<sup>2</sup> From 1844 to 1913, fiscal years ended June 30.

<sup>3</sup> Calendar year after 1918.

<sup>4</sup> Exports, 1914-1921, as follows:

1914	\$2,329,684,025
1915	2,716,178,465
1916	4,272,177,579
1917	6,227,164,050
1918	5,838,652,057
1918 (6 months ending Dec. 31, 1918)	3,122,533,666
1919 (calendar year)	7,749,815,556
1920 (calendar year)	8,080,480,821
1921 (calendar year)	4,378,928,024

Imports contain gold and silver from 1790 to 1842, inclusive.  
Exports contain gold and silver from 1790 to 1872, inclusive.

APPENDIX B.

TABLE 20.—Quantity comparison of production and exports of important commodities.

[Production statistics are from Census of Manufactures for 1919, except where otherwise stated. Exports are for fiscal year ending June 30, 1920.]

Commodity.	Unit	Production.	Exports.	Per cent exported.
Motor cycles	Number	59,000	35,000	59.3
Rosin	Barrels	2,270,000	1,322,000	58.2
Unmanufactured cotton <sup>1</sup>	Bales	11,900,000	6,915,000	58.1
Copper <sup>2</sup>	Pounds	1,286,000,000	492,232,000	38.3
Rice <sup>1</sup>	Bushels	42,800,000	22,900,000	53.5
Rye <sup>1</sup>	do	88,900,000	41,500,000	46.7
Leaf tobacco <sup>1</sup>	Pounds	1,455,000,000	648,000,000	44.5
Lubricating oils	Gallons	819,000,000	396,118,000	41.0
Petroleum residuum	do	126,000,000	50,273,000	39.9
Illuminating oil	do	2,305,000,000	915,138,000	39.7
Turpentine spirits	do	19,270,000	7,461,000	38.7
Napthas other than gasoline	do	533,000,000	184,762,000	33.4
Sulphur <sup>1</sup>	Tons	1,191,000	393,000	33.0
Condensed, evaporated, and powdered milk	Pounds	2,214,000,000	710,533,000	32.0
Zinc spelter <sup>1</sup>	Tons	416,000	139,000	31.0
Starch	Pounds	783,500,000	237,600,000	30.3
Binder twine	do	229,500,000	59,472,000	25.9
Steel rails	Tons	2,100,000	554,000	26.4
Wheat <sup>1</sup>	Bushels	994,000,000	219,900,000	23.5
Iron and steel wire	Tons	1,225,000	285,000	23.3
Cotton waste, including rags and clippings	Pounds	337,000,000	74,389,000	22.1
Lime acetate	do	152,000,000	32,885,000	21.6
Refined sugar	do	7,043,000,000	1,444,031,000	20.5
Cotton hosiery	Dozen pairs	60,800,000	12,396,000	20.5
Railway cars	Number	163,000	32,000	19.6
Commercial automobiles	do	126,000	24,000	19.0
Tin plates, tinned plates, and taggers' tin <sup>3</sup>	Pounds	2,578,000,000	457,897,000	17.8
Linseed, cottonseed, and corn oil cake and meal	Tons	2,018,000	351,000	17.4
Barley <sup>1</sup>	Bushels	161,000,000	27,600,000	17.1
Structural iron and steel	Tons	2,255,000	340,000	15.1
Iron and steel sheets and plates	do	6,875,000	1,100,000	14.7
Fuel and gas oil	Gallons	4,772,000,000	686,000,000	14.4
Cotton cloths	Square yards	6,233,000,000	867,000,000	13.9
Wire nails	Tons	587,500	80,000	13.6

<sup>1</sup> Production data from United States Department of Agriculture.

<sup>2</sup> Production data from United States Geological Survey.

<sup>3</sup> Smelter output.

<sup>4</sup> Ingots, plates, wire, etc.

<sup>5</sup> Includes flour.

<sup>6</sup> Production data from Statistical Abstract of United States, 1920.

TABLE 20.—Quantity comparison of production and exports, etc.—Contd.

Commodity.	Unit.	Production.	Exports.	Per cent exported.
Fertilizers.....	do.....	8,291,000	1,129,000	13.6
Rubber boots and shoes.	Pairs.....	75,000,000	9,900,000	13.2
Iron and steel bars and rods.	Tons.....	6,828,000	731,000	10.7
Dressed-weight meats <sup>1</sup> ..	Pounds.....	22,573,000,000	2,264,000,000	10.0
Gasoline.....	Gallons.....	3,637,000,000	295,000,000	8.1
Passenger automobiles...	Number.....	1,553,000	116,000	7.5
Cast-iron pipe.....	Tons.....	628,000	47,000	7.5
Leather boots and shoes.	Pairs.....	274,000,000	20,000,000	7.4
Soap, except toilet and fancy.	Pounds.....	2,228,000,000	156,000,000	7.0
Ropes, cables, and cordage.	do.....	225,600,000	15,600,000	6.9
Anthracite coal <sup>2</sup> .....	Tons.....	79,000,000	4,700,000	6.0
Pianos and organs.....	Number.....	368,700	22,000	6.0
Bituminous coal <sup>2</sup> .....	Tons.....	409,000,000	23,000,000	5.6
Staves.....	Number.....	1,475,000,000	80,790,000	5.5
Lumber.....	Board feet.....	34,550,000,000	1,752,000,000	5.1
Printing paper.....	Tons.....	2,076,000	96,000	4.6
Hydraulic cement.....	Barrels.....	80,778,000	3,180,000	3.9
Linseed oil.....	Gallons.....	32,400,000	1,136,000	3.5
Oats <sup>3</sup> .....	Bushels.....	1,232,000,000	48,000,000	3.4
Cotton yarns.....	Pounds.....	625,000,000	20,000,000	3.2
Butter.....	do.....	938,500,000	27,156,000	2.9
Iron ore <sup>4</sup> .....	Tons.....	60,000,000	973,000	1.6
Corn <sup>4</sup> .....	Bushels.....	2,859,000,000	416,700,000	.6

<sup>1</sup> Production data from United States Department of Agriculture.

<sup>2</sup> Production data from United States Geological Survey.

<sup>3</sup> Includes oatmeal and rolled oats.

<sup>4</sup> Includes corn meal.

## APPENDIX C.

Amendment intended to be proposed by Mr. JONES of New Mexico to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, viz: Beginning on page 1, strike out all of said bill after the enacting clause and insert in lieu thereof the following:

"That sections 702, 703, 704, 705, and 709 of Title VII of the act of Congress approved September 8, 1916, entitled 'An act to increase the revenue and for other purposes,' be, and the same are hereby, amended to read as follows:

"SEC. 702. That it shall be the duty of said commission:

"(a) To investigate the administration and fiscal and industrial effects of the customs laws of this country now in force or which may be hereafter enacted, the relations between the rates of duty on raw materials and finished or partly finished products, the effects of ad valorem and specific duties and of compound specific and ad valorem duties, all questions relative to the arrangement of schedules and classification of articles in the several schedules of the customs laws, and, in general, to investigate the operation of customs laws, including their relation to the Federal revenue, and their effect upon the export commerce, the industries, and labor of the country.

"(b) To investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, economic alliances, the effect of export bounties and preferential tariff and transportation rates, the volume of importations and exportations compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and unfair competition.

"(c) To investigate, as hereinafter provided, as fully as may be practicable the industries in the United States which are or may be affected by the imposition of or exemption from customs duties. In the case of each industry so investigated it shall give consideration to the organization and capitalization; the methods, processes, and efficiency of production; the sources and costs of materials, the costs of conversion, so far as they may be ascertained and all other costs incurred in production; the rates of wages, and the ratio of labor costs to the total cost of production; the methods used and the expenses incurred in preparing for market, distributing, and selling the products of the industry and the wholesale and export prices of such products in domestic and in foreign markets; the degree to which the capacity of the industry enables it to meet the needs of domestic consumers and to produce a surplus for export; the nature of any obstacles that may exist in the way of the prosperity and further expansion of the industry; and any reasons peculiar to the industry for granting or withholding by the Government of aid in the form of bounties, subsidies, embargoes, customs duties, or in any other form.

"(d) To investigate in foreign countries as fully as may be practicable the conditions under which industries that do or may compete with the industries of the United States are pro-

duced in such foreign countries in the same manner and to the same extent as provided in the preceding paragraph (c) for the investigation of the conditions under which industries are prosecuted in the United States.

"SEC. 703. It shall be the duty of the commission to make such analyses of the import trade of the United States as may be necessary to show what imports by reason of their nature, quality, class, and variety compete with and what imports supplement in the domestic markets the identical, comparable, or other products of any industry established in the United States; to ascertain the expenses incident to transporting, distributing, and selling in the domestic markets articles of foreign origin that compete with any product of any industry in the United States and the wholesale and export prices at which such articles are sold in the country of origin and in the United States.

"SEC. 704. (a) It shall be the duty of the commission to report to Congress annually on the first Monday of December hereafter any case or cases arising through changes in industrial or commercial conditions in the United States or in foreign countries which render it advisable that any rate of duty on imported articles under then existing law should be removed, raised, or lowered by a substantial amount. In connection with any such case so reported the commission shall state the reasons and the facts on which such reasons are founded which, in its judgment, make it desirable that Congress should remove, raise, or lower the rate of duty under then existing law.

"(b) As a part of any report made to Congress in pursuance of paragraph (a) of this section, the commission shall recommend the rate or rates of duty which in its judgment should be fixed by law; and in connection with each rate so recommended the commission shall set forth in such detail as may be necessary the facts upon which it bases its conclusions; and shall point out the reasons of public policy which make it desirable that Congress should fix such rate.

"(c) It shall be the duty of the commission to report to Congress on the first Monday of December of each year hereafter a statement of the methods adopted and all expenses incurred and a summary of all reports made during the year.

"(d) In case of disagreement among the commissioners as to any report, finding, or conclusion authorized or directed under the provisions of said Title VII as amended by this act, separate reports by any one or more of the commissioners expressive of their views shall be made with respect to the matter in disagreement.

"SEC. 705. That the commission shall put at the disposal of the President of the United States, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested, all information at its command and shall make such investigations and reports as may be requested by the President or by either of said committees or by either branch of the Congress.

"SEC. 709. That there is hereby appropriated for the purpose of defraying the expenses of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$1,000,000 for the fiscal year ending June 30, 1923, and for each fiscal year thereafter a like sum is authorized to be appropriated."

## APPENDIX D.

WHAT SOME REPUBLICAN SENATORS AND EDITORIALS HAVE SAID.

In the St. Louis Globe-Democrat of July 2 Senator CUMMINS, of Iowa, is quoted as saying: "This is the most inopportune of all times I have ever known to enact a general revision of the tariff law. The information that is necessary is not at hand, and even if it were at hand at this moment we could not depend upon it as a basis for action to-morrow or next month or six months hence."

After paying a glowing tribute to the ability and worth of the distinguished Senator from Iowa, the great Missouri newspaper says:

"The position he takes as to tariff legislation is that which this paper has held ever since the tariff revision was proposed, and it is the position declared by the Republican Party in its platform in 1920. 'The uncertain and unsettled condition of international balances,' said the platform, 'the abnormal economic and trade situation of the world, and the impossibility of forecasting accurately even the near future, preclude the formation of a definite program to meet conditions a year hence.'

"We can now no more forecast even the near future than we could then," continues the St. Louis publication. "The Finance Committee, it is true, claims to have drawn away the veil that separates ordinary mortals from the coming years, and has

legislated on what is to come as well as on what is. But obviously Senator CUMMINS has little faith in the presence of his colleagues, having learned by long association that they are of the same clay as himself, and he does not pretend to be a soothsayer."

Among the Republican Senators, Mr. TOWNSEND, of Michigan, occupies a place of distinction. He, like many of his colleagues on the other side of the House, takes the position that the present is an inopportune time to frame a tariff bill. In his speech delivered in this Chamber June 24, the senior Senator from Michigan said:

"I recognize the fact that this is the most unfavorable time imaginable to revise the tariff. Not only are all world industrial conditions abnormal, all values changing almost daily, exchanges fluctuating with the rising and setting of the sun, reconstruction going on in nearly every country in the world, but since the House passed this bill the total changes in all conditions which affect values have made it almost impossible to use the House bill except as a glossary of titles, and at the rate the Senate is moving this measure will become ancient by the time it is allowed to pass. That conditions will continue to change there can be no doubt."

I call attention to the able speech of the Senator from Nebraska [Mr. NORRIS] delivered in this Chamber on May 18 of this year. In that address Senator NORRIS said, among other things:

"Mr. President, I realize the difficulty that the committee has been under in drafting this bill. There is no man here who has had more sympathy than I have had for them in the work that is before them, and no man more willing to testify to their earnestness and their diligence in working on this bill. The difficulty was that they were up against an impossibility in trying to draw a bill along protective lines. With the disjointed condition of the world to-day I think it is an impossibility to draw a tariff on protective lines. With the changes that are going on all over the world, and that we know are continuing to go on, and that we want to go on until the world gets back to a normal condition, we can not expect to draft a tariff law to-day, even if we could draw one on scientific lines, that would not be out of joint to-morrow."

Earlier in the same address the Senator from Nebraska warns his colleagues that the bill will not suit the farmers of the Nation. He says:

"Mr. President, we can not defend a bill built on these principles. You may get the votes and put it through, but I warn you that we will be the sufferers. It almost commences to look as though this side, which was organized to protect the farmer, have some kind of a deal with somebody else by which they say, 'We will vote for everything you ask.' Strength is given to that kind of a proposition from the fact that there is, as a rule, nobody here."

During a speech by the Senator from Nebraska on May 12 of this year, the senior Senator from Idaho [Mr. BORAH] interrupted to state among other things that he was willing to postpone consideration of the measure. On that occasion Senator BORAH remarked:

"Let me say another thing while I am in this controversy. I do not think there are any facts to be had upon which to base an intelligent tariff bill at this time. That is my opinion."

"The answer to that is that they should not pass the bill," suggested Senator HITCHCOCK. Whereupon Senator BORAH said:

"I would unhesitatingly vote to postpone consideration of the bill and to take care of the situation, as far as I think it needs to be taken care of, by a simple addition to the emergency tariff law. I do not know where we could get any facts as to the cost of production abroad. I have not been advised of such facts. I do not see how it is possible to secure them. The facts that would be available to-day would be utterly swept away to-morrow by the conditions throughout the world. I do not believe it would be possible to make a tariff law of permanent worth under such conditions."

Replying to another question by Senator HITCHCOCK, the Senator from Idaho said:

"I frankly confess that I do not know what the difference is in the cost at home and abroad, and I am in exactly the same boat as every other Senator in this Chamber, so far as being able to determine the question. There are no facts presented and there are no facts to present."

The able chairman of the Finance Committee [Senator McCUMBER] said in a speech in this Chamber on April 20 last:

"We have often been advised, and the advice is well founded, that of all times in our history this is the very worst time in which to formulate and put into effect a new tariff measure. \* \* \* Heretofore we have had comparatively little difficulty in applying as the standard of measurement in fixing our rates the difference between the domestic and foreign costs of pro-

duction. These differences for the most part have been reasonably stable and certain, but since the 11th day of November, 1918, we have lived in a new world. Old landmarks have been swept away. Old guides have become misleading."

The junior Senator from New Jersey [Mr. EDGE] told us in a brief address on July 11 of this year that he believed Congress to be at best poorly equipped for the service of drawing a permanent tariff bill at this time.

"At best, because of lack of technical knowledge, Congress is poorly equipped, and, anyhow, there are too many other problems the solution of which Congress demands at our hands. I freely admit my lack of knowledge as to the wisdom of many of the schedules I have voted on during the consideration of this measure. \* \* \* Again, may I repeat, with all due respect, that this Congress, or no other Congress, is equipped to enact scientific tariff schedules, and that to properly serve the country they must be flexible."

Senator FREELINGHUYSEN, of New Jersey, is apparently not fully assured of the wisdom of definitely revising the tariff at this time. He would at least make provision for the revision of the work of Congress by some other agency. The following, quoted from his speech in the Senate July 11, is at least significant:

"Personally, while fully subscribing to the policy of protection as measured by an honest difference between the cost of production at home and abroad plus a reasonable profit, I recognize that the problem is more involved to-day than at any time in the history of the country. I recognize fully the fact that trade can not alone go in one direction; that if we sell we must buy; and that to-day the European countries can hardly reimburse us through any other agency than by an exchange of goods. I believe that such exchange should be encouraged, and encouraged on a much larger scale than trade reports register at the present time.

"I recognize that embargoes and too heavy duties operate against a correction of this condition; but I recognize likewise that positive and distinct discrimination should be made by us as to what commodities we will permit to make up the volume of our imports and those that it is inimical to our domestic interests to encourage. I feel that Congress is hardly equipped clearly to balance the necessity of these discriminations, and it makes me all the more positive that other agencies, purely American agencies, must be employed."

In a recent speech Senator LA FOLLETTE said:

"In my opinion it is impossible at this time to undertake a study of the difference in cost of production. So we have before us at this time as much as the present Tariff Commission could do. There are a large number of surveys in the different industries, showing what they are doing in other countries in the way of production, such information as they could gather over the years they have been at work. But I undertake to say that the fact that it is impossible to make this scientific study is the best reason in the world why this Finance Committee should never have undertaken to make a complete revision of the tariff at this time."

Many editorials from the leading Republican papers of the country are constantly appearing condemning the provisions of this bill. In fact, I can not call to mind any newspaper in the country—Republican, independent, Democratic, or commercial—which is ardently supporting the bill. Many of these editorials have been printed in the RECORD from time to time, and I do not recall that the proponents of this bill have brought forward any editorials of recent date commending it.

That the present bill does not meet the approval of Republican newspapers is made clear by the opinions which I quote from publications in widely separated parts of the country. The Kansas City Star, which has never seen its way clear to give enthusiastic support to any but the Republican Party, has this to say of the bill:

"The Senate Republican leaders are beginning to doubt the wisdom of passing the tariff bill before the congressional elections in the face of evidence furnished by recent primaries that the bill is extremely unpopular; knowledge comes, but wisdom lingers usually until it is too late."

The New York Herald, owned by that loyal and virile Republican, Frank Munsey, in its issue of July 5 has this to say of the tariff:

"The tariff changes that nearly all of us supposed were immediately necessary to ward off imminent foreign menace have not proved the only thing that could save the day. Far from it, the day has been saved, and well saved, with no new tariff law at all except the emergency tariff provisions hurriedly enacted more than a year ago.

"And with the country now so much stronger and sounder in economic health than it was two years ago and one year ago,

with its enterprise so much more confident and its incentive so much more eager to press on in its present national aspect, it is not creditable that the country will not give a good account of itself in the next several months without any complete revision of the tariff, if it can not have complete revision that is sound in economics and right for the American people. There is no shadow of a doubt that the country, having gone so far, can go further and go in spirit to get the tariff that is right.

"But it is unsafe for Congress to assume that the country would view with courage a revolutionary tariff threatening to increase the public's living costs inordinately and to renew the economic horrors of inflation. It is an unsafe gamble for Congress to assume that the American people would indorse at the November elections a hurried, imperfect, scrambled, wretched tariff in which nobody really believes.

"The American people do not want the tariff which is now before Congress. They do not want any new tariff that is not right. They are willing to wait a while longer for what they do want—a tariff that is right. The American people will not meekly suffer a tariff mistake. The present majority may not survive a tariff mistake."

It is pleasant to be able to obtain such substantial Republican indorsement for delay and such unequivocal support for my statement that the country is not threatened with ruinous foreign competition.

On July 7 of this year the New York Tribune, whose Republicanism has not in a generation been doubted, warns Congress to "Have a care."

"There is no reason for passing a complicated, highly technical, and confessedly faulty tariff bill at this session," says the Tribune. "No harm can come from fuller study and more intelligent drafting or from waiting until economic conditions at home and abroad can be better established. Yet some in Congress talk as if the country were clamoring for tariff legislation and did not care much what it got in that line only so it got something quickly."

The Tribune complains that the authors of the tariff are trying to protect special groups of producers instead of viewing the matter from the broad standpoint of national policy or national necessity. In this connection the great New York publication says:

"None of the founders and great exponents of the protective system ever dreamed of employing protection except for national purposes or ever laid duties except with the hope of enabling the domestic producer to dispense after a time with anything like prohibitive rates. The authors of the Fordney and McCumber bills have evidently been parceling out protection for the benefit of individual producers and groups of producers rather than with a proper regard for the ultimate effects of those duties on the country as an economic whole."

After declaring that, in its judgment, the senior Senator from Massachusetts [Mr. LODGE] would welcome postponement of the bill, the Springfield Republican remarks:

"The Senate leaders would serve their party best at this time by frankly scrapping the tariff legislation, which can not now be enacted into law before October, a month before election. All indications are that prices will rise in the autumn, as they already have on woolen goods, and the price movement would be a political burden for Republican candidates."

On May 20 the Chicago Tribune, in a brief editorial, quotes from an address by the President to the Chamber of Commerce of the United States. In that speech the President said, "I realize we can not sell abroad unless we buy. Let us sell to the world the things we produce and which they do not, and let us buy the things they produce and we do not." Approving these words, the Tribune comments:

"They are sound observations. Such is the reasoning of the best economists on tariffs and trade since tariffs and taxes were first conceived. But they are not being applied in the making of the present tariff bill at Washington. That bill has been prepared largely through the influence of various private interests, each appearing in committee and arguing for a tariff which would protect its particular commodity and develop its particular business, regardless of the effect of that duty upon international trade or the advantage of the country as a whole."

If the Tribune is correct in its diagnosis of the present bill, it is difficult to see how, if it gets through Congress, it will receive Executive assent.

In the Boston Transcript, one of New England's foremost Republican papers, appears the following editorial comment. I quote from the edition of May 25:

"But the farmer will be blind to his most important interests if he fails to see that he will be unfavorably affected by a tariff policy which makes it difficult for Europe to continue to buy its customary quantity of food products in the United

States. If he can not find a ready market for his surplus wheat, the price is bound to go down, and this can not be changed by an appeal to the soundness of the protective principle or a reference to prosperous periods under high protection. During these periods we were a debtor Nation; the balance of trade was against us. To-day we are the great creditor Nation of the world and there is a heavy balance in our favor. This makes all the difference in the world. We must permit Europe to pay out by selling to us, or we must invest heavily in European securities. That is what Europe did when the case was reversed. Nothing but the most superficial knowledge of everyday economics could suggest any other view."

I find in an earlier issue of the New York Tribune, published May 27 of this year, the following recommendation:

"The Senate can do the Republican Party and the country a service by postponing tariff legislation until conditions clear up and the Republic's real interest in the venture which Mr. FORDNEY and Mr. McCUMBER have in hand can be more satisfactorily determined. There is no rush for an upward balancing of rates, which may do more harm than good. The situation in commerce and industry, both here and abroad, is unstabilized. More than that, the Fordney-McCumber bill is an undigested bill. It lacks the scientific character which an after the war tariff bill, breaking new ground, ought to have."

The Ohio State Journal, independent, usually Republican, of Columbus, Ohio, in its issue of May 27 of this year makes the following observations:

"There seems to be little or no sentiment for the pending tariff bill except such as comes from the specific business interests which hope to profit financially by it. All the great Republican and independent newspapers, so far as our observation goes, are against the bill in anything like its present form. The realization seems to have come to the general public that it would be an absurdity, to put it mildly, to erect a higher tariff wall than we have ever had around the country at a time when what our producers need is a wider market, when what our consumers need is employment and reasonable cost of living, when what our Treasury needs is interest on our European loans, not to mention some of the principal. If commercial isolation was good for us in the old times, when Europe prospered and owed us nothing, surely it can not be good for us now, when European industry is more or less paralyzed and mortgaged to us. When a man owes you money you do not attempt to curtail his business so that he can not pay you."

My attention has again been called to editorial comment in the Chicago Tribune. On June 1 that paper said:

"The tariff makers are working in exactly the old logrolling methods which have been operative for decades. One man desiring a high tariff on a certain commodity, regardless of the effect upon the country as a whole, agrees with another man desiring a high protective tariff on another commodity, regardless of its effect upon the public, that each will support the other's demands. They do so; the tariff is fixed on these commodities and the public is ignored. Other men agree on other commodities with similar results. The result is a tariff of exploitation rather than of protection. If such a bill is passed and becomes a law it will not do the Republican Party any good at the coming elections. Each interest which is so advanced may cast a grateful ballot at the coming election, but even so they will be in the minority compared to the mass of voters who get high prices without high wages out of the arrangement."

This is the newspaper which did such yeoman service for the majority party two years ago.

The Chicago News, an independent newspaper, which during national election campaigns is invariably with the Republican Party, has the following editorial comment in its issue of June 14 of this year:

"There is significance in the implied admission that the pending tariff bill will increase prices all along the line and arouse widespread dissatisfaction and resentment. If the bill were sound, no such effects would follow. Besides, what necessity is there for protective duties so high as to advance commodity prices that in many instances are still inflated?"

Approving the advice given the Republican Members of Congress by the New York Tribune, the Springfield (Mass.) Republican in its issue of June 23 remarks:

"The New York Tribune speaks with the wisdom of a political sage in advising Congress to adjourn and go home before passing the tariff bill."

The Brooklyn Eagle, an independent newspaper, says in its issue of June 5 of this year:

"Why is it that so many good Republican newspapers throughout the country are jumping on the tariff bill as establishing a measure of protection which, in their judgment, the country does not need?"

The Indianapolis News, an independent publication, which gave strong support in the primaries to the junior Senator from Indiana, and usually leans strongly in the direction of the Republican Party, says editorially on June 15 of this year:

"The idea of throwing a tariff sop to the farmers to reconcile them to schedules which exceed all the needs of protection and afford to those favored an opportunity to make enormous profits is ingenious, but as the farmers long ago ceased to buy gold bricks they now naturally reject sops and are not flattered by the offering."

"The country needs a tariff revision which takes fully into account the change which has occurred in our economic status," observes the New York Tribune of May 22 of this year. "We have become a creditor nation. The age of isolation has passed. Protection must assume a modified and more scientific form. Mr. FORDNEY's statesmanship of 25 or 30 years ago, sound enough then, is too unsophisticated now. The tariff he has drawn is not suitable to large classes of American producers and manufacturers, and is opposed to the interest of most consumers." In another issue, June 22, the same paper calls the tariff bill a very bad bargain.

"What our farmers and our manufacturers need now is the least restricted markets for their products it is possible to have," remarked the State Journal, of Columbus, Ohio, on May 6. "What the great mass of our consumers want is work together with a lowering cost of living. What Europe is in desperate need of is a chance to resume industry, sell goods, recuperate her strength, and pay her debts. These ends, infinitely more important than the advancement of the supposed interests of some comparatively small favor-seeking American group, would not be enhanced by a high tariff, but rather defeated by it."

The Washington Star, which has pretty consistently supported the present administration and the majority party in Congress, speaking of the tariff in its issue says:

"The fact of the matter is that neither its friends nor its enemies can be sure of the bill in action. Conditions everywhere, at home and abroad, are such that the ordinary bases of action have disappeared. Tariff revision now and tariff revision which took place in 1913, with the World War coming between the two dates, are horses of another color."

On March 17 of this year the New York Tribune characterizes the bill as "rash and inopportune."

"Why should Congress hurry the tariff along?" the distinguished New York Republican organ asks. "The time isn't ripe yet for a permanent revision. From a political viewpoint a revision made just before a congressional election means almost certain defeat for the party in power in the House. The country as a whole is not greatly interested in tariff revision at present. It is much more interested in an economic settling down."

The New York Herald in its editorial columns of March 22 carries the caption "Our foreign trade blowing up."

"The country," says the Herald, "is losing its export business, first, because the goods it wants to sell abroad are for the most part too dear to find any buyers in competitive foreign markets where other producers can sell for less than we can because they produce for less than we do. This country is losing its export business, secondly, because foreign producers, even when our prices are right for the goods we offer abroad, can not buy from us if they can not pay us."

Criticizing the heavy tariff on gloves provided for in the present bill, the Christian Science Monitor remarks:

"During many years the American manufacturers of gloves were given the benefit of protective duties, but they utterly failed to produce the light-weight leather gloves of the style and finish that the American women were accustomed to wear. In view of this failure, there is absolutely no reason why Congress should impose a heavy burden of higher prices for gloves bought by the women of the United States."

Sustaining my contention that the most important matter to be considered at the present time is how we are to obtain and improve foreign markets, the Indianapolis News makes the following suggestions in its issue of April 17 of this year:

"A decline in foreign trade, if severe, involves economic prostration in several basic industries and widespread suffering among the people. To belittle the importance of foreign markets is therefore to proclaim one's ignorance of modern economic conditions and one's indifference to the country's vital needs."

Mr. GERRY. Mr. President, I send to the desk certain amendments and ask that they may lie on the table so that they can be called up at the appropriate time.

The PRESIDENT pro tempore. The proposed amendments will lie on the table. The question is upon the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the

amendment offered by the Senator from Louisiana [Mr. BROUSSARD].

Mr. GERRY. Mr. President, I wish to say a few words in regard to some of the amendments which I have sent to the desk.

The PRESIDENT pro tempore. The Senator from Rhode Island can not discuss the amendments at this time.

Mr. GERRY. I should like to ask the Chair when the Senator from Rhode Island will have the opportunity to discuss the amendment? The vote will take place not later than 2 o'clock.

The PRESIDENT pro tempore. The Senator has stated that correctly. The unanimous-consent agreement provides that discussion must be confined to the pending paragraph, either the sugar paragraph as a whole or to the pending amendment. The Senator would not be within the rule if he were now to discuss amendments which are not pending.

Mr. GERRY. The Senator understood that under the pending unanimous-consent agreement a Senator was allowed to take one hour on the schedule and an hour on each amendment. The Senator spoke yesterday an hour and a half and, therefore, would have half an hour on the general paragraph if he cared to discuss that.

The PRESIDENT pro tempore. The present occupant of the chair was not in the chair at that time.

Mr. GERRY. The Senator is very sure he did not take longer than that time, but he only wishes to take about five minutes now on the schedule.

The PRESIDENT pro tempore. The Senator addressed the Senate for an hour and a half. What part of that time did he consume upon the paragraph as distinguished from the amendment?

Mr. GERRY. It is a little hard for the Senator to determine. He was discussing practically the first amendment which came up in relation to paragraph 501. He thinks it is fair to say that the Senator took an hour on the amendment to paragraph 501 anyway.

The PRESIDENT pro tempore. The Senator now desires to take half an hour upon the paragraph?

Mr. GERRY. The Senator will not take as long as that. He will not take longer than three or four minutes.

The PRESIDENT pro tempore. The Senator from Rhode Island will proceed.

Mr. GERRY. Mr. President, as typical of the sugar schedule I want to call attention to two or three rates contained in it. In paragraph 503, for example, in the committee amendment, there is put into effect a new method of assessing the sugar content. I think the method adopted by the committee was sound and probably more accurate, but it makes it rather difficult to determine how much higher the rate is than it was under the Underwood law. However, I have sent to the desk an amendment which I shall call up later, and which I believe will give an example of how the paragraph and other paragraphs of the bill are formed and compare with the Underwood rate.

This paragraph, like every other paragraph in the schedule, is a great deal higher in its rates than the Underwood-Simmons rates. For example, in paragraph 504 the pending bill fixes a rate of 4 cents on maple sugar and maple sirup, while under the Underwood-Simmons law these commodities were taxed at 3 cents. There is no real reason for adding this tax, except for the purpose of giving additional higher prices to certain favored corporations or industries. The amount imported is negligible and the revenue derived from it would be very small. I hope when it comes to the vote that the Senate will refuse to accept the House provision and will go back to the lower rate. I also hope that they will go back to the lower rate on dextrose sirup, which is grape sugar. They have increased that rate from one-eighth of a cent to one-half cent per pound.

Now, let me take another example of how the rates have been increased, apparently with no idea of raising any large amount of revenue, but simply for the purpose of looking after certain industries that wanted to be favored. Paragraph 505 has a long list of commodities, such as adonite, arabinose, dulcite, galactose, inosite, and so forth. The duty fixed in the pending paragraph is 50 per cent ad valorem. Under the Underwood Act the rate was 15 per cent ad valorem. Most people reading over the paragraph would not know what these things are nor their uses. Under the Underwood law they were contained in the general chemical schedule, as I have said, at 15 per cent ad valorem, with the exception of salicin, used in the cure of rheumatism, which is found on the free list. The general character of these articles on which the tax is assessed can be briefly explained as follows:

Adonite is found in the sap of the *Adonis vernalis*. It has never been prepared in any quantity and only for experimental purposes.

Arabinose does not occur to any extent in the free state. It can be easily made from gum arabic and cherry gum. It is probably used to a slight extent as a medicine and for experimental purposes.

Dulcitol (dulcitol) is made from Madagascar manna and from d-galactose. It is used in cases of diabetes.

Galactose occurs very rarely in the free state. It can be easily made from lactose and also from raffinose and certain gums and pectins. It is used as a test for the functional activity of the liver.

Inositol is found as the methyl ester in the muscles of animals and in plants. It can be made from an extract of walnut leaves. It is probably only used in experimental work.

Inulin is a variety of starch found in the dahlia, sunflower and chicory. It has been used to prepare fructose and medically in cases of diabetes.

Levulose (fructose) very rarely occurs alone, but usually with glucose. It can be made from inulin and from invert sugar.

Mannitol (mannitol) is found in manna, in the sap of the larch, also in leaves, fruits, and fungi. It is made from manna. It has been used as a laxative and in cases of diabetes.

Talose has only been made synthetically from d-talonic lactone and from d-galactose. It has probably only been used experimentally.

Tagatose has only been made synthetically from d-galactose. It also probably has been used only experimentally.

Ribose has been prepared synthetically from ribonolactone and from adonite.

Melibiose has been prepared from raffinose.

Dextrose (glucose of over 99.7 per cent) occurs in many fruits and unripe grains. It is made easily by the hydrolysis of starch and cellulose. It has been used (in this very pure condition) as a culture media for bacteriological work.

Mannose occurs to a slight extent in many plants. It is easily made from ivory nuts. It has probably only been used experimentally and medically.

Melezitose occurs in manna from the larch and from Douglas fir. It is prepared from this manna.

Raffinose occurs in sugar-beet molasses and in cottonseed meal. It can be easily recovered from either. It is probably only used experimentally and medically.

Rhamnase (probably rhamnase) occurs as a glucoside in plants. It can be made from Persian berries.

Salicin is quite a well-known drug. It occurs in willow bark and has been extracted therefrom. It has been used in cases of fever and rheumatism.

Sorbitol (sorbitol) does not occur in free state. It can be obtained synthetically from glucose. It also can be prepared from mountain-ash berries. It is used experimentally to obtain sorbose.

Xylose is obtained from wood gums which are found in the bark, roots, and leaves of plants. Often the hulls of cotton seed and oats are used for its preparation. It has probably been only used experimentally.

Mr. President, it seems to me that it would not be wise for Congress to place such a high tax as 50 per cent ad valorem on these commodities, thereby penalizing articles which are mostly used by scientific men in their experiments or are used for medicinal purposes in the treatment of diseases which are largely prevalent and which it is so important that the people shall be treated for at the lowest cost. I think this section of the schedule is typical of the manner in which the bill in its entirety has been drawn.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Rhode Island [Mr. GERRY] to the committee amendment.

Mr. SIMMONS obtained the floor.

Mr. NICHOLSON. Mr. President—

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

Mr. SIMMONS. I yield to the Senator from Colorado. I simply took the floor because I knew the Senator from Colorado desired to speak, and I noticed that his attention was diverted for a moment.

Mr. NICHOLSON. I thank the Senator from North Carolina for his courtesy.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Colorado.

Mr. NICHOLSON. Mr. President, before taking up the discussion of this question I wish to make my position clear. There has been a great deal of talk concerning the personal interest of Members of this body in the production of sugar, in

sugar refining, and in the production of other commodities, and, in order that there may be no doubt as to my personal position, I desire to state to the Senate for its information that I am not directly or indirectly interested in an acre of land in the United States which produces a ton of sugar beets or sugar cane, nor do I own any interest in any factory or refinery in the United States which produces a pound of sugar. I am the owner of stock in a plantation and mill in Cuba which produces and ships raw sugar to the United States for refining and marketing. I wholly disregard my connection with the Cuban interests, and my only concern at this time is to legislate for the best interests of the people of my own State and every other sugar-producing State in the Union. In making this statement I do not wish to be understood as indicating that if I were interested in the domestic sugar industry I would withhold my vote or change my attitude in the least, for if a measure is good for the country at large it is good whether I am or am not financially interested in the industry affected.

I am especially interested in the development of the beet-sugar industry because of the fact that it is due to the development of this industry that, while during the past several decades the prices of all other agricultural products have greatly increased, the price of sugar has been greatly decreased. In 1840, when practically all of the sugar of the world was produced from cane, the New York wholesale price of granulated sugar was over 11 cents per pound and the sugar was of an inferior grade as compared with the sugar of to-day; so that the people are indebted to the sugar-beet growers of the Temperate Zone for the reduction in the price of sugar which has gradually taken place. The production of sugar beets since that time has steadily increased until at the commencement of the great World War there was produced from sugar beets 50 per cent of the world's entire sugar requirements. From this can be readily seen the great importance of the continued development of the beet-sugar industry and the necessity, especially on the part of the United States, for the production of increased quantities of sugar beets.

There is no country on the face of the earth which has such a large acreage available for the production of sugar beets as has the United States. The question of the possible beet-sugar area of the United States arose in this body in 1909, and on April 8 of that year the Senate passed a resolution calling upon the Secretary of Agriculture—the Hon. James Wilson, of Iowa—for data on this subject. Section 6 of the resolution reads as follows:

The methods which have been pursued by the Department of Agriculture in order to determine the beet-sugar area in the United States; also, what States are now known to be adapted to the culture of sugar beets; also, what amount of beet sugar could be produced annually in the United States.

I desire to read from page 27 of the Secretary's reply to the resolution:

POSSIBILITIES OF BEET-SUGAR PRODUCTION IN THE UNITED STATES.  
NATURAL CONDITIONS.

In regard to the possibilities of beet-sugar production in the United States, conditions of soil and climate naturally deserve to be considered first. In another part of this report I have given a brief summary of "the methods which have been pursued by the Department of Agriculture in order to determine the beet-sugar area of the United States." I have also commented on the work of a similar character performed by the State agricultural experiment stations and by private individuals and associations. A map has been prepared, and is presented herewith, showing not only the theoretical sugar-beet belt but the actual location of every factory established in the United States since the period of successful operation began. A glance at this map reveals the enormous possibilities for the further development of the industry. In order to give more definite expression to these possibilities I submit the following data:

The theoretical sugar-beet belt lies between the isotherms of 69° and 71° F. for the three months of June, July, and August, as determined by a study of climatic data for a long period of years. The possibility of growing beets of satisfactory quality within this belt has been determined not only by a great number of experiments but by actual production for factory use. By the same means it has also been demonstrated that satisfactory beets can be grown in large areas adjacent to and removed from this belt. A careful determination made in the Bureau of Soils of this department indicates that the sugar-beet belt—bounded by the isotherms indicated above—contains a total area of 428,000 square miles, or 274,000,000 acres. As this belt extends across the country from ocean to ocean, it is evident that its western third contains large areas of land that are either mountains or arid and unirrigable, and such areas must be eliminated from consideration. No attempt has been made to estimate the available acreage of lands lying outside this theoretical belt. To say that such lands are more than sufficient to make up for the mountainous and arid lands eliminated from the belt is certainly a conservative estimate. We are therefore justified in saying that the total area having soil and climatic conditions adapted to the production of satisfactory sugar beets is at least 274,000,000 acres. Of course, a large part of this area is occupied by woodlands, permanent pastures, cities, and villages, farm homes, roads, rivers, etc.; and considerable areas are too rough or too swampy for cultivation. It is neither possible nor necessary in this discussion to determine exactly what part of this area is at present actually improved. It is certain that the percentage of cultivated ground is large and, moreover, that it is steadily increasing and will continue to increase so long as the density of population increases.

Perhaps our capacity for producing beet sugar can be shown most clearly by considering the beet acreage necessary to produce the sugar which we now import from foreign sources.

During the past five years our average production of beets per acre has been 10 tons and the average extraction of sugar by the factories 12 per cent. The average production of sugar per acre has therefore been 2,400 pounds, or 1½ short tons. During the fiscal year 1907-8 we imported from strictly foreign sources—not including the island possessions of the United States—1,686,795 short tons of sugar.

To have produced this sugar at the average rate of 1½ tons per acre in 1907 would have required 1,389,000 acres of sugar beets. In other words, if our beet acreage for 1907 had been increased by 1,389,000 acres, yielding at the average rate for the past five years, and we had possessed factories to work up the beets, we would have produced enough sugar to supply the entire home demand.

Dividing now the 274,000,000 acres lying within and adjacent to the sugar-beet belt, having soil and climatic conditions adapted to the production of satisfactory beets, by 1,389,000 acres, we find the quotient to be 197. If, therefore, beets had been grown on only 1 acre out of every 197 acres of the adapted area, the beets produced would have yielded enough sugar to replace all the foreign sugar we used. Speaking in round numbers, we would at the present time have to grow beets on only one two-hundredth part of our demonstrated sugar-beet area—in addition to the area already in use—to make this country self-sustaining in the matter of sugar. If we suppose but one-fourth of the sugar-beet area to be actually devoted to crops, the growing of beets on but 1 acre out of every 50 tilled acres would enable us to stop using foreign sugar.

The consumption of sugar has been increasing very rapidly in the United States. It has in fact doubled in a period of 20 years. While consumption can not be expected to increase so rapidly in the future, it is not unreasonable to suppose that it may double again in the next 30 or 40 years. From the figures already given it appears safe to say that our sugar-beet area is sufficient easily to take care of such an increase in consumption. When we consider that the production of cane sugar in our Southern States is likely to increase, and that a large increase of cane sugar may confidently be expected from Hawaii, Porto Rico, and the Philippines, it is evident that the meeting of future demands will bring no greater difficulties than those involved in supplying our present needs.

If, therefore, the possibilities of beet-sugar production in the United States are to be judged solely from natural conditions of soil and climate, I believe it is perfectly safe and conservative to estimate that we can produce beet sugar enough, along with the cane sugar produced in the South and in our insular possessions, to supply the entire home demand of the present and of the future.

But I would not be understood to mean that the foregoing statement indicates the limit of possibilities. The production indicated above should by no means exhaust the possibilities of the area outlined, and I believe that area can be vastly increased. I estimate that if the sugar beet were grown throughout those portions of the United States adapted by nature and with the aid of irrigation to its culture, with a system of rotation including the cultivation of the beet every fourth year, 15,000,000 tons of beet sugar could be produced in the United States annually, or more than the world's total production of sugar at the present time.

I now send to the desk and ask that the Secretary read a copy of a letter addressed by me to the present Secretary of Agriculture, Hon. Henry C. Wallace.

The PRESIDENT pro tempore. Without objection, the Secretary will read the communication.

The Assistant Secretary read as follows:

JULY 8, 1922.

HON. HENRY C. WALLACE,  
Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: On account of the great bearing the beet-sugar industry has on the prosperity of all farming communities where it is established, I am much interested in seeing that industry prosper and expand.

I had been led to believe we had ample territory where soil and climatic conditions were especially favorable for producing high-grade beets to produce all the sugar we consume, but one of the witnesses before the Finance Committee intimated that such was not the case.

In order that I may be able to take this matter up intelligently, I shall appreciate it very much if you will advise me whether or not you consider there is enough first-class sugar-beet acreage in the United States, which if planted to beets and with the possible expansion of cane-sugar production in the Southern States, would enable us with our insular product to take care of our own sugar requirements.

Any other information you can give me along this line will be highly appreciated.

Sincerely yours,

SAMUEL D. NICHOLSON.

MR. NICHOLSON. Mr. President, I now desire to read the reply of Secretary Wallace to the letter just read by the Secretary:

DEPARTMENT OF AGRICULTURE,  
Washington, August 5, 1922.

HON. SAMUEL D. NICHOLSON,  
United States Senate.

DEAR SENATOR: Replying to your letter of July 8, there seems to be no question but that we have in the United States an abundance of sugar-beet land, which, along with the cane-sugar land, can be made to produce all of the sugar needed to meet our home requirements.

During the past five years the average consumption of sugar in the United States was about 4,853,000 short tons yearly.

Our beet-sugar production has been increasing at the rate of about 40,000 short tons per year. During the five-year period 1917-1921 the continental United States produced annually 872,424 short tons of beet sugar and 231,236 short tons of cane sugar. During the same period we received from Hawaii, Porto Rico, and the Philippines average yearly shipments of 1,079,846 short tons. Thus our total home and island production equals 2,183,506 short tons annually, or nearly 45 per cent of our total consumption. At this rate of production, therefore, we need about 2,669,885 short tons in addition to our home production of cane and beet sugar.

In 1921 our sugar-beet acreage was about 814,988 acres. It is estimated that there are 200,000,000 additional acres of excellent sugar-beet land in the States of the Northwest and about 45,000,000 acres in States not now producing sugar beets, all of which, under favorable conditions, can be brought into satisfactory production. It seems reason-

able to say, therefore, that we can add 245,000,000 acres to our sugar-beet acreage.

Most of the cane sugar in the United States is produced in Louisiana, 226,366 acres of sugar cane having been harvested in that State for sugar production in 1921. This was less than one-sixth of the present tillable area in those parishes in which sugar cane is grown and less than one-tenth of a possible tillable area in those parishes, having in mind the area which is capable of drainage. A conservative statement, therefore, would be that it should be possible to produce a million tons of cane sugar in Louisiana.

The foregoing gives the basis in answering your question as to whether or not it is possible for the United States and her insular possessions to produce sufficient sugar to meet our needs. Under conditions which have prevailed during the past 25 years there has been a gradual increase in our sugar production. This increase can, of course, be accelerated by favorable economic conditions. This all involves a matter of public policy, and should have full consideration in connection with the formulation of a national agricultural policy for the United States.

In considering this matter the character of the beet crop and its relation to soil fertility, as well as the effect upon the land of the sort of cultivation given and the value of beet tops, beet pulp, and beet molasses for live-stock feeding purposes should, of course, be given due weight.

This whole question offers a tempting field for discussion, but I believe that in the foregoing I have answered the question asked in your letter.

Very truly yours,

HENRY C. WALLACE, Secretary.

It is my belief that, if a proper survey were made, it would be found that in the State of Texas, which is about the size of the German Empire before the World War, and which empire produced in the neighborhood of 3,000,000 tons of sugar annually, a like result could be obtained if the land in Texas adapted to the production of sugar cane were planted to this crop. The area of Texas is 167,866,600 acres, so that only one out of every 56 acres would be required to equal the German production of sugar, namely, 3,000,000 tons.

It is estimated that in Cuba there is under cane cultivation an area of approximately one and a half million acres, which produce a crop of 4,000,000 tons annually. I am given to understand that in the Florida everglades there is an area of approximately 4,000,000 acres which, when drained, is adapted to sugar-cane cultivation, or enough acreage to produce far more sugar than the amount produced in Cuba.

I have very briefly endeavored to show the possibilities of the production of beet and cane sugar in the continental United States, but this subject could be very much enlarged upon did time permit.

Mr. President, I think it a fair conclusion that had it not been for the development of the beet-sugar industry, thus giving us two sources of sugar supply, the world would be paying far more per pound for its sugar than it is to-day. Not only did the discovery that sugar could be produced commercially from beets greatly enlarge the sugar-producing area of the world but prior to that time the cane-sugar production of the Tropics, produced by slave labor, was most primitive and wasteful. From the outset the production of sugar from beets was under highly scientific methods, evolved by the world's leading chemists, and gradually the scientific knowledge developed in the beet-sugar industry has been applied to the cane-sugar industry of the Tropics, until to-day their primitive mills and wasteful processes have given way to the scientific successes which first developed the beet-sugar industry and their modern mills are as extensive as are the beet-sugar factories.

Back in 1840, when the Tropics, after centuries of continued cane-sugar production, had reached a world output of 1,288,000 tons, the newly created beet-sugar industry produced 51,500 tons, or only 3½ per cent of the total. In that year the average wholesale price of raw sugar in the United States was 11½ cents per pound. Our total consumption then amounted to only 120,000 tons, of which about one-half was produced in Louisiana and the other half was imported from the Tropics, mainly from Cuba.

Mr. President, we all know that the wonderful progress made in the methods of producing sugar has been duplicated in the production of other farm crops through the invention of the reaper, the mowing machine, the drill, the corn planter, and a multitude of other farm implements. Of course, while the other farm costs of production have decreased, the price of labor has steadily increased, both on beet and nonbeet farms.

Mr. President, I want to show you that of all the foodstuffs upon which reliable data is to be obtained, running back as far as 1840, sugar is one of the four items which has declined in price, and the decline in the price of sugar is far greater than in any of the other three. These figures from 1840 to 1890 are taken from the Aldrich report of the Senate Finance Committee, published in 1893. Quarterly prices for each year are given, and the yearly figures I will use are secured by taking an average of all the prices for each year. The prices from 1900 to 1921 are from the reports of the United States Department of Labor, and the figures cover 21 food commodities.

The quotations show that of the 21 food commodities, 17 have increased in price all the way from 16 to 186 per cent, with an average increase of 45.22 per cent. Bread has gone up 122 per cent, butter 160 per cent, cheese 126 per cent, eggs 121 per cent, ham 122 per cent, while raisins top the list with an increase of 186.1 per cent.

On the other hand, the price of coffee has declined 25 per cent, corn meal 26 per cent, mutton ninety-five one hundredths of 1 per cent, and sugar 44.8 per cent.

Practically every other food commodity the wage earner purchases has gone up nearly 50 per cent, while sugar can be purchased at about one-half of what it was selling for 80 years ago.

Mr. President, if the price of sugar had kept pace with the price of other food commodities, sugar now would be selling regularly for 16 cents a pound instead of 6.2 cents, the average price during 1921.

So, Mr. President, the consumers of sugar have nothing to complain of. Their only complaint on the price of sugar was the price in 1920, which was due not to our domestic producers, who had no sugar to sell, but to the exploiting New York-Cuban producers, who, having a million tons of sugar in the warehouses, formed a pool to bleed us and agreed among themselves not to sell an ounce of their great stores of this article at less than 24 cents a pound for raw sugar f. o. b. Cuba.

Mr. President, I have here a table giving the average yearly price of each of these commodities, by decades from 1840 to 1921, and, without objection, will have it printed with my remarks.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Wholesale prices of foodstuffs.  
(By decades, 1840-1921.)

	1840	1850	1860	1870	1880	1890	1900	1910	1921	Per cent increase.
Beans, per bushel.....	(1)	(1)	\$1.906	\$2.498	\$1.775	\$2.175	\$2.087	\$2.399	\$3.102	62.7
Bread, per pound.....	(1)	\$0.035	.04	.06	.05	.05	.032	.04	.078	122.8
Butter, per pound.....	\$0.16	.1675	.1875	.347	.2925	.2175	.225	.301	.417	160.6
Cheese, per pound.....	.09	.0662	.0662	.1437	.1187	.0953	.113	.157	.204	126.6
Eggs, per dozen.....	(1)	(1)	.1621	.8125	.1693	.19	.198	.326	.359	121.4
Flour, per barrel.....	2 5.56	2 5.59	8.06	9.25	8.90	6.037	4.65	3.35	6.326	49.7
Lard, per pound.....	.0956	.0681	.1125	.1437	.075	.0581	.069	.125	.111	16.2
Bacon, per pound.....	.08	.045	.088	.1425	.0688	.0536	.075	.133	.1843	67.8
Beef (ribs), per pound.....	(1)	(1)	.1425	.25	.16	(1)	(1)	(1)	.213	49.4
Ham, per pound.....	.12	.0645	.0833	.205	.0991	.1083	.103	.164	.267	122.5
Lamb, per pound.....	(1)	(1)	.1125	.185	.1312	.1316	(1)	(1)	.205	82.2
Salt pork, per barrel.....	14.606	10.905	17.988	27.937	13.312	12.092	12.607	23.738	26.692	82.2
Milk, per quart.....	(1)	(1)	.05	.0675	.0537	.0475	.027	.037	.0645	29
Raisins, per box 20 pounds <sup>1</sup> .....	1.356	2.737	2.493	3.10	2.312	2.35	1.521	1.224	3.88	186.1
Rice, per pound.....	.0303	.0315	.0459	.079	.0725	.0556	.055	.055	.044	45.2
Onions, per 100 pounds <sup>4</sup> .....	(1)	(1)	1.04	2.878	1.89	1.97	1.471	1.796	2.438	134.4
Potatoes, white, per bushel.....	(1)	.725	.5071	.756	.468	.86	.374	.428	1.074	48.1
Average increase in price of 17 commodities.....										45.22
Coffee, per pound.....	.0948	.095	.1306	.10	.1512	.1956	.082	.095	.072	-24
Meal (corn), per 100 pounds.....	1.626	1.585	2.002	2.627	1.645	1.371	1.012	1.542	1.193	-26.6
Mutton, per pound.....	(1)	(1)	.105	.18	.1325	.1425	.073	.101	.104	-.95
Average decrease in price of 3 commodities.....										17.18
Sugar, per pound <sup>2</sup> .....	.1125	.0912	.0978	.1351	.098	.0627	.0532	.0497	.062	-44.8

<sup>1</sup> No data.

<sup>2</sup> From 1889 American Almanac.

<sup>3</sup> Prior to 1921 "London Layer," 1921 "Coast seeded."

<sup>4</sup> Converted from barrels to 100 pounds on basis of 55 pounds per bushel, 3 bushels to barrel.

<sup>5</sup> From United States Statistical Abstract.

NOTE.—Except as indicated by footnotes the prices for 1840 to 1890, inclusive, are from volume 2 of the 1893 Aldrich report of the Committee on Finance, and cover prices of such principal food commodities as also have been given for subsequent years by the United States Department of Labor. Prices for 1900 to 1921 from Bulletin No. 269 and February, 1922, Monthly Labor Review of the United States Department of Labor.

The above tabulation comprises the average of 1,100 quotations.

Mr. NICHOLSON. These individuals who had unconscionably profiteered on sugar in 1920 are the same people who are now shedding crocodile tears as to the price the poor laboring man will have to pay for his sugar if we enact a tariff bill which will protect the domestic sugar industry.

Mr. President, whenever the sugar tariff is being discussed we hear a lot about increasing the cost of the wage earner's breakfast table by increasing the duty on sugar. Opponents to the duty on sugar point to the fact that next to Great Britain we consume more sugar per capita than do the people of any other great nation. They say, with truth, that we consume one-fifth of all the sugar produced in the world, and from this they draw the conclusion that even a slight rise in the price of sugar places a material extra burden on every wage earner and farmer in the Nation. Let us consider this matter for a moment in connection with actual figures and see where we land—see just what figure the price of sugar cuts in the poor man's food budget.

During the past 10 years our average annual consumption of sugar has been 82½ pounds per capita, or 411½ pounds a year for a family of five. This is a large amount of sugar, and if the housewife purchased that amount of sugar at the corner grocery, her sugar bill at 6 cents per pound would amount to \$24.67 per annum—not a very great sum with which to load the family budget.

But, Mr. President, the housewife does not purchase this amount of sugar. Over two-thirds of our entire consumption is used in the manufacture of confectionery, soft drinks, condensed milk, jams, jellies, preserves, and innumerable other products, the prices of which are not influenced by the price of sugar they contain, be it ever so great. Of all these articles, confectionery perhaps contains the greatest proportion of sugar, and who will say that when he pays 50 cents or 75 cents or \$1.50 for a pound of choice candy, he would pay a cent a pound less or a cent a pound more, depending upon whether sugar was selling at 5 cents or 6 cents or 7 cents per pound.

From 12,000 families scattered throughout the Union, our Department of Labor has ascertained that the average amount of sugar purchased by these wage earners' families is 147 pounds per annum, which, at the normal price of 6 cents per pound, costs the total sum of \$8.82. Thus, for less than the compensation received for two days' toil, the skilled mechanic is able to supply his family with all the sugar it purchases in a whole year. The wage earners' normal sugar bill amounts to less than a penny a meal for his entire family, an infinitesimal sum, which brings more pleasure to each member of his household than does any other article he purchases.

Far be it from me to wish to burden the farmer or wage earner, but to talk about an increase of 1 cent a pound in the price of sugar as being an additional burden under which he would have to stagger is nonsense. An increase of 1 cent per pound in the price of sugar would cost the wage earner the sum of \$1.47 a year, less than what he spends in one evening to take his family to the movies.

Mr. President, it is the increase in price of other commodities which cuts a figure with the wage earner's annual budget. Let us consider some of these increases and see how small the wage earner's sugar bill is in comparison. From 1913 to 1919 the price of milk advanced 6.6 cents per quart, and as the average wage earner's family consumes 337 quarts of milk a year, the increase alone in the size of his milk bill was equivalent to an increase of 15 cents per pound in the price of all the sugar he purchased.

Mr. President, when sugar goes up a cent a pound the newspapers are filled with harrowing tales of how greatly the rise affects the wage earner, but when butter goes up we hear little or nothing about it; yet the increase in the United States of the price of butter from 1913 to 1919 represented to the working man two and one-half times as much additional outlay as the total cost of all the sugar purchased for his entire family in 1913. The increased cost of his eggs in 1919 as compared with the cost of the same quantity in 1913 amounted to twice the cost of all the sugar the wage earner's family purchased in 1913.

The extra amounts the wage earner had to pay for his milk, his butter, his bread, or his eggs in 1919, because of their increase in price since 1913, each and every one of them amounted to more than his entire 1919 sugar bill, in which year his sugar averaged to cost him 11.3 cents per pound—about twice its normal price. And the excess money he had to pay and did pay for these four articles of food because of their increase in price amounted to \$82.33. With sugar at the abnormal price of 11.3 cents per pound, this excess amount the wage earner had to pay for four food commodities because of their advance in price would pay the wage earner's entire sugar bills for five years.

Why, Mr. President, to say nothing about the beef and mutton and bacon and ham and other meats the working man consumes, he pays out as much money, mostly in the winter, for pork chops alone as he pays out for sugar during the entire year.

In 1919, 12,096 wage earners' families made monthly reports of their purchases to the United States Department of Labor. They reported on 46 separate and distinct articles of food, for which their total payments averaged \$467.88 per family. One of the 46 articles purchased was sugar, for which they paid an average of 11.3 cents per pound, or about double its normal price and nearly twice what it has been since selling for. But even though paying this abnormal price for sugar, the wage earner's annual sugar bill amounted to only \$16.61, or less than 3½ per cent of what he expended for the 46 articles of food mentioned.

Mr. President, an increase of 40 cents per hundred pounds in the cost of the wage earner's purchases of sugar would increase the family expense only 1 cent per week, and to consider the size of his sugar bill as a prime factor when legislating for the purpose of building up and expanding this great national industry would be equivalent to considering the cost of the shoe blacking for the officers' shoes as a prime factor when appropriating a hundred million dollars for a Navy with which to defend our country. It is a mere flyspeck on our cost of living. The cost of shoes to the farmer and wage earner, as compared with the price he paid for them before the World War, has been tripled, so that they now pay as much extra money for one pair of shoes as their entire family sugar costs for the whole year. The wife of the farmer or workingman who purchases a few yards of calico paid 6½ cents a yard in 1915. In 1920 the same goods cost her 26 cents per yard. The gingham for her apron cost her 8 cents a yard in 1915; in 1920 it cost her 33½ cents per yard. Her muslin has gone up from 10.8 cents to 46½ cents a yard. Clothing has advanced 350 per cent. All of these articles are largely produced by the Atlantic coast manufacturers, a great many of whom are opposing the increase of 40 cents per hundred pounds now asked for in the duty on sugar. If the refiners and exploiters of Cuban sugar estates have really the interest of the American farmer and wage earner at heart as much as they would have us believe, why do they not call attention to these exorbitant advances which are making greater inroads upon his pocketbook than the price of sugar, and which are so essential to the comfort of himself and family?

Mr. President, although we are next to the greatest sugar-consuming people in the world and absorb one-fifth of all the sugar produced in the world, whether the farmer or wage earner secured his sugar at normal cost or for nothing it would have no appreciable effect on his cost of living.

I have here a tabulated statement giving the average quantity, average price per unit, and total average cost per family of 46 articles of food consumed by 12,096 wage earners' families in 1919, together with the price paid per unit in 1913, so far as given by the Department of Labor. With the consent of the Senate I will have it appear in my remarks, for it covers more fully the point I have just been trying to set forth in a few words.

There being no objection, the table was ordered to be printed in the Record, as follows:

*The cost of living.*

[Average price per unit in 1913 and average price per unit, quantity consumed, and total expenditures of 12,096 wage earners' families in 1919. Compiled from Bulletins No. 269 and No. 270 and Mimeograph Sheet No. 1018 of the United States Department of Labor.]

Article.	Unit.	Average price per unit.		Quantity consumed per family, 1919.	Total family expenditure, 1919.	Percentage increase in price per unit, 1913-1919.
		1913	1919			
Sirloin steak.....	Pounds...	\$0.254	\$0.417	32	\$13.34	64.1
Round steak.....	do.....	.223	.389	32	12.45	74.4
Rib roast.....	do.....	.198	.325	31	10.08	64.1
Chuck roast.....	do.....	.160	.270	31	8.37	68.8
Plate beef.....	do.....	.121	.202	23	4.65	66.9
Pork chops.....	do.....	.210	.423	36	15.23	101.4
Bacon.....	do.....	.270	.554	17	9.42	105.2
Lamb.....	do.....	.189	.365	8	2.92	93.1

*The cost of living—Continued.*

Article.	Unit.	Average price per unit.		Quantity consumed per family, 1919.	Total family expenditure, 1919.	Percentage increase in price per unit, 1913-1919.
		1913	1919			
Ham.....	Pounds...	\$0.269	\$0.534	22	\$11.75	98.5
Hens.....	do.....	.213	.411	23	9.45	93.0
Salmon (canned).....	do.....	(1)	.331	9	2.98	.....
Milk (fresh).....	Quart.....	.089	.155	337	52.24	74.2
Milk (evaporated).....	do.....	(1)	.160	77	12.32	.....
Butter.....	Pound.....	.383	.678	66	44.75	77
Oleomargarine.....	do.....	(1)	.413	16	6.61	.....
Nut margarine.....	do.....	(1)	.357	6	2.14	.....
Cheese.....	do.....	.221	.406	12	4.87	83.7
Lard.....	do.....	.153	.369	34	12.55	133.5
Crisco.....	do.....	(1)	.363	9	3.27	.....
Eggs, strictly fresh.....	Dozen.....	.345	.628	61	38.31	82
Bread.....	Pound.....	.056	.100	531	55.10	78.6
Flour.....	do.....	.033	.072	284	19.01	118.2
Corn meal.....	do.....	.030	.064	54	3.46	113.3
Roller oats.....	do.....	(1)	.087	41	3.57	.....
Corn flakes.....	do.....	(1)	.282	7	1.98	.....
Cream of wheat.....	do.....	(1)	.145	7	1.02	.....
Macaroni.....	do.....	(1)	.194	23	4.46	.....
Rice.....	do.....	.087	.151	35	5.29	73.6
Beans, navy.....	do.....	(1)	.126	22	2.77	.....
Potatoes.....	do.....	.017	.038	704	26.75	123.5
Onions.....	do.....	(1)	.074	66	4.88	.....
Cabbage.....	do.....	(1)	.059	65	3.84	.....
Beans, baked.....	do.....	(1)	.176	7	1.23	.....
Corn, canned.....	do.....	(1)	.192	10	1.92	.....
Peas, canned.....	do.....	(1)	.191	10	1.91	.....
Tomatoes, canned.....	do.....	(1)	.162	16	2.59	.....
Sugar.....	do.....	.055	.113	147	16.61	105.5
Tea.....	do.....	.544	.701	8	5.61	28.9
Coffee.....	do.....	.298	.433	40	17.32	45.3
Prunes.....	do.....	(1)	.232	11	2.77	.....
Raisins.....	do.....	(1)	.184	9	1.66	.....
Bananas.....	Dozan.....	(1)	.383	11	4.21	.....
Oranges.....	do.....	(1)	.632	7	3.72	.....

<sup>1</sup> Not reported separately in 1913.

Average percentage increase in price, 23 commodities, 1913-1919, 85.5.

Mr. NICHOLSON. Mr. President, I have stressed the cost of sugar to the farmer and laboring man in order to counteract the misleading propaganda with which the seaboard refiners and Cuban exploiters are flooding the country in their effort to prejudice the minds of the general public, and the wage earner in particular, in which effort they are leaving no stone unturned, their object being to destroy our domestic sugar industry.

People are apt to think of sugar primarily because of its pleasant taste, rather than because of its actual food value. There are few who realize that sugar contains far more actual nutriment than any other article appearing on the average American table. In order to more fully set forth the nutriment contained in a pound of sugar as compared with the nutriment in the other articles appearing on the average table, I have obtained from the Department of Labor a statement which is rather illuminating to say the least.

This statement shows that in order to obtain from bacon the same nutriment contained in a pound of sugar costing 6.8 cents, the consumer has to pay 27 cents, or a difference of 20 cents; for the same nutriment in leg of lamb as to be found in a pound of sugar he has to pay 66 cents, or 59 cents more; for the same nutriment in bread as to be found in a pound of sugar he has to pay 14 cents, or fully twice as much; for the same nutriment in butter as to be found in a pound of sugar he pays 25 cents, or almost four times as much; for the same nutriment in sirloin steak as to be found in a pound of sugar costing 6.8 cents, he pays 70 cents, or 63 cents more than he pays for the same nutriment in sugar; for the same nutriment in ham that he gets from a pound of sugar he pays 55 cents, or practically eight times as much; for the same nutriment in eggs as he obtains from a pound of sugar he pays 93 cents, or almost fourteen times as much.

I ask the Senator from Idaho what duty has been placed upon dried eggs?

Mr. GOODING. Eighteen cents.

Mr. NICHOLSON. A duty of 18 cents has been voted by the Senate upon dried eggs, and yet we find men in this body who refuse to grant the farmer a duty of 2 cents a pound on sugar.

In my estimation, the information set forth in these statements is most valuable, and I, therefore, ask unanimous consent to have the letter from the Labor Department, with accompanying statements, printed in the Record as part of my remarks.

There being no objection, the matter was ordered to be printed in the Record, as follows:

UNITED STATES DEPARTMENT OF LABOR,  
BUREAU OF LABOR STATISTICS,  
Washington, July 31, 1922.

Hon. SAMUEL D. NICHOLSON,

Room 245 Senate Office Building, Washington, D. C.

MY DEAR SENATOR NICHOLSON: In response to your request I am forwarding you a statement showing the average price per pound, calories

per pound, cost of 1,000 calories, calories per \$1, and cost equivalent to cost of 1 pound of sugar, and for a number of specified articles.

The prices per pound given in the second column are the average for the year ending June 30, 1922, of the prices in the 51 cities from which the Bureau of Labor Statistics secures retail prices. The calories per pound in the third column are those furnished you by the Bureau of Chemistry of the United States Department of Agriculture. The subsequent columns of the table are simple computations from the data given in the second and third columns.

I am inclosing also the wholesale prices for the articles named for the year ending June 30, 1922. These are not, strictly speaking, averages for the United States, but are averages of the market price in the cities from which the bureau secures quotations. For example, the prices for sugar and mutton are New York prices; the prices for pork (bacon) and ham are Chicago prices. The prices for bread, butter, and eggs are average quotations from several cities. The articles named in this list do not correspond exactly with the articles named in the retail price list but are the nearest to those articles for which the bureau has prices. You will understand, of course, that our wholesale price figures are for a general purpose and indicate the trend of prices and have no direct relation to our retail prices of foodstuffs which are carried as a part of our cost of living investigation. In other words, it is not possible in most cases to relate directly our wholesale prices with our retail prices and the bureau never attempts to do so.

I should think the table of calories based upon retail prices would serve your purpose better than the wholesale prices. I am returning you herewith your letter from the Agricultural Department. We were unable to add the item of fish, as the only fish we carry is canned salmon.

If I can be of any further service to you let me know.

Sincerely yours,

ETHELBERT STEWART,  
Commissioner of Labor Statistics.

Average wholesale prices of selected commodities for the fiscal year ending June 30, 1922.

	Average price.
Sugar, granulated, in barrels, per pound, New York	\$0.053
Pork, cured* (bacon), per pound, Chicago, average of rough and short clear sides	.129
Mutton, dressed, per pound, New York	.109
Bread, before baking, per pound, weighted average price	.072
Butter, creamery, extra, per pound, weighted average price	.402
Beef, loins, fresh, per pound, average of New York and Chicago price	.251
Hams, smoked, loose, per pound, Chicago	.277
Eggs, fresh, per dozen, weighted average price	.360

Average price per pound, calories, etc., of specified articles of food in the United States for the year ending June 30, 1922.

Article.	Price per pound.	Calories per pound.	Cost of 1,000 calories.	Calories per \$1.	Cost equivalent to cost of 1 pound of sugar.
Sugar	\$0.068	1,860	\$0.037	27,353	\$0.068
Bacon, sliced	.395	2,685	.147	6,797	.270
Leg of lamb	.348	975	.357	2,802	.660
Bread	.091	1,205	.076	13,242	.140
Butter	.482	3,605	.134	7,479	.250
Sirloin steak	.372	985	.378	2,648	.700
Ham, sliced	.490	1,670	.293	3,408	.550
Eggs (47 cents per dozen)	.316	635	.498	2,009	.930

Mr. NICHOLSON. Mr. President, we have a good example of what the difference between a \$1.60 and a \$2 rate of duty to Cuba means to the domestic sugar industry. In 1897 Congress decided that we should have a domestic sugar industry which would supply us with all of our sugar, and to create that industry it levied a duty of \$1.68½ on raw sugar. We then had only four struggling little beet-sugar factories in the whole United States—three in California, one in Utah, and two in Nebraska.

Immediately the Dingley tariff bill was passed capital began to build more factories, and in 1902 we had 44 factories. Mr. Havemeyer, of Sugar Trust fame, became scared, and he set the wheels in motion which resulted in the Cuban reciprocity treaty which reduced the duty to Cuba 33½ cents per 100 pounds. Meanwhile, to remove some of the strongest opposition to the treaty, which had held it up for a year, he purchased a large interest in several beet-sugar companies, which accounts for his son and the Sugar Trust being interested in them to-day.

Mr. President, according to the published report of the Department of Agriculture, at the time the Cuban reciprocity treaty was adopted we had 86 projected new beet-sugar factories in the United States, to cost \$49,000,000:

Two were to be located in Arizona, to cost	\$1,500,000
Five were to be located in California, to cost	3,500,000
Seven were to be located in Colorado, to cost	5,000,000
One was to be located in Indiana, to cost	1,000,000
Six were to be located in Iowa, to cost	3,500,000
One was to be located in Idaho, to cost	500,000
Twenty-eight were to be located in Michigan, to cost	14,900,000
Five were to be located in Minnesota, to cost	2,400,000
One was to be located in Montana, to cost	500,000
Two were to be located in New York, to cost	1,500,000
One was to be located in New Jersey, to cost	500,000
Two were to be located in North Dakota, to cost	1,000,000
Three were to be located in Ohio, to cost	1,350,000
One was to be located in Oregon, to cost	500,000

One was to be located in Pennsylvania, to cost	500,000
Two were to be located in South Dakota, to cost	1,000,000
Three were to be located in Utah, to cost	2,500,000
Ten were to be located in Wisconsin (4 plants; Racine), to cost	6,350,000
Two were to be located in Wyoming, to cost	1,500,000

Mr. President, when that treaty was adopted reducing the duty on Cuban sugar 33½ cents per 100 pounds every one of those 86 projects except 6 were abandoned, and most of them never have been revived. As a result of tinkering with the sugar tariff in the 19 years since that treaty was adopted we have only built 62 factories, or 24 less than the number we had projected 19 years ago.

Mr. President, that is what 33 cents a hundred means when it comes to building up a great national industry. Are we going to leave the duty at \$1.60 for the benefit of a few Sugar Trust and Cuban sugar-producing men, or are we going to add 40 cents a hundred to it and build up another great home industry?

Mr. President, I desire to call the attention of Senators to a preferential tariff existing between Australia and South Africa, which tariff provides for a differential in favor of sugar produced by white labor as against sugar produced by black labor. I quote from the United States Tariff Commission on Colonial Tariff Policies, page 785, as follows:

The "color line" in sugar duties: The "color line" drawn with regard to the duties on South African sugar was an interesting feature of the South African agreement. Cane sugar under the general Australian tariff was dutiable at 6s. per hundredweight, but under the agreement with South Africa discrimination was made between sugar "produced solely by white labor" and sugar "produced wholly or partly by black labor," a preferential rebate of 2s. per hundredweight being granted to the former, whereas to the latter a rebate of only 1s. per hundredweight was granted.

This discrimination was due to the influence of the Labor Party, which has always opposed the grant of preference to British colonies and possessions that rely upon colored labor for the carrying on of their industries. During the debate on the preference resolutions of 1904 Mr. Watson, the leader of the Labor Party, upon being asked whether he would allow India to share in an Australian preference, replied, "No; except in regard to such products as tea I would not give any preference to products made by Asiatic labor which would come into competition with the products made by white people, though I am prepared to give such a preference to the products of the white labor of Great Britain."

But, Mr. President, the American farmer and the American laborer find themselves producing domestic sugar in competition with the black labor of the Tropics, which is the cheapest labor in the world. No laborer in the world can live as cheaply as does the laborer engaged in the production of sugar in the Tropics.

Is it fair to ask the farmers and laborers of this country, where production costs in all lines of human endeavor are much higher than in the Tropics, to produce sugar in competition with what is practically slave labor in order that the seaboard cane sugar refiners, with their enormous plantations in Cuba, may be permitted to make outrageous profits as soon as they find that the supply of domestic sugar has been absorbed by the consumer?

Let us see how the laborer engaged in the production of sugar in the Tropics lives, or rather exists: His habitation is the rudest kind of a hut, consisting of four poles stuck in the ground, with a roof of palm leaves, and this is his sole protection from the elements. His food consists of plantains, fish, and the milk of goats, which only the fortunate few possess. The clothing of himself and family is the scantiest and shoes are unknown. Surely no Member of this body is desirous of seeing the American farmer or laborer brought to this most degraded and semi-barbarous condition.

Do we find any protest against the proposed tariff coming from the American farmer or laborer? Certainly not, because they fully realize that if they have to produce sugar in competition with the slave labor of the Tropics it means the lowering of the standard of living of the American farmer and American laborer.

Is there any sane man or woman who believes that there is not a greater difference than 2 cents a pound between the cost of producing sugar in the Tropics and the cost of producing it in the United States?

But if the domestic production of sugar were discontinued and we had to rely on that produced by the black labor of the Tropics, it would not be long before the American consumer would be paying the price for sugar he used to pay before American domestic sugar became a factor to be reckoned with in competition with the sugar produced in the Tropics, the price paid by the American consumer at that time being from 11 cents to 15 cents per pound for a very inferior article.

The experience we had immediately after the World War should be a lesson to us. At that time the Atlantic coast cane-sugar refiners, with their plantations in Cuba, thought they had us by the throat and were holding us up for 24 cents a pound for sugar. Did we find the Atlantic coast refiners at

that time issuing propaganda calling attention to the enormous price the American farmer and laborer was compelled to pay for his sugar? No; they were as silent as the Sphinx of Egypt on this question.

I have received a great many letters concerning this question and desire to quote part of a letter received by me from Mr. A. R. Peck, of the Anaheim Sugar Co., Los Angeles, Calif.:

A careful analysis of the cane-sugar situation will disclose the fact that probably 60 per cent of the production of raw sugar in Cuba is in the hands of the New York cane refiners or people closely allied with them. It is therefore not surprising that they should protest against any duty on sugar which is sufficient to properly protect the beet-sugar industry of this country.

I happen to be quite closely allied with one of the cane-sugar refiners in New York and know from conversations had with him that any movement in Washington intended to give adequate protection to the beet-sugar industry is extremely distasteful to him.

But, Mr. President, they are not satisfied with control of the sugar plantations in Cuba, but are now trying to lay their slimy hands on the domestic production of sugar. They have acquired large interests in some of the American beet-sugar companies, but, because of the cheaper cost of production in Cuba, they are enabled to make greater profits than in domestic production, and their desire now is to destroy this struggling American industry.

Of the numerous articles which delight the brain through the sense of taste, how many are made palatable and attractive through the admixture of sugar?

Mr. President, sugar represents more of comfort and ministers more to the simple delights of home than does any other single product. Truly it has been said that of all the articles that have been accounted luxuries, sugar is nearest to a prime necessity. Whatever political economists may say as to the size of our sugar bill, if the joy of life be considered, it is money well expended. And, Mr. President, there are no "choice cuts" in sugar, no expensive grades which only the rich can afford to purchase. Whether it grace the banquet table of the palace or the frugal meal of the hovel, sugar is of the same purity, sweetness, and snowy whiteness, and its cheapness in price places it within the reach of the humblest working man, be it on the far-away ranch or in the crowded city.

No American citizen who has pride in his country should object to an adequate tariff that will enable us to produce at home all of our requirements of this necessary and pleasurable article of food.

Mr. President, I desire to call attention briefly to the following changes which have taken place since the enactment of the Dingley tariff bill, which imposed a duty on sugar of 1.685, which rate was continued in the Payne-Aldrich bill, and the duty imposed by the Underwood tariff bill, which was 1.25. Since that time the farmer has to pay twice as much for his coal as he did at that time; he pays twice as much for his shoes as he did at that time; he pays twice the price for his clothing as he did at that time; and the great World War has imposed upon him an enormous burden of taxation which will go on from generation to generation. The people of the Tropics have to contend with none of these burdens placed upon the American farmer by the World War. If Senators wish to be honest with themselves they can readily come to the conclusion that the increase we are now asking for as between the duty in the Payne-Aldrich bill and the Underwood bill is justified from every viewpoint.

Mr. President, I have some letters that I desire to have placed in the Record. Among others, I have a letter from the Farmers' Sugar Co. of Ohio, written by C. H. Allen, a perfect stranger to me. The junior Senator from Ohio [Mr. WILLIS] is present, and he might be able to give us some information as to the writer and his reliability.

Mr. WILLIS. Mr. President, in answer to the inquiry directed to me, I can say with reference to the witness to whom the Senator refers that I know him very well. He is a prominent business man in Ohio and has been actively connected with the sugar industry of that State for many years. He is now president of the Farmers' Sugar Co., of Defiance, Ohio, and is a very reliable citizen.

Mr. NICHOLSON. I ask permission to send the letter to the Secretary's desk and have it read in full.

The PRESIDENT pro tempore. Without objection, the communication will be read as requested.

The Assistant Secretary read as follows:

THE FARMERS' SUGAR CO.,  
OFFICE OF THE PRESIDENT,  
Defiance, Ohio, July 14, 1922.

HON. SAMUEL NICHOLSON,  
Washington, D. C.

MY DEAR SENATOR NICHOLSON: Your letter of the 8th was received in my absence, and I did not get to see it until to-day. It would have been answered before this if I had not been out of town.

I have just wired you, of which the inclosed is a copy.

I can not understand how any man who has made any study at all of the sugar business in America, and who has any knowledge of the possibilities of our American soil and of our American farmers, could possibly intimate that beet-sugar production could not be materially increased without being "hothouse" by means of a tariff higher than the people ought or would stand for.

Either that man has obtained his information regarding these subjects from hearsay, from gossip in Pullman cars, or in and with groups of people interested in "killing" the business in this country, or else he is simply ignorant of what he is talking about. Let us hope the latter is the case.

I have traveled over practically all that part of the United States west of the State of Ohio where beets are grown, excepting the State of California. I have done this in an agricultural way, making speeches through Ohio, Indiana, Iowa, the Dakotas, Idaho, Oregon, Colorado, Washington, and I do not know how many other States, keeping myself thoroughly informed regarding agricultural conditions and possibilities. That was my business. And I can tell you truthfully the present beet-sugar interests are only an infant to what it might become. We have more land suitable for beet-sugar culture than any country on the globe, with possibly the exception of Russia; we have more intelligent farmers than any country on the globe; and why we should not use every means at our command to obtain superiority in the production of a crop that has been proven over and over again to have been of the greatest benefit to all the citizens of the country who have persevered in its culture is beyond me.

I can only attribute it to ignorance, lack of knowledge, and general indifference to the future welfare of those who are to come after us and take up our burdens.

You people of the valleys of the Rocky Mountains have shown a little quicker appreciation of the values of such crops as sugar beets and alfalfa; you have had a little more courage in branching out; you have been progressive, not so afraid to take a chance, and you have succeeded, and it is greatly to your credit and we all honor you for it (I am writing now as an agriculturist), but such a man as you mentioned who appeared before the Senate Finance Committee and made such a ridiculous statement must not think that all the soil and all the intelligence respecting the growing of beets and kindred crops lies in Colorado and the adjoining States.

Iowa alone has enough suitable land; it has the climate and the very best and most intelligent farmers I know of, who, if encouraged and instructed, can grow more sugar than Colorado and Utah combined. This is just one State in the Middle States of this country, and there are more like it.

I could say practically the same thing of Minnesota and South Dakota, to say nothing of Wisconsin, Michigan, and Ohio.

In Ohio two years ago, when the price of sugar raised the price of beets grown on the farm—this is governed to a great extent by the tariff—to such a point that farmers made more money growing them than growing the other crops, so many farmers tried to get contract to grow beets we did not have near factories enough. We could have filled three other factories if we had had them, greatly to the benefit of the farmers, the business men, the laborers, and everybody in the State.

We have in Ohio five factories using the product for the factories of 35,000 acres. If we would increase these to 15 factories, we could use the beets from only 105,000 acres.

I know northwestern Ohio, where these factories are; I know the land, I know its possibilities, I have traveled over its roads, on the trolleys crossing it, over the railroads that link it to Indiana on the west and Michigan on the north.

I have studied its geology, its history, analyzed its soil, know its virtues and its failings, know what its soil has done in the past, and I believe I am as able to judge what it will do in the future as any man living in it. I know its extent and I know the people who live upon it, and when I state we have at least 2,000,000 acres that will produce beets, and we are only using 35,000 acres in that valuable crop now, you will certainly pardon me for feeling a little sorry for the man who thinks we would have to hothouse sugar to produce it in this country.

One of the great troubles in the question of tariff on sugar is the supposition that it benefits the manufacturer of sugar rather than the man or men who run the threshing machine used in threshing the sugar from the beets.

Sugar is grown, never made. It is an agricultural question, pure and simple. Any tariff made protects the farmer.

I wonder if people ever realize that we would never have had any sugar produced from beets at all if it had not been for protection to the farmer until he was able to learn how to produce this valuable crop. Some people seem to think this should be done in a year, or at least before the next congressional election. It took Germany 50 to 75 years of a settled policy to learn how to make the most of their valuable discovery of sugar-beet raising.

If they gained by it, if they brought prosperity to their country by its use, if it paid, would it not be a good thing if we took advantage of their experience?

There is one other thought that has been uppermost in my mind for a long time when it comes to this question of tariff on sugar. I mentioned it in my testimony before the Senate Finance Committee last December, and I refer you to that for particulars.

I have heard men engaged in the sugar-manufacturing business give their testimony before committees time and again, trying to prove—and I think easily doing it—the impossibility of competing with Cuba without protection, as if this Nation should take particular care of the business they were engaged in.

If there is no higher reason than what they give, their business should go down.

The American people are not going on year after year taxing themselves for the benefit of a few individuals.

If the sugar business is to live in this country, it must live because it will in the end benefit all the people, not just a portion of them.

This brings us to the reasons for a protective tariff against free trade, and we are right into politics, and there sugar will be as long as these two questions are before the American people.

I have already written too long a letter, but I got started and could not quit. Kindly pardon me for the same.

I am sending you under another cover a late copy of the Sugar Journal, which has two articles written by myself that may further give you my views—one on page 10, the other on page 14.

This is the only copy I have, but San Francisco is so far away that I am willing to part with it if you can gain any information that may be of use to you.

Yours very truly,

C. H. ALLEN.

Mr. NICHOLSON. Mr. President, I desire to quote for the RECORD a paragraph from a report made by the Baragua Sugar Co., as follows:

Net profits of the property, before depreciation and income taxes but after inventory adjustments, for the last five years, have averaged \$2,030,772 per year, or more than six times annual interest charges on these bonds. Even in the calendar year 1921 such net profits were over \$1,003,000.

I will send to the desk the letter inclosing the Baragua Sugar Co. announcement, and also the announcement itself, and ask that they may be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

THE HOLLY SUGAR CO.,  
OFFICE OF THE PRESIDENT,  
Colorado Springs, Colo., July 28, 1922.

Hon. SAMUEL D. NICHOLSON,  
Senate Building, Washington, D. C.

DEAR SENATOR: The inclosed shows profits of a Cuban sugar property located on the east end of the island, and 1921 profits were under an emergency tariff of 1.60, and demonstrate what a small company in Cuba can do under a tariff resulting in United States beet-sugar growers and factories experiencing very substantial losses.

Very truly yours,

A. E. CARLTON.

(New issue.)

\$4,500,000 BARAGUA SUGAR CO. (COMPANIA AZUCARERA BARAGUA), SUBSIDIARY OF PUNTA ALEGRE SUGAR CO., FIRST MORTGAGE 15-YEAR 7½ PER CENT SINKING FUND GOLD BONDS.  
[To be dated July 15, 1922. (Closed mortgage.) To mature July 15, 1937.]

Interest payable January 15 and July 15 without deduction for normal Federal income tax up to and including 2 per cent. Pennsylvania and Connecticut 4 mills taxes and also the Massachusetts income tax not in excess of 6 per cent annually will be refunded by the company on appropriate request. Coupon bonds in denominations of \$1,000, \$500, and \$100, interchangeable, registerable as to principal only. Redeemable in whole or in part at 110 and accrued interest on any interest date to and including July 15, 1928, the premium thereafter decreasing one point for each year or fraction thereof. The Chase National Bank, of the city of New York, trustee.

An annual sinking fund of \$225,000 in cash or bonds at face value is provided commencing July 15, 1923, total payments aggregating 70 per cent of the par value of this issue. Bonds will be drawn by lot and called for the sinking fund at the current redemption price if not purchasable at or below this price.

Capitalization:

First (closed) mortgage 7½ per cent bonds, this issue. \$4,500,000  
Capital stock, 110,250 shares (\$50 par) 5,512,500

Mr. Edwin F. Atkins, president of the Punta Alegre Sugar Co., summarizes as follows his letter to us:

"Compania Azucarera Baragua (translated Baragua Sugar Co.) is being incorporated under the laws of Cuba and will succeed to the ownership of the fixed assets of the present Baragua Sugar Co., a Delaware corporation. The entire capital stock of the new company will be acquired by the Punta Alegre Sugar Co.

"The property is a self-contained, low-cost sugar producer, including a modern mill with a daily capacity of 5,000 tons of cane; over 42,000 acres of land in Camaguey Province owned in fee, approximately 19,000 acres controlled through lease, and about 10,000 additional acres from which the cane is under contract; 110 kilometers of standard-gauge private railroad; adequate rolling stock, and a private seaport.

"It is estimated that in normal years the port facilities alone will result in a saving in shipping costs in excess of the interest on this bond issue as compared with costs if dependent upon public carriers.

Net profits of the property, before depreciation and income taxes but after inventory adjustments, for the last five years have averaged \$2,030,772 per year, or more than six times annual interest charges on these bonds. Even in the calendar year 1921 such net profits were over \$1,003,000.

"Net tangible assets of the company as shown on its projected balance sheet will be over \$2,270 per \$1,000 bond and have recently been appraised as having a value in excess of this figure.

"The present advantageous arrangement for marketing the sugar of the Punta Alegre Sugar Co. through E. Atkins & Co. is available to the new company."

Application will be made to list this issue on the New York and Boston Stock Exchanges.

The legal proceedings in connection with this issue are being passed upon by Messrs. Chadbourne, Babbitt & Wallace, of New York City, for the bankers, and Messrs. Root, Clark, Buckner & Howland, of New York City, for the Punta Alegre Sugar Co. in conjunction with Claudio G. Mendoza, Esq., of Habana, Cuba, for the bankers and the Punta Alegre Sugar Co. jointly. Interim certificates of the Chase National Bank, of the city of New York, or temporary bonds will be issued pending delivery of bonds in definitive form.

We offer these bonds when, as, and if issued and received, and subject to the approval of counsel.

Price 100 and interest yielding 7½ per cent.

HAYDEN, STONE & CO.  
BROWN BROS. & CO.  
HARRIS, FORBES & CO.

(Statements contained herein are not guaranteed, but are based upon information which we believe to be accurate and reliable and upon which we have acted in the purchase of these bonds.)

Mr. NICHOLSON. I should also like, with the consent of the Senate, to have inserted in the RECORD a letter from Dr. Harvey W. Wiley, formerly head of the Bureau of Chemistry of the Department of Agriculture. I also send to the desk a letter from the United States Sugar Co., of Milwaukee, Wis., which is all contained in one page; a letter from the Columbia Sugar Co., of Bay City, Mich., all of which is contained in one page; a

letter from the Holly Sugar Co., of Colorado Springs, Colo.; a communication from the Wyoming Sugar Co., of Ogden, Utah; a communication from the Michigan Sugar Co., of Detroit, Mich.; a communication from the Larrowe Construction Co., of Detroit, Mich.; a communication from the Garden City Co., of Garden City, Kans.; a communication from the Utah-Idaho Sugar Co., of Salt Lake City, Utah; and a communication from the Minnesota Sugar Co., of Minneapolis, Minn., all of which I desire may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The communications referred to are as follows:

GOOD HOUSEKEEPING,  
BUREAU OF FOODS, SANITATION, AND HEALTH,  
Washington, D. C., July 17, 1922.

Hon. SAMUEL O. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SENATOR: The question which you raise in regard to the area suited to the culture of beets is one of great practical interest. During my service in the Bureau of Chemistry I made very extensive investigations of the influence of climate, and especially of temperature, upon the sugar content of sugar beets and of sweet corn. Altogether about 50,000 analyses were made of sugar beets grown in various portions of the United States. A summary of the results of this extensive work was published as Bulletin No. 52, revised, United States Department of Agriculture, Division of Chemistry, issued in 1899. Of this bulletin, I regret to say, I have only one copy; but I am sure you would be able to get it or borrow it from the librarian of the Department of Agriculture, or you may probably get it from the Superintendent of Public Documents.

I found the greatest factor in the production of sugar was the temperature, especially during the three growing months of June, July, and August. In all parts of the United States where the mean temperature for those three months is 70° F. I found the richest sugar beets were grown. With this data I constructed a prospective map of the areas in which sugar beets of this high degree of richness could be produced. This map also contains, in the form of red dots, the locations of the successful sugar-beet factories in the United States. You will be surprised to see how nearly contained in the mapped area are all the successful sugar factories which were in operation at that time. I have no map of the additional factories erected since then, but I believe they will all be found approximately in or near the area predicted.

Of course, all parts of this area are not suitable for the cultivation of sugar beets. Some parts of this area are mountainous and not tillable; others are in an arid region, where water of irrigation is not available. Still others are in arid regions where irrigation has not been practiced. In the eastern portion of the United States this area is located where severe winters are likely to occur and thus interfere with the harvesting and storage of beets. I am prepared to say, however, without hesitation, that sufficient area suitable in every respect to the culture of sugar beets may be found in the places indicated in this map, near or adjacent thereto, which if devoted to the growth of sugar beets would supply the needs of the whole world.

The cultivation of the sugar beet is a good example of intensive agriculture, because, while it pays the farmer to produce 15 tons per acre, it does not pay him to produce 5 tons per acre. If, moreover, by intensive agriculture he can raise the yield to 20 or 25 tons per acre, the farmer's profit will be all the greater.

I feel certain that by reason of the work done by the Division of Chemistry that many millions of dollars have been saved that otherwise would have been given over to the attempted cultivation of sugar beets to areas where the sugar content would have been too low to compete with really good beets.

In addition to this information in Bulletin No. 52 I published a series of separate investigations on the influence of environment on the composition of the sugar beet, which are contained in Bulletins 64, 74, 78, 95, and 96 of the Bureau of Chemistry. I regret I do not have reprints of these, but I am sure you can get them in the manner suggested above for Bulletin 52. You will find them full of very useful information in view of the problem which you are now studying. I appreciate very much your generous reference to the value of my work in promoting what I consider to be one of the greatest industries of this country and one capable of almost illimitable extension.

Yours very truly,

H. W. WILEY.

UNITED STATES SUGAR CO.,  
Milwaukee, Wis., July 10, 1922.

Hon. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: I inclose herewith copy of my telegraphic reply to your letter of July 8.

From my actual knowledge of the soil and climatic conditions in Wisconsin and Minnesota, in which States we operate, I feel justified in stating that the production of beet sugar could be increased to five or ten times the greatest output of any year if capital could be assured of a protective tariff covering the difference in cost of production attributable to the higher scale of wages paid in the United States. The same rate of expansion, no doubt, could be had in nearly all of the western and northern States where sugar beets are now grown.

As you well know, the general scale of wages has not declined to anywhere near pre-war rate, which is reflected in the higher cost of coal and all other supplies and railway freights, hence the industry must have at least 2 cents a pound protection on Cuban sugar.

Yours truly,

J. S. LAWSON, President.

COLUMBIA SUGAR CO.,  
Bay City, Mich., July 11, 1922.

Hon. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: We are in receipt of your wire relating to the duty on sugar from Cuba and replied thereto to the effect that in our opinion a 2-cent duty on sugar from Cuba would stimulate the beet-sugar industry in this country to such an extent as would soon result in a production of sugar equivalent to a war ration and eventually our entire requirements.

You undoubtedly have the statistics showing the growth of the beet-sugar industry during periods of a favorable tariff. There is absolutely no reason why these same results should not be repeated under a tariff of 2 cents on sugar from Cuba. For statistics covering these questions we would refer you to Mr. Truman G. Palmer, 901 Union Trust Building, Washington, D. C. You may perhaps be familiar with the fact that Mr. Palmer is the statistician for the United States Sugar Manufacturers' Association and has an enormous amount of material bearing on every phase of the sugar industry.

We would call your attention to the recent increases in the price of sugar. They have been brought about by Cuba owing to the fact that she is to-day the dominant factor in the world's sugar market and holds what amounts to practically a corner on sugar. In 1919 and 1920, when Cuba thought she occupied a similar position, we saw her push the prices up to an intolerable point. She is now repeating this in a milder way, of course. Beet sugar always sells from 10 to 40 points below the price of the eastern seaboard refiners, is equal in quality in every respect to cane sugar, and could save the sugar consumers of the country a tremendous amount of money if put in a position to do so by an adequate and permanent tariff against Cuba. We regard 2 cents as such a tariff.

Appreciating your efforts in the behalf of this tariff and wishing you all success, we remain,  
Yours very truly,

E. WILSON CRESSEY,  
Secretary and General Manager.

THE HOLLY SUGAR CO.,  
OFFICE OF THE PRESIDENT,  
Colorado Springs, Colo., July 29, 1922.

Hon. SAMUEL D. NICHOLSON,  
Senate Building, Washington, D. C.

MY DEAR SENATOR: My attention has recently been called to an optimistic circular issued by one of the beet-sugar companies, which is marketing some of its preferred stock.

The apparent prosperity of this company is based on the payment of \$5 per ton to the beet growers, resulting in 80 per cent decrease in acreage for the current year and anticipated decrease of more than 50 per cent next year, as a farmer can not raise beets on such a contract.

The conditions therein set forth do not at all represent the situation of the industry generally.

The well-founded opinion of the beet-sugar industry, whose owners are not in any way interested in the Cuban sugar industry, is that the purpose of the circular is largely, if not wholly, to adversely influence Congress on the sugar tariff.

In 1888 the sugar-refining industry on the Atlantic seaboard, as result of competition in the control of powerful financial interests, approached bankruptcy. The elder Havemeyer then formed the Sugar Trust and gathered in the bankrupt concern.

Present antitrust laws, perhaps, require a little different method, but do not prevent the same results.

To-day the domestic sugar industry is facing extinction. The inclosed annual report of the Holly Sugar Corporation is fairly representative of the financial condition and operating results of the average beet-sugar company in the United States. With one exception no company made a better showing and many are in more difficult situation. Without exception the beet growers' position is equally unfortunate.

If the United States is without domestic production of sugar the consumer will of necessity pay a price limited only by the avarice of the Cuban producers. Seventy-two per cent of the entire Cuban production is controlled by the Atlantic seaboard refiners and capitalists.

The beet-sugar company owned and controlled jointly by the younger Havemeyer and the American Sugar Refining Co. is of small value compared with the vast interests involved in their ownership of foreign cane sugars. The present situation does not involve the absorption of the bankrupt beet-sugar companies, but crushing them and placing the American sugar-consuming public at the mercy of the owners of the Cuban sugar production. Beyond the control and regulation of the laws of the United States, the added cost to the American consumer might easily be \$1,000,000,000 a year.

The emergency tariff of 1.60, or practically  $\frac{1}{2}$  cent per pound above the pre-war duty, does not permit the payment to the beet grower of an adequate price, or one which will permit him to continue production. If we are to have a substantial domestic production of, say, 1,500,000 tons (less than one-half of our requirements if the duty-free product of our insular possessions is included) it is necessary to have a protective tariff of 2 cents on importations from Cuba, as without such a tariff the grower can not grow the necessary beets.

Very truly yours,

A. E. CARLTON.

WYOMING SUGAR CO.,  
Ogden, Utah, July 15, 1922.

Hon. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: I am pleased to acknowledge receipt of your letter of July 8, but feel that I am unable to furnish you with all of the information you desire, as my experience in the beet-sugar industry has been confined to the State of Wyoming, our factory being located at Worland, Washakie County, Wyo.

At the present time there are only three sugar mills in the State of Wyoming, all of these mills having been built since 1915. Due to the war conditions, the subsequent inflation and deflation, the development throughout the entire State has been very slow, due principally to the fact that the migration of new farmers into the State has been practically nil, for reasons which are directly attributable to the three causes above mentioned.

Conditions in the State of Wyoming, particularly in the northern, north central, and eastern sections, are very adaptable to the culture of sugar beets, and with the natural land development, it will only be a matter of time until the State of Wyoming will produce as much beet sugar as the State of Colorado, and it will not require any more protection through a tariff than does the industry of Colorado, Utah, and Idaho. It is estimated that the Big Horn Basin alone has a million acres that eventually will be put under irrigation, not to mention the future possibilities of the Riverton and Lander section, in which at the present time the United States Reclamation Service has under construction a very large irrigation tract.

My personal opinion is that the State of Wyoming offers greater opportunity for the development and expansion of the beet-sugar industry than any of the other States in the Intermountain section. Conditions in Wyoming are just as favorable for cultivation of sugar beets as in any State in the West, and I see no reason why it would require a hothouse duty to properly develop this industry.

I am inclined to question the fact that we could produce enough sugar within the United States to supply our entire requirements, although it may be possible. I do feel, however, that it would be an easy matter to produce at least 50 per cent of our national requirements.

In concluding I would like to state that in my opinion it is of the utmost importance that we receive a duty of 2 cents against Cuba, and it should be definitely borne in mind that the benefits derived through this increased protection will almost wholly go to the farmers, viz., that it will make it possible to pay them a higher price for their beets, which, in turn, would mean a material increase in acreage. The problem confronting the beet-sugar companies to-day is the fact that they have not been able to offer a beet contract with a sufficient guaranty to make the raising of sugar beets profitable to the farmers. I do not believe that we can expect the farmers to raise beets in future years on the pre-war prices, as their cost of production has materially increased.

If there is any further information I can give you, I should be very glad to have you call upon me.

Yours very truly,

J. M. ECCLES.

MICHIGAN SUGAR CO.,  
Detroit, Mich., July 12, 1922.

Hon. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: Your letter of the 8th instant addressed to the general manager of the Michigan Sugar Co., Mr. W. H. Wallace, has been handed me for reply, as Mr. Wallace is now away on his vacation.

Permit me first to express our thanks for the earnest efforts you are making to secure a 2-cent duty on sugar imported into the United States from Cuba. We certainly appreciate the work you are doing and shall be glad to render you any assistance in our power.

I am thoroughly satisfied, and so is Mr. Wallace, that if we could have a 2-cent duty against Cuba the result in Michigan would be that we would double the output of beet sugar in this State. It is possible that there would not be very many new factories built. There is, however, room for one or two more in the Upper Peninsula. The great increase in Michigan that would result from a 2-cent duty on Cuban sugar would be that the 17 factories now in the State would be able to pay a sufficient sum for beets to induce the farmers to raise a full crop for each one of the 17 factories. At present we are skimming along on about 60 per cent to 65 per cent of a normal acreage. Unless we can pay more for beets next season the acreage in Michigan will be still less next year than this. If we could get a 2-cent duty against Cuba and pay the farmers a price for their beets that would compete with the prices that they are receiving for their other farm crops every factory would get a run of from 100 to 120 days, which, as I say, would virtually double the output of beet sugar in the State of Michigan. You must understand that we are differently situated in Michigan than in some of the Western States in that the farmers here are engaged in general farming, whereas in Colorado the range of their farm products is limited. In Michigan we must compete with the price of beans, peas, wheat, corn, oats, rye, chicory, potatoes, fruits, and hay. All these farm products now command a good price, and all of them, thanks to the Senate, will be protected by a good duty with resultant good price in the future. Under such circumstances you can readily see that sugar must be protected with a corresponding duty in order that the factories can pay the corresponding price for beets that farmers obtain for their other crops. Please remember also that every beet contract put out by the factories in Michigan carries a provision whereby the factory guarantees a minimum price for beets and gives the beet grower the advantage of any increase in the price of sugar above the minimum sugar price named in the contract. In other words, all beet contracts are participating contracts, the farmer thus getting his full share of the duty imposed on sugar.

Relative to your other inquiry concerning territory in the United States adapted to beet culture, will say that the Department of Agriculture some years ago, in reply to a resolution passed by the Senate, gave the information that the extent of land in this country adapted to beet culture was sufficient to raise more sugar than the entire world consumes. You can get this report from the Department of Agriculture by sending a request to the Secretary of Agriculture. I think also that Mr. Truman G. Palmer, of 901 Union Trust Building, Washington, can give you the definite reference to the name and number of the report.

There is certain beet area of the United States not yet developed that has come under the careful examination of the officials of our company. I am referring now more particularly to the following areas:

Ohio has but 5 factories. She has a splendid beet district capable of supporting fully as many factories as Michigan.

Wisconsin has 4 or 5 factories. She can easily support as many as Michigan.

Minnesota has but one factory. She can easily have a dozen.

Iowa has plenty of splendid territory for supporting a dozen or 15 factories.

South Dakota is situated in the same way.

I am not so familiar with the undeveloped area in the Western States. In my own mind I am thoroughly satisfied that if we could be assured that there would be a 2-cent duty on Cuban sugar for the next several years, we would have a wonderful development of the beet-sugar industry in the United States and would soon place this country in a position where it would be absolutely independent for a sufficient quantity of sugar to constitute a war ration of at least 2,500,000 tons. Of course, there are areas to produce much more sugar than this 2,500,000 tons, but I am trying to confine my statement of the case to the probable increase that would take place within the next few years if we could have this 2-cent duty against Cuba assured for a few years.

Trusting that the above will give you our views of the situation,

I am,

Yours respectfully,

F. R. HATHAWAY,  
Secretary-Treasurer.

LARROWE CONSTRUCTION CO.,  
Detroit, Mich., July 18, 1922.

Hon. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: Your letter of July 8, addressed to Mr. J. E. Larrowe, vice president of the Northern Sugar Co., has just been received in this office, having been forwarded from Minneapolis, to which place your letter was originally addressed. While Mr. Larrowe is the vice president of the Northern Sugar Corporation, his own place of business

is located here in Detroit. Mr. Larrowe to-day is in Denver, Colo., and in view of the apparent urgency of your request, we telegraphed Mr. Larrowe the gist of your letter, and while we are not sure that our telegram will reach him before he leaves Denver, yet we hope that we have succeeded in reaching him.

The writer's personal opinion, based on the talk we have heard in sugar circles and amongst construction men, is that a 2-cent duty on Cuban sugar and 2½ cents against the rest of the world would work wonders toward the development of the domestic beet-sugar industry, particularly if there was no immediate likelihood of the duty being rescinded by a succeeding Congress. Of course, as you undoubtedly know, what has hindered the domestic beet-sugar industry more than anything else has been the uncertainty surrounding it, as men with money hesitate about going into some business that is a football of politics. Give the beet-sugar people an assurance that the tariff will not be changed for at least 10 years, and I think that you would see a wonderful development in the business.

Very truly yours,

CHARLES STAFF, Secretary.

GARDEN CITY, KANS., July 15, 1922.

HON. SAMUEL D. NICHOLSON,  
Washington, D. C.

DEAR SIR: Upon my return home from a short absence I find yours of the 8th instant.

I am glad to give you facts in reference to our sugar mill, and will show you why we can not successfully operate without sufficient protection, and the circumstances that govern our business substantially exist and are operative with all other beet-sugar mills.

Our factory operated its first campaign in the winter of 1906-7, and has been in continuous operation since. We are equipped with electric power—have a Steffens process and a pulp drier—this being so constructed that we save all there is to save in the original beet, and we produce the sugar under these circumstances as cheaply, or more so, than the average factory.

We are particularly fortunate in our location as to sales of our product, being able to sell our sugar on a short haul, within the boundaries of our own State. Under these circumstances we should have been prosperous under the existing tariff, but we have not been, and even at that believe we are still to the good as compared with several of the companies who are in the hands of their bankers.

Had it not been for the extreme optimism and generosity of our stockholders, we, too, would to-day be operating, if at all, under a receiver.

Since the year one all beet-sugar companies have pursued the very unbusinesslike policy of contracting for their beet acreage upon a flat price per ton, this being the only crop a farmer raises that he has been able to contract at a stated price, irrespective of the market value of the refined products made from the beet. Naturally, if the value of the refined product were low the factory stood the loss, which fact can be fully demonstrated by citing the year 1920.

Our own company, as well as practically every beet-sugar company in the United States, contracted during the fall of 1919 and early spring of 1920 with the beet grower on the basis of \$12 a ton flat for the beets to be grown during the season of 1920 and to be delivered during the fall of 1920.

During the season, while these beets thus contracted for were growing, the price of sugar dropped by leaps and bounds, until by harvest time these \$12 beets were actually worth barely \$5 per ton.

This caused enormous losses to every company that issued such contracts, and is the primary cause of our own company getting down to business tactics, and we are now issuing what is known as the "sliding-scale" contract—a contract wherein we pay the beet grower a full value and no more for his beets. This contract is based on two points, namely, the sugar content of the beet and the market price of the sugar made from that beet.

This is the only true and business method of purchasing the raw product. By this method the sugar mill is protected, but the beet grower is now put up squarely against the value of sugar, as he will no longer be paid, as in the past, more than his beets are worth. He will not grow these beets unless he can do so at a profit to himself, which he can not to-day, with his still excessive cost of living, labor, and freight rates. In our own experience our acreage has been cut 50 per cent, and unless this is remedied we will have to automatically close our factory from lack of raw material with which to operate it.

It has taken this long letter to arrive at the following facts:

1st. Sixteen years of experience, during which time we have so reduced our assets that we are practically bankrupt to-day, have proven beyond dispute that we can not continue to pay the grower more than his beets are worth;

2d. The grower, by the evidence of our shrunken acreage, will not grow these beets unless he can do so at a profit; and

3d. Our growers can not produce these beets on the present market price of sugar at a profit, and the present price of sugar is protected by our present tariff.

It is our candid opinion that if the tariff be placed at not less than 2 cents on Cuban sugar this increase will provide the necessary margin of profit to enable the grower to get back again to his old acreage basis.

There are so many facts and arguments as to the reasons why a farmer should grow beets, with which the farmer is fully conversant, that he will grow them, and continue to do so from year to year, unless the growing of same is an actual, direct loss to him.

Very truly yours,

F. A. GILLBESPIE,  
Treasurer Garden City Co.

UTAH-IDAHO SUGAR CO.,  
Salt Lake City, Utah, July 18, 1922.

Senator SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SIR: Please pardon delay in replying to your letter of July 8, but our agricultural superintendent has been out of the city most of the time since your letter was received, and I was desirous of getting his views before replying to your communication. Realizing that the sugar schedule may be considered almost any day, I wired you last night as follows:

"Answering your letter of 8th, my knowledge of conditions not only in Intermountain and Pacific Coast States, but in other parts of country where sugar is produced, warrants statement that possibility of expansion of beet-sugar industry is very much underestimated. The primary difference between the cost of sugar produced from beets grown on American farms and cane sugar manufactured from the raw product

obtained from countries where exceptionally low labor cost prevails is approximately 2 cents per pound. A stable tariff policy based upon that figure against Cuban sugar would, in my opinion, insure those engaged in producing domestic sugar sufficient protection to enable them to pay the farmer a price for beets comparable with that obtained for other crops. Such a stabilized policy would speedily bring about a very large increase in the production of domestic sugar, eventually supplying largely, if not altogether, our country's needs. As the value of sugar beets as a rotating crop is fully recognized by all scientific agriculturists, any added acreage planted to beets means increased fertility of the soil."

Supplementing this message, I have before me a communication, dated July 12, from Mr. Mark Austin, general agricultural superintendent of the Utah-Idaho Sugar Co., reading as follows:

"I have carefully read the Senator's letter of July 8, relative to the growing of sugar beets for the production of sugar and his remarks with reference to the tariff.

For your information, will say that 30 years' experience in Colorado, Utah, and Idaho has convinced me that the sugar beet is not a "hot-house" variety of plant but a very dependable product, and its continued cultivation means very much to the farmers. All sections of the country should have at least one cultivated staple crop to which a part of the lands may be planted in rotation with other crops, and the beet is an ideal plant for such purpose, as it calls for deep plowing, intense cultivation, and roots very deep into the soil; furnishes an abundance of cattle and sheep feed in the shape of pulp, sirup, and beet tops, making it possible to feed more live stock on the farm, thereby producing a better market for hay, grain, and other crops. A variety of feed that will produce meat and dairy products is always desirable if one hopes to bring about profitable farming.

Another thing, there is no other crop that I know anything about that tends to produce the desired fertility in our soil, thereby maintaining and in many cases increasing the yield of cereals and other products.

With respect to the area where sugar beets can be successfully grown, this is very difficult of determination, since it depends on irrigation, rainfall, etc., but it is a fact that beets have been successfully grown in many States of the Union and can be successfully produced under irrigation in almost any of the territory west of the Missouri River where the altitude does not exceed 6,000 feet. I heard the late James Wilson, when he held the post of Secretary of Agriculture in President McKinley's Cabinet, say that, after a careful survey of soil suitable for sugar beets had been made by his department, in his opinion there was sufficient land under irrigation, or susceptible to irrigation, to produce all the sugar required in the United States.

As to how fast or how far the beet-sugar business will expand, that is impossible to say; but of one thing I am certain, it can never expand under a free-trade or low-tariff policy. All of the expansion that has marked the progress of the sugar-beet business has been under a protective tariff.

My experience with the farmers has taught me that under present conditions they can not successfully raise beets and sell them for less than \$6 per ton. As an evidence of the truthfulness of this statement I need only cite our experience of this year. Under our profit-sharing contract the farmer is guaranteed a minimum price of \$5 per ton. When the contract was made the price of sugar was very low, hence he was impressed with the idea that \$5 per ton would be all that he would get out of his beets. As a result the acreage sown this year in the Utah and Idaho territory is nearly 30 per cent less than it was during the previous year.

I am satisfied that if sugar-beet raising can be stabilized and the farmer convinced that he would get a fair return from his beets every year increased acreage would result, the factories would have full in place of partial runs, cost of beets and factory expense would be reduced, and the business would be more firmly established.

This condition, however, can only be brought about by an adequate tariff provision, such as proposed by the representatives of the beet-sugar industry before the Senate Committee on Finance, December 19 and 20, 1921.

Now, my dear Senator, I do not know that I can add very much to what Mr. Austin has said in his letter on this question. The United States Department of Agriculture, in its report of the beet-sugar production by States for 1920-21, shows a total area harvested as follows:

	Acres.
California	122,813
Colorado	219,847
Idaho	45,810
Michigan	149,559
Nebraska	72,296
Ohio	49,199
Utah	112,567
Wisconsin	20,686
Other States	79,559

Or a total of 872,376 acres. The same States during the season 1910-11 planted 398,029 acres, and 10 years prior thereto, viz, 1900-1901, 132,000 acres. The yield per acre has increased from 1901, when it was 6.15 tons, to 9.80 tons in 1920-21.

To my mind this proves conclusively that the beet-sugar business has been on the upgrade during practically all of that period. There was only one break, which occurred at the time when our Democratic friends essayed to put sugar on the free list, when the acreage dropped from 580,066 acres harvested in 1913-14 to 483,400 acres in 1914-15. When the figures for 1921-22 are available they will doubtless show decreased planting as compared with 1920-21, due to the inability of the producers to pay a fair and reasonable price for beets on account of the prevailing low price for sugar.

If there are any other features of the business on which I can enlighten you I will be very glad to serve you.

I am inclosing you herewith a copy of the Utah-Idaho Sugar Co.'s contract with the farmers, which shows in detail the profit-sharing plan that has been in vogue in this territory during the past two years.

I am also inclosing you a sample of a circular letter recently issued to the growers, which is required under their contract as a matter of information.

Yours very truly,

J. H. LOVA.

MINNESOTA SUGAR CO.,  
Minneapolis, Minn., July 22, 1922.

HON. SAMUEL D. NICHOLSON,  
United States Senate, Washington, D. C.

DEAR SENATOR NICHOLSON: Mr. James E. Larrowe, of Detroit, Mich., referred your inquiry regarding the prospects for establishing the beet-sugar industry in Minnesota and Iowa to me.

After 15 years' experience in the beet-sugar industry in Michigan I came to this section two years ago to assist in extending, if possible, the beet-sugar industry here.

There is great need of establishing the beet-sugar industry in northern Iowa and Minnesota. This territory has been proved, without a doubt, to be one of the best sections in this country for growing beets of good quality and of the average tonnage per acre. Minnesota has shown exceptionally high quality in sugar content; Iowa not quite so high but has grown a larger tonnage per acre. There has come to the farmers in this section the realization that their crops must be rotated, that they must do more intensive farming, and that they must have a root crop. Not only is this necessary from a financial point, but this rotation with a root crop is necessary in order to bring back the production of other crops to the point where they can bring better returns than they are now making on the grain crops.

It is the one popular note to-day with the farmers and the business organizations of this country, that of rotating crops and interjecting a root crop and increasing the dairy business, which goes hand in hand with the beet-sugar industry.

You will note the attached clippings from the Minneapolis Journal and the Minneapolis Tribune of last week, bringing out their interest in the extension of the beet-sugar industry.

As to increasing the beet-sugar production in this country, we will say from experience and careful investigation that the State of Minnesota and the northern half of Iowa alone could and should establish at least ten to a dozen beet-sugar factories. They have the soil and the climate, and I am of the opinion that they will sustain, in due time, a larger number of beet-sugar plants. We must have a tariff sufficient to protect us against Cuban sugars, and I doubt very much if there will be any extension to speak of under the present tariff of \$1.60 against Cuba. The extension of the industry in this country will be slow, if any, under the present tariff of \$1.60 against Cuba. We should have 2 cents against Cuba and 2½ cents against the world. There is no doubt but that we could in a few years double the production of beet sugar in this country, and it should be done. The farmers need the industry, but they can not produce the beets at the prices they have had to produce them at in the past without running a risk of losing money, and that is the reason the industry will not be extended under the present tariff. Quite naturally some of the beet-sugar companies now established would not be in favor of increasing the plants in this country; nevertheless we greatly feel the necessity of more plants in this section of the country.

In December, 1921, Mr. W. P. Hogarty, said to be one of the best authorities on agricultural conditions and the beet-sugar industry in this country, gave a lengthy address before the Commercial Club in Billings, Mont., which was printed, and no doubt could be secured from the secretary of the Rotary Club of Billings, and which contains more valuable information and data which would be helpful to you in building up your argument for the extension of the industry than any document I can refer you to at this time. Mr. Hogarty is now the general manager of the Great Western Sugar Co. for that district, and I quote a paragraph as follows, which answers your inquiry, about as we look at it, with reference to the extension of the industry:

"Here as elsewhere in this country the American farmer is in competition with the foreign producer of sugar. If the price of the sugar of this country can be kept such that the American beet grower can profitably grow this crop, the future of the industry is assured. With about 100 beet-sugar factories in this country, producing sugar from 875,000 acres of beets, the industry could expand to produce all of our consumption, and 500 factories of the present average capacity would be required and the acreage in sugar beets would amount to 4,000,000 acres. The benefits from such a reality would be far-reaching to the farmers of this country. Is it not worth believing in and making it not only our State aim but our national aim as well?"

If there is any further information we can give you to assist you in your argument for the extension of the industry, we will be pleased to do so.

Very truly yours,

H. A. DOUGLAS, *President.*

Mr. SIMMONS. Mr. President, it is not my purpose to discuss the details of this proposition, but only to place certain data in the RECORD and to discuss a few of the fundamentals of the question which is now before the Senate. I shall not desire to occupy more than 15 or 20 minutes, and I wish to say now that if there is any Senator who desires to make a set speech, I am perfectly willing to yield to him, provided I may have 15 or 20 minutes left before the time set for a vote.

Mr. GOODING. Mr. President, I intend to occupy about 10 minutes only, but I am in no hurry, and I will wait until the Senator from North Carolina concludes.

Mr. McCUMBER. Mr. President, will the Senator yield to me in order that I may send to the desk an amendment and ask to have it printed?

Mr. SIMMONS. Certainly.

Mr. McCUMBER. I send to the desk a proposed amendment to the pending bill and ask that it may be printed.

The PRESIDENT pro tempore. Without objection, the proposed amendment will be printed and lie on the table.

Mr. SIMMONS. Mr. President, on yesterday during the delivery of the speech made by the Senator from Louisiana [Mr. RANSELL] he stated that the cost of producing a ton of sugar in Louisiana was \$79.56. Upon his making that statement I interrupted him, and I wish to read briefly extracts from the colloquy between him and myself:

Mr. SIMMONS. In view of the vast difference in the cost of producing sugar here and in Cuba, the Senator said that we should encourage the industry in this country and after awhile Americans would begin to compete with Cuba and supply the market. Will we ever be able to supply the market at a price even approximating the price at which Cuba can produce this article?

The Senator answered that question satisfactorily. He was then asked by me to state the cost of producing sugar in Cuba, which I said I had not quite understood. He replied:

I can give that to the Senator. The figures are as follows: The cost to produce a ton of sugar in Cuba is \$28.92, as compared with \$79.56 in this country.

Mr. SIMMONS. Now, I want to ask the Senator another question. He said that we ought to stimulate the production of sugar cane and beet sugar in this country, if we can; and he is talking about cane sugar, as I understand it.

Mr. RANSELL. Yes.

Mr. SIMMONS. The Senator said that if we would stimulate it we would find ultimately that we would produce enough in this country to supply our own demands. If the time should come when we produced enough in this country, under the impetus of this stimulation, to supply the demands of the market, would there not be the same difference in the cost of production in this country and Cuba that there is now? Will we not have to continue to the end of time, in order to protect ourselves against Cuban competition, to pay the same bonus in order to continue to keep the industry alive?

Mr. RANSELL. I do not think we will have to do anything of the kind. I believe if we would ever get the industry on a good, sound basis in this country, so that we would produce, say, 4,500,000 or 5,000,000 tons of sugar, getting the business well established and thoroughly going, that it would be self-sustaining. Of course, sugar will always be produced, possibly more cheaply, I have no doubt somewhat more cheaply, in Cuba than in this country; but sugar is not a hothouse plant in America, I will say to the Senator. It can be made, and it will be made if we ever get it thoroughly started.

Mr. SIMMONS. But the Senator states that the cost of production in this country is something like three times as much as the cost of production in our neighboring country just across the water; and the question which interests me is, after years of artificial stimulation, when we have by that process of annual bounties brought the sugar production of this country up to the point where it supplies the demand, whether we will not have to continue that process, and when we stop that whether we will be able to produce sugar as cheaply as Cuba, and whether the industry would not under those circumstances go all to pieces at once.

I have read that, Mr. President, because it is with reference to that aspect of this question that I especially desire to speak to-day.

It is contended or admitted by the proponents of this duty that the cost of producing a ton of cane sugar in this country at the present time is three times, or very nearly three times, as great as the cost of producing a like ton of sugar in Cuba. The question therefore is, in view of the experience of the past with reference to the cost of producing sugar in this country and Cuba, can we reasonably hope that we ever will reach the point in this country under any conditions whatsoever as to the domestic production of sugar where we will be able to bring the cost of production in this country to anything like the level of its cost in Cuba? And if we shall not be able to do that, when by artificially stimulating this industry we have reached the point where it is producing enough annually to supply the domestic demand, if at the end of that time it is found that the relative cost of producing sugar in this country and Cuba is the same as now, will we not have to continue indefinitely to sustain our industry, although it has been established by artificial processes up to the point of producing our whole supply, by an annual bounty or subsidy or protective tariff tax equal to the difference between the cost of production here and in Cuba?

If that will be necessary, Mr. President, after we have fostered this industry to the point where it supplies the total domestic demand, then we will either have to see all of these immense contributions of the people to this industry go for naught, or we will have to continue to require the people of this country to pay for their sugar practically three times the actual value of that sugar, measured by the world price of it.

The theory of protection has always been, when applied to an infant industry, that it should receive nourishment from the Government, contributions from the people, to enable it to stand upon its feet against foreign competition until it had had ample time to establish itself, to attain its maturity, and then these large contributions were to cease. That has been the theory. Another theory of protection has been, as I have understood it—I mean the Republican theory—that an industry was entitled to protection upon the idea that it would not advance the cost, or, if it would advance it at all, only temporarily, to the American consumer, but that ultimately it would reduce that cost by bringing about sharp domestic competition. Advancing from that position, the Republican theory has been that when an industry is established, when it has been placed upon its feet and has become self-sustaining in the sense that it can produce all that the domestic market requires or the major part of the domestic demand, it is not entitled to further protection unless the price at which it sells its product to the American people is a reasonable price, considered in connection with the world level of prices in that industry.

I take it that no man in his senses in this country has ever openly advocated that we should continue to foster and encourage and stimulate an industry when it has been demonstrated that that industry can not exist in this country unless it is permitted to charge the people of this country three times or two times or one and a half times or one and a quarter times more than the people of this country could buy that product for from some other country. That sort of a tariff would be abso-

lutely oppressive. After we have put this sugar industry upon its feet, after we have stimulated it to the point where it can supply the entire domestic market, if then the conditions of competition between this country and Cuba are of such a character that the domestic producers can not sell their product to the American people with a profit without charging them from two to three times as much as they could buy that product for from Cuba, I say it would be oppression to continue to require the people to buy the domestic product and keep this weakling upon its feet.

Accepting for the purposes of the argument the figures of the senior Senator from Louisiana [Mr. RANSELL] that at this time, 1922, the cost of producing a ton of cane sugar in this country is \$79.56, as against \$28.92 in Cuba, is there any reason based upon the present conditions for us to assume that, if we build up this industry further by largesses greater than we have ever given to them before, so that they can produce the whole amount needed to supply the American market, we will then be better able to compete with Cuba? Can we then sell sugar to the American people at a reasonable profit at a slight advance upon the foreign price, or will we always have to tax the American people so as to measure the difference between the cost of production here and the cost of production in Cuba? That is the question I raise.

Mr. GOODING. Mr. President—

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

Mr. SIMMONS. Yes; I yield to the Senator.

Mr. GOODING. I want to say to the Senator from North Carolina that just as long as labor is employed in Cuba for 60 cents a day, just as long as coolie labor from China is imported into Cuba under bond and worked as slaves, just that long, if we are going to grow sugar in this country, will there have to be a duty. When the price of labor in Cuba comes up to the standard of America, when the price of labor in other foreign countries comes up to our standard, we will not need any protection, but until it does we will have to have protection to grow sugar or to grow anything else in America.

Mr. SIMMONS. Mr. President, I expected that the Senator would answer just as he has answered me; but I want to say that there is not a thing in the answer, because the difference in the cost of production of sugar in this country and the cost of production of sugar in Cuba is not the result of difference in labor costs here and in Cuba.

Many years ago, before the war, when the Cuban treaty was pending here, I had occasion to investigate this matter thoroughly, and I found that it was admitted in those discussions that the difference between the labor cost in Cuba and in this country was slight. It is slight to-day, but even if it were as large as the Senator contends, it is not the difference in labor cost that brings about this difference in the total cost of production. There is nothing in the answer of the Senator.

Mr. GOODING. Mr. President—

Mr. SIMMONS. Mr. President, I do not want to yield any further. I understand the Senator's position thoroughly. I do not want to take much time, because I want other Senators to have ample time.

Mr. President, the real truth about the cane-sugar situation can not be found in a study of the difference in the labor costs in the two countries, although that may be a factor which enters into the problem. I have not said the labor costs are absolutely on a parity.

Mr. BROUSSARD. Mr. President—

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

Mr. SIMMONS. I will yield for a question.

Mr. BROUSSARD. I merely want to call the Senator's attention to the fact that in the hearings, page 2311, the testimony of Mr. Joseph B. Chaffe shows that the labor cost in Louisiana is 52 per cent of the total cost.

Mr. SIMMONS. Mr. President, I have somewhere a statement of the wages paid in Louisiana, and I will attempt to find it in a few moments. The same story has been told for years that we must encourage the production of sugar in this country, and if we would encourage the production of sugar in this country by protective duties it would very soon attain to proportions where it could supply the domestic demand. The sugar industry in Louisiana is a century old, I think, and it has had lots of tariff nourishment at times. Instead of this industry expanding to meet the constantly expanding demands of the American people, the reverse is true.

Before I get to that I want to read from the Summary of Tariff Information as to the wages paid in the American cane-sugar industry. It gives the annual average wage in conti-

mental United States as \$670; in the beet-sugar industry, \$826; in the cane industry, \$430. That is the average wage paid in the cane industry of Louisiana, according to the Tariff Commission. I do not recognize in that these great, enormous, staggering wage rates which it is claimed are the result of protection and an illustration of the high standard of wages paid to the American laborer. That is about \$40 a month, a little over a dollar a day. Protection certainly has not won for the workers in the cane fields of Louisiana the high wages about which we have heard so much.

This same authority gives the value of the cane sugar produced as \$18,947,683 and the total wages paid \$1,561,376, or less than 10 per cent of the total value of the product.

Mr. GERRY. Mr. President, I would like to call the Senator's attention to the fact that in the beet-sugar industry, in many cases, Mexicans and Russians were brought in to take out the sugar, and not only that, but in certain States child labor was used.

Mr. SIMMONS. In the beet-sugar industry the average wage was \$826. That average is a little higher than in the cane-sugar industry. I suppose it requires a little higher class of labor.

I only laid stress upon that in answer to the junior Senator from Idaho. I repeat, I do not think the labor cost enters very largely into the great difference between the cost of production here and abroad. It is a slight element. I suppose probably in Cuba they pay a little less than \$480 a year in the cane fields, but only slightly less.

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

Mr. SIMMONS. Yes; I yield.

Mr. GOODING. I want to call the Senator's attention to the fact that we have a different class of labor in the North and in the West—

Mr. SIMMONS. Mr. President, I am talking about cane sugar.

Mr. GOODING. I am talking about sugar in general.

Mr. SIMMONS. I can not discuss two things at one time. I am talking about cane sugar, and when I was comparing wages in this country and in Cuba I was comparing wages in the cane industry and I only mentioned the other incidentally.

Mr. GOODING. Laborers in Louisiana receive twice as much as laborers in Cuba receive. I do not know what the coolies are paid, but there are 40,000 of them down there.

Mr. SIMMONS. I have not the Cuban figures, but I did investigate the subject several years ago, and there is not much difference in the wages paid in the two countries. The Senator will not be able to show that there is much difference. Again, the coolie labor is found to be very inefficient and expensive labor. That is not the trouble.

When I was interrupted by the page bringing me the figures I had sent for, and I returned for that reason to the subject I had been discussing before that, I was saying that the cane industry in Louisiana was a century old; that it had been stimulated for many years in the past with protection, except probably for a little while, when a bounty was paid them, and the same story we hear to-day was sung then. I have been in the Senate nearly 22 years, and whenever this subject has come up the same story we have heard to-day has been sung, with variations, it is true, but always to the same general effect, "If you will just give us protection enough, we will in a reasonably short time expand our operations, and we will be able to supply the American market, and you will not have to continue to buy sugar from Cuba."

In the face of that it is a rather remarkable coincidence that with all the protection we have given this industry during the last 20 years or more instead of increasing its production and meeting the American requirements it has been rather diminishing its output. In 1902 the production of sugar in Louisiana amounted to 728,000,000 pounds. Then it ran on increasing until in 1905 the production was 784,000,000 pounds; in 1908, 788,000,000 pounds; in 1909, 828,000,000 pounds. In 1910 it was 750,000,000 pounds. Then it fell in 1913 to 305,000,000 pounds. In 1914 it was 601,000,000 pounds; in 1915 it was 495,000,000 pounds; and in 1916, under the stimulus of the war, with high prices and great demand, it fell down to 277,000,000 pounds. In 1917 it was 621,000,000 pounds. In 1918 it was only 487,000,000 pounds; in 1919 it was 561,000,000 pounds; and in 1920, with sugar at its maximum price, it was 241,000,000 pounds.

That is the industry which is telling us to-day that if we will increase their protection 100 per cent their capacity for expansion and growth and development is such that they will very soon be able to supply the domestic market, together with the aid of the beet producers in this country.

Why have they not expanded, and why have they not been able to meet the Cuban situation any better than they have? I said it was not labor trouble. The Louisiana industry is

really an artificial industry. It is a hothouse industry, and that is due not to causes which can be controlled by man or by legislation; it is due to natural causes over which we and the producers of Louisiana have no control.

The trouble is that the seasons down there are not long enough for the juices of the cane to mature as they should, and the slightest frost affects the juice to such an extent that it can not in many instances be converted into sugar at all. I am told that it is a common sight, in passing through Louisiana in the fall, to see thousands of acres of sugar cane let go to waste as not being worth cutting because of an early frost.

Again, Mr. President, that is a natural thing which can not be controlled. Our climate is not as well suited to the sugar industry as the Cuban climate, just as the climate of this section of the country is not as well suited to the growth of certain plants as the South, as even the State which I represent, which is one of the most northern of the Southern States. The plant may grow. The plant may under certain very favorable and exceptional circumstances mature fruit. But the plant is always in danger of destruction by reason of the rigor of the seasons, a danger from which it is exempt in the South. So in Louisiana the plant is always in danger of a blighting frost, and this frost comes with frequency, and that is the reason why in the annual output of the Louisiana fields we observe such variation in the amount of production, running from 700,000,000 or 800,000,000 pounds down to 200,000,000 or 250,000,000 pounds. It is the effect of the frost in many instances and in most instances. It is not because it is not as profitable in one as in another year. It is not because the price of sugar is not as good in one year as it is in another. The great variations in production which I have shown by reading the table, and as would be very manifest to anyone who studied the table, show the effect of the natural impediment to the successful production of this commodity in competition with a country which God has made exactly adapted and suited to its production, both in climate, in soil, and in season.

Now, Mr. President, another matter that is natural and can not be controlled by human agencies is the fact that it requires a large proportion each year of the crop to seed the next year's crop, in Louisiana sugar cane being an annual crop, while in Cuba and other more favored countries one planting suffices for 12 to 15 or even more years. I do not remember now to have heard that question raised in the discussion, but in former discussions it has been raised in this Chamber. The loss to the Louisiana producer growing out of the fact that every year it takes such a large part of his crop to provide the plants for the seeding, or whatever it may be called, for the next year, was quite important. I can not describe the process technically, because I have not been in Louisiana and know nothing about it except what I have read.

But my understanding is that it is entirely different in Cuba. They plant there and the plant reproduces itself without any other planting for 10 to 15 years, thereby, of course, enormously reducing the cost of producing sugar cane and sugar. Every farmer knows that one of the chief expenses in the cultivation of his crop is the breaking and preparation of the land for planting the seed and the planting of his new crop. They have no trouble of that sort in Cuba. The plant is cut and springs up again from the stalk, as I understand it; that is, the roots send out new shoots from which the next crop is made.

Mr. POMERENE. Mr. President—

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

Mr. SIMMONS. I yield.

Mr. POMERENE. In support of the statement just made by the Senator, I may say that when a special committee was sent to Santo Domingo we were advised there by native Dominicans that in the southern part of the Dominican Republic there were large sugar plantations which they had harvested from 15 to 20 years continuously without replanting. One of the leading Dominicans told us that in the northern part of the island he knew of a plantation which had been harvested for 32 years successively without replanting.

Mr. SIMMONS. That is without cost in those countries, whereas in Louisiana every year it takes a part of the crop, as I understand it, to pay the cost of preparing for the next crop.

Mr. BROUSSARD. Mr. President—

Mr. SIMMONS. I am perfectly willing to have the Senator from Louisiana explain that as to his State, although I have taken more time than I intended.

Mr. BROUSSARD. The Senator is entirely in error. We never plant more than once in two years, and in many cases we grow it three years without replanting. I have seen it grown as much as four years without reseeding. We could grow the cane just as they do in Cuba, but we find it more

profitable after the second year to replant, unless the ratoons are very good.

Mr. SIMMONS. Is that what they call the new shoots?

Mr. BROUSSARD. Yes; ratoons. There are two reasons for that. The first is that we want the rotation of crops. We put in corn and cowpeas, to be followed by cane. We have found that if we proceeded by planting the cane and cutting the crop from year to year, the crops would be poorer and poorer until they would be practically valueless. We always make two crops and then have a replanting, although in many cases it is allowed to remain three years and four years, and there are some places where cane has been growing for 25 years without replanting.

Mr. SIMMONS. I do not want to take too much time on that. It may be that one year, as I have stated, is not correct. However, that was my information. It may be that they can go along without planting it oftener than once in two years, but they can get along in Cuba by planting it once in 10 or 15 years or even longer. That is a tremendous natural advantage that nobody is responsible for and which can not be overcome by legislation or by tariff protection.

The question is, under those circumstances, if we are able to produce sugar in this country, cane sugar we will say, together with beet sugar, to the point where cane sugar supplies one-half or one-third and the beet sugar supplies the remainder necessary to meet our domestic demands, with cane sugar laboring under the natural handicaps to which I have referred and which we can not correct by legislation and for which we can only compensate by subsidies or bounties, will cane sugar be in any better position then to compete with Cuba than now? Will not these natural handicaps make it impossible then and will we not have, therefore, indefinitely to call upon the people each year to pay into the pockets of the producers of cane sugar in this country a sum twice as great, probably, as the amount for which the sugar which they buy sells for in the markets of the world?

If that is so, we are doing a vain and foolish thing to undertake by artificial means to foster this industry when we know in the light of the facts that there are no circumstances or conditions under which it will ever be able to produce sugar for less than twice the price that it can be produced for in Cuba, and therefore never able to compete with Cuba to give the American people sugar at a reasonable price. All these protective duties are based upon the theory that the American people are not to be charged, as a result of them, an unreasonable price. Are we not doing a vain and foolish thing to continue this process?

Mr. President, I said I would not take long, but I have gone into the matter and taken longer than I expected. If there is any other Senator who wants to speak and I am treading upon his time, if he will say so I shall conclude within five minutes. [After a pause.]

Mr. President, with reference to beet growing, I do not claim to know very much about the growing of beets in this country. All I know about the industry is what I have been told and what I have gathered out of official documents and literature which I have read upon the subject. A statement which was somewhat amazing to me was made here the other day by the Senator from Michigan [Mr. TOWNSEND], who comes from a beet-growing State. He told the Senate the other day in his advocacy of the encouragement of the sugar-beet industry that it was not only a valuable product for food purposes but that it is very helpful to the land, that it is a great land improver, and that we ought to encourage it for that reason, because if there is anything we needed more than another in this country it is the improvement of our soil. I agree with the Senator about that proposition, but my information is that just the reverse is true, that the beet draws heavily upon the soil and exhausts it; that, as a matter of fact, it is one of the greatest potash absorbers in the world; that if there is potash in the land, unless the crops are rotated, probably not using the beets oftener than once every four years, they will exhaust the potash in the land and impoverish it. For that reason I am told that Germany has been able more successfully probably than any other European country to cultivate the sugar beet, because she had her own inexhaustible supply of potash, a thing that the beet plant seems to especially love and feed upon.

Mr. SMOOT. Mr. President—

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

Mr. SIMMONS. I yield.

Mr. SMOOT. I do not know who gave the Senator the information, but the fact is just the reverse. Every bulletin issued by the Government and everyone who has studied the question a moment claims that the beet crop causes the least drain upon land of any crop grown. All the writers claim that it is un-

necessary to have a rotation of crops so long as the beets are grown upon the land. I will say to the Senator from North Carolina that I know of lands in the State of Utah where for 25 years they have never grown anything but sugar beets, and that without a thing in the way of fertilizer except through the irrigation they get.

Mr. SIMMONS. I know of lands in the South that have been growing cotton for 40 years, but I know they would not grow cotton at all unless we practically renewed the soil by putting plant food there.

Mr. SMOOT. But in the case I speak of there is no fertilizer added to the land or used on the land.

Mr. SIMMONS. I do not regard the point as essential at all. It was so stated, and I was amazed to hear it, because I understood the Senator from Louisiana [Mr. RANSDELL] in his speech to refer to a document issued by the Secretary of Agriculture—I believe Senate Document No. 22, Sixty-first Congress, first session—in which it was recommended that other crops be rotated, with the beets used every fourth year.

Mr. SMOOT. The fact is that they will resuscitate the land.

Mr. SIMMONS. Very well. That is probably what it was meant for. Then the Senator from Michigan was right and I am wrong about it. I do not profess to know anything about it; but I talked with an expert from the Treasury Department, and he thought the Senator from Michigan was wrong, and so I said so.

Even the Agriculture Department admits that only one crop of beets should be taken from the land in four years; that the other three years should be used in preparing the land for that crop by growing clover, peas, or some other improving crop. Does not this show that the beets are a hard crop on the land?

Mr. TOWNSEND. Mr. President, if the Senator from North Carolina admits that, of course I have nothing further to say. I wish to add, however, that the sugar beets obtain their sugar largely from the atmosphere. That is a scientific fact. The beets are cultivated and they are a direct benefit to the land. That fact has been proven, and their cultivation is recommended by every scientific man who has studied the question. I do not care further to interrupt the Senator from North Carolina.

Mr. SIMMONS. If the Senator from Michigan will pardon me, I do not wish to prolong the time, and I am not making any controversy with him. He knows more about the subject than I do. I accept his statement in reference to it entirely. It makes no difference, however, as to the point that I am going to make. The sugar is a pure carbohydrate, drawing nothing from the soil, but the beet pulp is rich with salts drawn from the soil.

Mr. President, I am deeply interested in the beet-sugar industry. We all have been deeply interested in it. The people of Europe are deeply interested in it; indeed, they are more deeply interested than are we. Europe has exploited the beet-sugar industry to a greater extent than have we in this country. I am satisfied, however, Mr. President, that the statistics show that the beet-sugar industry, when brought in competition by a free and open market with the cane-sugar industry and its product, can not live. I am therefore sure that the beet-sugar industry in this country, and, indeed, the beet-sugar industry throughout the entire world, is in a state of decadence instead of a state of development; that it can not live, except through a governmental bounty, as against competition with cane sugar, and that that fact has been thoroughly demonstrated.

I wish to ask the attention of what few Senators happen to be in the Chamber to the fact, as to the consumption of sugar, that, in 1900, of the total consumption of the world 64.7 per cent was beet sugar. The reason for this was that the various beet-sugar producing countries of Europe were vying with one another for the markets of the world. In order to stimulate the industry—and when I finish this statement, Mr. President, I will bring my remarks to a close—these sugar-producing countries of Europe granted bounties on the export of beet sugar while retaining prohibitive duties on the importation of sugar. Due to this England was enjoying granulated sugar at the price of about 2 cents below the cost of production where the same sugar was produced. This condition eventually became unbearable. After this artificial stimulation of the beet-sugar industry by all the beet-growing countries of Europe by enormous bounties and by prohibitive tariffs, Mr. President, what happened?

In 1902 the sugar-producing countries of Europe, as a result of this situation, called a convention at Brussels. We have heretofore heard a good deal of the Brussels convention. It was a convention called to consider the unbearable situation which had grown out of the attempt to stimulate and foster the beet-sugar industry by every country in Europe producing that prod-

uct by large bounties and prohibitive tariffs. That convention was called to consider the effect of that policy upon the countries concerned in the production of beet sugar and the countries concerned as customers in the purchase of the product. The convention met at Brussels. After several failures to come to an agreement it was finally agreed that all export bounties should be abolished.

This decree went into effect in Europe in 1904; and what resulted, Mr. President? The beet-sugar industry was producing 64.7 per cent of all the sugar consumed in the world when fostered by those subsidies and bounties, but when they were repealed in 1904 what happened?

The result was that the world's consumption of beet sugar fell from 64.7 per cent to 51 per cent in 1905. In 1912 the decline had gone on until the world's consumption of beet sugar had fallen to 42 per cent of the total sugar consumption. Then we had the great World War, necessarily interfering with the production of this sugar. However, in 1920, year before last, the total consumption of beet sugar was only 21½ per cent of the world's consumption of all sugar.

That is the history of the beet-sugar industry in the world. It grew to enormous proportions under governmental bounties and subsidies. These gratuities of Government, these contributions by the people of the world, enabled the beet-sugar industry to overcome the difficulties of competing with cane sugar, which is indigenous to many of the great islands of the sea. As soon, however, as that prop was removed from beet sugar in Europe—not altogether, but so far as the bounties were concerned—beet sugar in Europe was, in a measure, put upon a basis of competition with cane sugar. In less than 20 years we have found that the production of beet sugar has fallen from 64.7 per cent of the world's consumption until to-day the production of beet sugar constitutes only 21½ per cent of the world's consumption of all sugars.

If these figures do not establish that this is a hothouse industry, that this is an industry which can not live against its competitor—namely, cane sugar—without the help of Government, without the contributions of all the consumers of sugar in the various nations of the world, then, Mr. President, it seems to me to be impossible to establish that or any other proposition which is based upon statistics and upon actual happenings in connection with the prosecution of an industry.

So I come back to my original proposition, Mr. President, and I say that if we shall stimulate the beet industry, if we shall stimulate the cane industry, if we shall give them all the protection of which they shall have need in order to enable them, in an incredibly short time if necessary, to supply the whole domestic demand for sugar, will we not have to continue that process of subsidizing the industry to the end of time, indefinitely, forever? So long as the American Government exists and the people eat sugar and Cuba lives and produces sugar, will we not have to continue it indefinitely, and, although the industry may be ever so flourishing, although it may be able to supply the entire demand of America, the minute we withdraw this protection and these bounties, will the industry be able to stand for a day in the face of Cuban competition? No, Mr. President, the facts, the statistics, the experience here and in Europe, in the world at large, show that it will not; that there can be no competition with Cuba on the part of the cane producers of Louisiana, the beet producers of the West, or the beet producers of Europe unless Government shall step in and by subsidies and bounties to some extent equalize not the difference in labor cost here and in Cuba, for that has very little to do with it, but the differences that grow out of the natural handicaps of both the cane and beet-sugar producers in America in competing with the sugar produced from cane in Java, in the Philippines, in Cuba, and in other islands of the sea where God has provided the conditions under which cane grows, while denying to this country and Europe, where the effort has been made to produce beet sugar and cane sugar the same advantages of soil and climate and season.

Mr. GOODING. Mr. President, it is not my intention to take up more than a few brief moments on this schedule. I discussed it at some length a few days ago, and it has been so ably discussed by the Senator from Utah, the Senators from Louisiana, the Senator from Michigan, and the Senators from Colorado that it seems to me that about everything has been said that can be said in the interest of a great industry.

I want to say to the Senator from North Carolina that just as long as the peasants of a foreign country are satisfied with a little in this life, just as long as they are willing to live under the same roof with the animals that they use upon their farms, just as long as the mother takes her babe out into the fields and tills the soil, just as long as there is selfishness in humanity that goes abroad and gets control of great in-

dustries and exploits the poorly paid labor of Europe and then comes back into America and exploits the American people where it has a monopoly, just that long will we have to have a protective tariff that makes up the honest difference in the cost of production in this country and abroad, or we can not maintain the American Government.

From a democratic point of view we can not do much in America. In the great State of Louisiana they have frost and everything else that goes to destroy the cane industry down there. The wool industry is only a pioneer industry. With the settlement of this country it must pass away. The hemp industry passed away simply because we did not give it proper protection; and if we listen to our Democratic friends there is not anything that we can do in America quite as well as they can do it in other countries. God forbid that the time will ever come in America when we shall be forced to do it as cheaply in this country, and when our people must accept the mere pittance that is paid to labor in foreign countries. It will not be America any longer if that time comes. We will have a condition here worse than that of slavery.

That time never can come, however. There is too much intelligence and too much independence here in America for labor to permit itself to be forced down to accept the measly pittance that is paid to the peons of Mexico and other foreign countries where, with a depreciated currency to-day, they are working for one-tenth or one-twentieth, if you please, what we are working for here in America. Germany has been forced to raise her tariff laws that were passed before the war 65 times over—65 times higher, if you please—as measured by the depreciated mark of to-day; Austria, 200 times over; France, 10 times over; Belgium, through her system of coefficients and multipliers, several times over. So it goes all along down the line, and here we are haggling over proper protection to a great industry!

The protectionist in America, regardless of whether he is a Republican or a Democrat, has never asked to place a duty on those things that we do not produce in America. We never have hotheaded anything in this country. Coffee has been free for many years. Tea has been free. We buy 85 per cent of all the rubber of the world, and that is free. We permit the world to ship into this country every year nearly a billion dollars' worth of different commodities and products that are on the free list. We place protective duties only on the products that can be developed or grown or produced in America, whether they are products of agriculture, mining, or manufacturing. We do not go beyond that; and the protectionist, regardless of whether he is a Republican or a Democrat, is a protectionist because he believes in protection to American industries and American labor, and because he believes that through protection we can collect more revenue than can be collected from a Democratic revenue law that in some cases is so low that very little revenue is collected from it.

Mr. President, I think we all must understand that we have reached a period in the history of the world when there is combination, organization, and centralization everywhere. There is no exception to that rule. In this country capital has been organized for years. Is there a Senator here who is so far behind the times that he does not know that we have had a Sugar Trust in America for many a long year, and that that Sugar Trust has gone down into Cuba, bought the raw sugar land, developed sugar plantations, largely with coolie labor that has been brought here under bond and a 5-year contract and shipped through our own country in cars with doors locked and windows fastened and taken over to Cuba to work in the sugar plantations to compete with American labor and the American farmer?

What has happened? The question simply comes to this, Mr. President: Are we going to permit the sugar industry to exist in America, or are we going to turn it over to the selfish interests of this country, that are more dangerous to this form of government than such men as Bill Haywood or Eugene Debs, or such women as Kate Richard O'Hare, who said that the mothers who sent their boys to the war were no better than brood sows on a North Dakota farm?

Let me show you what they are doing and what we are paying for Cuban sugar at the present time, and what we have paid in the past.

Mr. GERRY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. GOODING. Yes; I yield.

Mr. GERRY. The Senator has been discussing labor conditions in Cuba. I know nothing about them; but from a perusal of the testimony before the Finance Committee it seems to me very conclusively proved that the beet-sugar industry also imported foreign labor to harvest its crops.

Mr. GOODING. I think it is true that we had some Mexican labor during the war, but I want to say to the Senator that they were paid American wages, \$2.50 a day.

Mr. GERRY. But they did not hire American labor.

Mr. GOODING. They hired American labor, and they always do when they are able to get American labor; but during the war, when 4,000,000 boys answered their country's call, it became necessary to permit some Mexicans to come into this country and work in the beet fields.

Mr. GERRY. And since that time they were brought in.

Mr. GOODING. Not to my knowledge.

Mr. GERRY. Yes.

Mr. GOODING. But if so, they were paid an American wage.

Mr. GERRY. Mr. President—

Mr. GOODING. I can not yield further to the Senator because I have promised the Senator from Ohio [Mr. WILLIS] to yield the floor. He wants to take up a little time, and I want to get through.

Mr. GERRY. I shall be glad to have the Senator get through, if he will yield—

Mr. GOODING. No; I refuse to yield further, Mr. President.

Everybody knows about the measly pittance that is paid in Cuba. Mr. Rogers, who represents the cane-sugar industry, testified before the Finance Committee that he saw these laborers going through New Orleans in trainloads, and that there are 40,000 of them on the island at the present time, and that about 8,000 a year are being shipped into Cuba. That is the condition that you would have the American laborer and the American farmer compete with.

I am sorry that I have so little time, Mr. President, and have to hurry; but this question has been thoroughly discussed, and I am sure anything I may say will not add much to it.

I have here the sugar prices beginning with the 26th of June, 1914, and ending with the 23d of June, 1915. I shall not take time to read all the weekly prices of sugar; but on June 26, 1914, the price of granulated sugar in New York was \$4.30 a hundred pounds. I think it has been explained very fully that the cane sugar produced in America and the beet sugar produced in this country are off the market along in March, and for that reason Cuba monopolizes the market after that time. The American product is off the market simply because we have not provided in this country for carrying over the raw sugar; and the sugar hardens in hot weather, especially in this damp climate, and for that reason it must be disposed of. There is no question that the American beet grower and cane grower by carrying their raw sugar over for a time and providing for it can supply the American needs for sugar the year around if we will give them an opportunity.

On June 26 granulated sugar in New York was \$4.30 a hundred.

I will jump up now to August, when the American people are using the greatest amount of sugar, when the farmer's wife is canning, and the great canning plants all over the country are active and using the largest amount of sugar. Then is when Cuba is getting in its work. The price on August 6 was \$7.50.

August 13, \$7.50.

August 20, \$7.50 again.

Then it drops down to \$7 on September 3, and it jumps up again to \$7.25 on September 10; but as soon as the domestic sugar comes on the market watch the change.

The first domestic sugar begins to appear on the market in November and December.

On the 3d of December, 1914, the price of granulated sugar in New York was \$5.10.

On the 30th of December it was \$4.95.

So it goes on down until we reach March, when it commences to climb up again, to \$5.75, and goes on up until it reaches \$6 again in May and in June.

In June it was \$6.10 again. Then is when we are eating Cuban sugar.

Here is what I want to call the Senator's attention to more especially at this time to show how beautifully they work the game—and there is not any question that it is a game, and a most dangerous one for this Republic.

On January 5, 1922, refined sugar was selling in New York at \$4.90 a hundred. I am going down to February; and I will not read each weekly quotation, because I have not time, but I will ask that these tables may all be placed in the Record.

On February 2 refined sugar was selling in New York at \$5.10.

On February 23 it was selling at \$5.10.

On March 2 it was selling at \$5.20.

I have a letter, which is in the Record, which I put in a few days ago, from Mr. Hathaway, who is interested in sugar factories in Michigan and Ohio, who says that the average price paid for beet sugar this year was 5 cents a pound.

Now, watch the sugar market climb when we are eating Cuban sugar:

On April 6 refined sugar was worth \$5.50 a hundred in the New York market.

On May 11 it was worth \$5.40.

On June 1 it was worth \$5.70.

On June 15 it was worth \$6.

On June 29 it was worth \$6.20.

On July 6 it was worth \$6.20.

To-day it is worth \$7, or 2 cents a pound more, if you please, than we paid for American sugar, grown by American labor, and refined in American factories built by American money.

I do not know why we should be so alarmed about taxing the American people to protect an industry. In America we collect less revenue from imports than is collected by any country in the world. Great Britain has a duty of 24 cents a pound on tea and collects a tax of \$2 per capita. She collects a tax on cocoa of 27 cents per capita, on coffee of 7 cents per capita, and on sugar of \$4.78 per capita.

The total customs receipts from imports for 1922 were \$14.78 per capita in the United Kingdom; in France, \$8.96 per capita; in Canada, our neighbor, \$11.90 per capita from imports alone, while under the pending bill we will collect \$3.29, according to the estimates made, which is a little more than we have collected under any revenue bill we have ever passed.

So it is just a question of whether we are going to protect the American people. That is all there is to this question. The protectionist who did not take into consideration the interests of the consumers would not be a good American citizen. American labor and American consumers are the ones who must be first considered in framing a protective tariff bill, and who has ever considered them better than the protectionist, I care not whether he is a Republican or a Democrat? In all the duties we have asked for imposes the highest duty ever asked on imports was \$3.29 in America per capita.

Mr. LENROOT. Will the Senator yield just for a question?  
Mr. GOODING. I yield for a question. I can not yield for any discussion.

Mr. LENROOT. Does the Senator take the position that the duties collected measure the amount of protection afforded?

Mr. GOODING. Do I take that position?

Mr. LENROOT. Yes.

Mr. GOODING. That the duties collected measure the amount of protection or the cost to the American people?

Mr. LENROOT. Do they measure the amount of protection afforded?

Mr. GOODING. My position on the tariff question is this: That without exception, whenever proper protection has been given to any industry in America, it has always meant cheaper products, farm products or manufactured products, I care not what it is, and there is no better example of that than in the case of the manipulation of Cuba to-day with the sugar industry. Simply because the American people are eating Cuban sugar they are paying something over \$300,000 a day more than they paid when they were eating American sugar. Does that answer the Senator's question?

Mr. LENROOT. No; not at all. I asked the Senator whether he thought that the amount of duties collected measured the amount of protection afforded.

Mr. GOODING. I answer the question by saying that there is no exception to the rule, and that we have reached the period in the history of this country and the whole world when there are trusts and combinations in everything, and there is not an importer who comes into this country, I care not what he brings, but who takes every penny the traffic will bear from the American people. That is the history of protection all the way through.

I know the Senator would not take into consideration the difference between the freight rates from the West at the present time and what they were before the war, would not take into consideration the difference in the cost of producing a pound of sugar to-day and before the war. You can not drive the American labor down the way they have driven the slaves down in Cuba, and I think that is all it means, that and nothing more.

God forbid that the time will come when labor will not be organized in America to defend their rights. I wish I had more time, because I would like to discuss this question with the Senator.

Mr. LENROOT. Will the Senator yield for just one more question?

Mr. GOODING. Certainly.

Mr. LENROOT. Not having answered the question I propounded, I would like to ask the Senator this, if he could get the duties on the imports as high as he would like them, there would be no revenue whatever from those imports, would there?

Mr. GOODING. Mr. President, the history of the protective tariff has always been that we have received greater revenues when we have had high protective duties than at any other time, because the American people were more prosperous, they were the best buyers in the world all the time. That is the history of protection. But we have reached a different period in the history of America. Almost every country in the world has an embargo against us, with the exception of England, and her duties as against Germany are twice what ours are, on an average.

I want to tell the Senator that we have reached the period in the history of this country when the one great question of all is to find employment for our own people. Three million five hundred thousand men are out of employment, with the harvest in full swing.

You will be protectionists in the near future. Do not make any mistake about that. If you are going to maintain the American standard of living, it can be done only through the great principle of protection. I never want to see my people in this country reduced to the condition of peasants of foreign countries, and God forbid that that time may ever come.

Mr. President, I have here a number of telegrams, which I ask to have printed in the Record, together with the tables to which I have heretofore referred.

There being no objection, the matter was ordered to be printed in the Record, as follows:

MATHEWS, LA., August 5, 1922.

Senator FRANK R. GOODING,  
Washington, D. C.:

The chief people here who are making a fight against the domestic sugar industry are men like Mr. Edwards Atkins and other New Yorkers who have placed extremely large sums of money in foreign countries—Cuba, especially—and they are now endeavoring to injure and stifle the competition of our domestic industry. Won't you please forcibly show the Senate that if our capitalists were to do as Mr. Atkins and others have done—and that is transfer their capital to foreign countries, to the detriment of American producers—that the United States would soon become an industrial desert and that production in this country would absolutely cease. Wishing you every success in your efforts to get a fair living tariff on farm products and thanking you on behalf of millions of farmers, sugar producers, and myself, I am,

Yours truly,

E. F. DICKINSON.

BROUSSARD, LA., August 7, 1922.

Hon. FRANK R. GOODING,  
Washington, D. C.:

You have my indorsement in your commendable work as chairman of the agricultural bloc. The necessity of a 2-cent protective tariff against Cuba is unquestionable. It requires such a tariff to earn a reasonable return on the money we have invested in farming. It is lamentable to think that Washington hesitates to protect its domestic producers against foreign interests. Can such delay be satisfactorily explained. Kindly accept my thanks and appreciation of your good work, which I hope will force the recognition which the American farmer justly deserves.

EUGENE LABBE.

MATHEWS, LA., August 4, 1922.

Senator FRANK R. GOODING,  
Washington, D. C.:

The absolute necessity for a good, decent tariff on American industries of all descriptions is absolutely needed. Sugar especially needs a good protective tariff, and I wish to thank you very much for your efforts in our behalf.

CATHERINE PLANTING & MANUFACTURING CO.,  
C. S. MATHEWS, President.

MATHEWS, LA., August 4, 1922.

Senator FRANK R. GOODING,  
Washington, D. C.:

On behalf of myself and many thousands of people who depend on the sugar industry in Louisiana I wish to thank you for your ardent efforts in our behalf for a fair and satisfactory protective tariff on sugar.

E. F. DICKINSON (INC.),  
E. F. DICKINSON, President.

SALT LAKE CITY, UTAH, August 5, 1922.

Senator FRANK R. GOODING,  
Care United States Senate, Washington, D. C.:

Beet-sugar producers generally heartily indorse your tariff stand, believing such action to be most beneficial not only to our domestic industries but also to American people, and do not hesitate to say that recent attacks upon your position are unwarranted and should fall because of the insincerity behind them.

S. H. LOVE,  
President United States Sugar Manufacturers' Association.

NEW ORLEANS, LA., August 5, 1922.

Senator FRANK R. GOODING,  
United States Senate Office Building, Washington, D. C.:

As a sugar and rice producer I heartily approve and commend your efforts in our behalf and in behalf of all similarly situated in the fight you are making for a protective tariff, without which our industry could not survive.

J. B. LEVERT.

Senator FRANK R. GOODING,  
Washington, D. C.:  
Your efforts for fair tariff on sugar greatly appreciated. Many thanks.  
BARKER & LEPINE.

Senator FRANK R. GOODING,  
Washington, D. C.:  
Please do your utmost for tariff protection on all American industries, industrial and agricultural, and especially on sugar. A great many of our Louisiana sugar planters are in hands of receivers, and unless adequate tariff protection is secured many more will share a similar fate.  
SIMON ABRAHAM Co.

HON. FRANK R. GOODING,  
United States Senate Office Building, Washington, D. C.:  
We have followed carefully the wonderful fight you are making in your support of proper tariff for the agricultural industries of the United States, and we, as producers of sugar cane from the soil and manufacturers of sugar therefrom, wish to congratulate you and to assure you that unless the Representatives and Senators from the South and the West vote for proper tariffs on agricultural products we can not expect our industries to live and prosper in competition with like industries in foreign countries. Our southern and western agriculturists have not had a fair showing in the past. We are with you, Senator Gooding, and we wish you success.  
THE J. M. BERQUIERES CO. (LTD.).

HON. FRANK R. GOODING,  
United States Senate Building, Washington, D. C.:  
Permit me to encroach on your valuable time to express my appreciation and thankfulness for your continued wise and splendid efforts in behalf of all American agricultural products and especially for the cane-sugar industry, which is essentially agricultural, producing on the same farms or plantations raw material, sugar cane, and the finished product—direct-consumption sugar and sirups and molasses. The farmers' advocate is seldom popular except with his own clients and is often subjected to unmerited criticism, and we have been truly fortunate in having so able and willing a friend at court as yourself, and the agricultural bloc is to be congratulated on the earnestness and fearlessness of its leader in prosecuting its fight for proper recognition of the producers from the soil in the pending tariff bill.  
JOE B. CHAFFE.

HON. FRANK R. GOODING,  
United States Senate Office Building, Washington, D. C.:  
As growers of sugar cane and representing many cane growers from whom we purchase cane which we manufacture into sugar-cane products, we wish to assure you of our entire approval of your splendid work as an individual Senator and as chairman of the agricultural bloc in behalf of our industry and to express our sincere thanks and appreciation of same and to ask for continuation of your unselfish efforts in behalf of all American agricultural products.  
LAUREL GROVE CO.

HON. FRANK R. GOODING,  
United States Senate Office Building, Washington, D. C.:  
We are fully mindful of the fight you are making for a sufficient tariff on all agricultural products. We of the South can not expect to maintain our agricultural industries in competition with cheap, low-standard labor of foreign countries, and therefore we believe the entire South is fighting for its very existence in demanding adequate tariff protection. We are producers of sugar cane and sugar in large quantities and your success in your fight will mean that our industry will be saved.  
J. N. PHARR & SONS (LTD.).

Senator FRANK R. GOODING,  
Washington, D. C.:  
Your efforts on behalf of the farming interests of this country are splendid, and we thank you. Sugar raised in the United States needs and must have a good protective tariff. Thank you for your help in this matter.  
M. P. HERNANDEZ,  
Cashier People's Bank of Lockport.

Senator FRANK R. GOODING,  
Washington, D. C.:  
We favor protective tariff on sugar. Will greatly appreciate anything you will do to secure it.  
BANK OF LOCKPORT.

Senator FRANK R. GOODING,  
Washington, D. C.:  
The farming fraternity of the United States is under a debt of gratitude to you for your efforts in their behalf. This is especially so of the sugar, rice, and other agricultural interests of Louisiana. Your assiduous efforts on our behalf is more appreciated than words can tell. We thank you very much.  
E. ROGER CO. (INC.).

Senator FRANK R. GOODING,  
Washington, D. C.:  
Never in the history of our country has a tariff on our industries been as necessary as at present. May we count on your assistance in procuring the proper protection for sugar, wool, and all industries of our country, thereby gaining the grateful thanks of our farmers? Many thanks.  
RACELAND BANKING ASSOCIATION.

Senator FRANK R. GOODING,  
Washington, D. C.:  
Now, more than ever, if American industries are to get on their feet and go ahead for the welfare of the country a good protective tariff is needed on everything. Sugar, as raised in the United States, has fierce competition by those who are interested in stifling or stopping its production. Many, many thanks for your kindly help in giving us a decent tariff.  
LOCKPORT CENTRAL SUGAR REFINING CO.,  
J. T. BADEAUX, President.

HON. FRANK R. GOODING,  
United States Senate Office Building, Washington, D. C.:  
We, the undersigned, cane growers and farmers, have followed with a great deal of interest your splendid stand and leadership personally and as chairman of the agricultural bloc in the matter of proper tariff protection on all farm products, and especially those of the South which have heretofore had so little consideration at the hands of the national lawmakers of the country. We emphatically approve and endorse your course, and trust that you will continue same with the same untiring effort that has characterized your movement up to date, for which we express our thanks and appreciation.  
ERNEST ELLENDER.  
WALLACE ELLENDER.  
S. P. GUIDRY.  
A. P. VIGUERIE.  
A. C. VIGUERIE.  
C. J. CHAMPAGNE.

Hon. GOODING,  
Washington, D. C.:  
I am very anxious for the duty on sugar.  
CHAS. E. WATSON, Farmer.

Hon. GOODING,  
Washington, D. C.:  
I am interested in farm bloc; also duty on sugar. I am with you.  
S. A. HOOKS, Farmer.

Range of cane sugar prices from June 23, 1914, to June 23, 1915.

	New York cane quotation.	San Fran- cisco cane quotation.
1914.		
June 26.....	\$4.30	\$4.50
July 9.....	4.30	4.50
July 16.....	4.40	4.50
July 23.....	4.40	4.50
July 30.....	4.40	4.50
Aug. 6.....	5.00	4.70
Aug. 13.....	7.50	7.00
Aug. 20.....	7.50	7.50
Aug. 27.....	7.00	7.00
Sept. 3.....	7.00	7.00
Sept. 10.....	7.25	7.00
Sept. 17.....	7.25	7.25
Sept. 24.....	6.25	6.75
Oct. 1.....	6.50	6.75
Oct. 8.....	6.25	6.50
Oct. 15.....	6.00	6.25
Oct. 22.....	6.00	6.25
Oct. 29.....	5.75	6.05
Nov. 5.....	5.00	5.25
Nov. 12.....	5.10	5.25
Nov. 19.....	5.10	5.35
Nov. 26.....	5.10	5.35
Dec. 3.....	5.10	5.35
Dec. 10.....	5.10	5.35
Dec. 17.....	4.85	5.20
Dec. 23.....	4.85	.....
Dec. 30.....	4.95	5.20
1915.		
Jan. 7.....	4.95	5.20
Jan. 14.....	4.95	5.20
Jan. 21.....	4.95	5.30
Jan. 28.....	5.05	5.30
Feb. 4.....	5.35	5.50
Feb. 10.....	5.75	6.00
Feb. 18.....	5.75	6.00
Feb. 25.....	5.75	6.00
Mar. 4.....	5.75	6.00
Mar. 11.....	5.75	6.00
Mar. 18.....	5.90	6.00
Mar. 25.....	5.90	6.15
Mar. 31.....	5.90	6.15
Apr. 8.....	5.90	6.15
Apr. 15.....	5.90	6.15
Apr. 22.....	5.90	6.15
Apr. 29.....	6.00	6.15
May 6.....	6.00	6.25
May 13.....	6.00	6.25
May 20.....	6.00	6.25
May 27.....	6.00	6.25
June 3.....	6.10	6.35
June 10.....	6.10	6.35
June 17.....	6.10	6.35
June 23.....	6.10	6.35

Price quotations on Cuban raws and refined sugar, New York.  
[96° centrifugal.]

	Cuban raw.	Refined.
1922.		
Jan. 5.....	\$3.42	\$4.90
Jan. 12.....	3.54	4.90
Jan. 19.....	3.67	4.90
Jan. 26.....	3.86	5.10
Feb. 2.....	3.73	5.10
Feb. 9.....	3.67	5.00
Feb. 16.....	3.73	5.00
Feb. 23.....	3.86	5.10
Mar. 2.....	3.79	5.20
Mar. 9.....	3.86	5.30
Mar. 16.....	3.98	5.30
Mar. 23.....	4.11	5.50
Mar. 30.....	3.86	5.50
Apr. 6.....	4.11	5.50
Apr. 13.....	3.86	5.50
Apr. 20.....	3.92	5.40
Apr. 27.....	4.11	5.30
May 4.....	4.01	5.40
May 11.....	3.98	5.40
May 18.....	4.04	5.50
May 25.....	4.17	5.60
June 1.....	4.23	5.70
June 8.....	4.61	6.00
June 15.....	4.48	6.00
June 22.....	4.86	6.20
June 29.....	4.73	6.20
July 6.....	4.99	6.20

Lowest quotation for year \$3.42 on January 3.  
Sugar at present time \$7 per hundred.

Total and per capita revenue derived from imports in the countries named for the latest year for which the figures are available.

Country.	Year.	Total receipts.	Population.	Per capita.
United States.....	1921	\$292,397,349	105,710,620	\$2.76
United Kingdom.....	1922	632,052,720	42,767,530	14.78
Canada.....	1922	104,420,541	5,709,489	11.90
France.....	1921	360,880,770	41,500,000	8.69
Germany.....	1922	1,047,200,000	62,000,000	16.89
Argentina.....	1920	70,526,398	9,000,000	7.83
Chile.....	1920	52,377,367	3,870,023	13.53

It is estimated that the per capita revenue under the finance bill will be \$3.20.

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into France for the fiscal year ended March 31, 1920.

Article.	Duty (pound).	Receipts.	Per capita tax.
Sugar.....	2 1/2 cents.....	\$66,962,304	\$1.62
Coffee.....	26 cents.....	37,719,648	.90
Cocoa.....	do.....	9,549,412	.235
Tea.....	35 cents.....	672,384	.015
Total.....		114,908,748	2.77

Population, 1921..... 41,500,000  
Total customs receipts from imports, 1921..... \$360,880,770  
Per capita total receipts..... \$8.69

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into the United Kingdom for the fiscal year ended March 31, 1921.

Article.	Duty (pound).	Receipts.	Per capita tax.
Tea.....	24 cents.....	\$86,150,710	\$2.00
Cocoa.....	10 cents.....	9,854,512	.23
Coffee.....	12 cents.....	3,018,837	.07
Sugar.....	6 cents.....	204,338,700	4.48
Total.....		303,462,765	6.78

Population, 1922..... 42,767,530  
Total customs receipts from imports, 1922..... \$632,052,720  
Per capita total receipts..... \$14.78

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into Canada for the fiscal year ended March 31, 1921.

Article.	Duty (per pound).	Receipts.	Per capita tax.
Tea.....	10 cents.....	\$2,570,840.74	\$0.29
Coffee.....	5 cents.....	538,551.11	.06
Cocoa.....	35 per cent.....	184,355.72	.02
Sugar.....	2 cents.....	8,150,797.60	.92
Total.....		11,444,185.17	1.29

Population, 1922..... 8,769,489  
Total customs receipts from imports..... \$104,420,431  
Per capita total receipts..... \$11.90

Mr. WILLIS. Mr. President, I am a protectionist, and I shall continue to be so unless I am argued out of it by some of the extreme arguments of my fellow protectionists. I have only a very few minutes and shall take that time in explaining an amendment which I propose to offer.

The bill as it was reported from the committee, and the bill as it passed the House, provided a rate of \$1.60 against Cuban sugar and \$2 as against the world. The amendment which has been offered by the Senator from Louisiana [Mr. BROUSSARD] provides \$2 against Cuba and \$2.50 as against the rest of the world. I am frank to say that I am very much in favor of the sugar industry. Ten years ago, in another legislative body, at the other end of the Capitol, I did what I could do to foster that industry. I believe in the industry, because I believe in building up my own country, but I do not believe that we ought to adopt excessive rates in this item or any other.

In the State of Ohio we have 5 great sugar factories located at Paulding, Fremont, Findlay, Ottawa, and Toledo, but there is not entire unanimity of opinion as to what the rates ought to be in order to afford the necessary protection. I have presented petitions from some Ohio producers who think the rate ought to be \$2 as against Cuba. Some others do not ask that.

After the amendment offered by the Senator from Rhode Island [Mr. GERRY] shall have been voted on, if it is voted down, I shall then offer an amendment to the amendment offered by the Senator from Louisiana so as to provide for the striking out of 1.45 in line 3 and inserting in lieu thereof 1.2. The effect of that, if it is adopted, will be to provide a rate of \$1.80 as against Cuba and \$2.25 as against the rest of the world.

Why will I offer that amendment? I have listened to most of the arguments and have read all of the hearings, and in my opinion the advocates of the \$2 per hundred rate as against Cuba have not made out their case that that amount is necessary. But I am not certain that the 1.60 rate provided in the bill is a sufficient rate of protection, and therefore I shall offer this compromise amendment.

But I say, Mr. President, that the farmers who actually produce the sugar in our State are by no means unanimous upon this point. Ohio, as I have said, is interested in the sugar business. There are five factories in Ohio, which, of course, do not rank with those in California and Colorado in the quantity production of sugar. They produce some 30,000 tons. Now, I want to state what the farmers of Ohio say about this, not referring to petitions, but speaking of personal letters which have come to me, written out in longhand by farmers I know.

Here is one written from Custer, Ohio. The writer says:

I am a landowner, a farmer, a citizen of Ohio, and ask that you use your influence against any reduction in the present rate on sugar.

A farmer at Holgate says:

As a sugar-beet grower, a farmer, and a citizen of your district, I appeal to you to take no action that will reduce the present tariff on sugar.

A producer of sugar at Belmore reports:

As a farmer, may I appeal to you to take a firm stand against any reduction in the tariff rate on sugar. We have grown a heavy tonnage of sugar beets in this district for a number of years and are afraid a reduction in tariff would hurt the industry.

A farmer from Lime City says:

I am a farmer in a sugar-beet territory and I understand there is a movement to cut the tariff on sugar. If such is the case, would you kindly use your influence to prevent such action on the part of Congress?

Another, writing from New Bavaria, says:

It has come to my notice through some of the newspapers that there is some talk of reducing the present tariff on sugar. Please use your influence against any such action, as we farmers of northwestern Ohio want to grow beets, which is one of our best crops, and a reduction in the present tariff rate on sugar would have a tendency to close the beet-sugar factories of Ohio and thus prevent us from growing the most profitable crop.

And so on. There are several letters which I shall not take the time to read. That is the purport of them. They are protesting against any reduction in the rate and are not asking for an increase, and I call the attention of Senators to the fact that the bill carries a rate even higher than that provided in the emergency tariff law. When that was passed it was thought that rate was sufficient. You heard no clamor in the country for a higher rate. What has taken place since then to make so much higher a rate necessary?

The committee rate comes to us, in a way, with the stamp of approval upon it. In the first place it is the rate in the present law. In the second place it is the rate which the House has fixed. But I am willing to concede something, because exact information as to production costs is not obtainable, and therefore I shall propose this amendment.

Mr. POMERENE. Mr. President, may I ask if the Senator has heard from any farmer in Ohio who asked for an increase in the rate?

Mr. WILLIS. Only by way of petition. I say to my colleague that some petitions have come, signed by a good many farmers, some of them asking for the 2-cent rate as against Cuba; but the letters I have, in the cases where farmers have taken the pains to write, are protesting against a reduction of the tariff.

I say this, in conclusion, that the rate fixed in the bill is the rate in the present law. I suggest to my associates on this side of the aisle that I am as deeply interested in the sugar industry as any one of them; I want it to be maintained in this country, but if you shall place the rate so high that there will be a revulsion of feeling amongst the American people, you will destroy the sugar industry and will lead eventually to free trade in sugar, which I think ought not to be, because free trade in sugar would destroy a great American industry and leave consumers at the mercy of the refiners. I am willing that our sugar supply should be furnished by Cuba and America, including Hawaii, Porto Rico, and the Philippines. I do not desire that Cuba and the refiners should have a monopoly, as they would have if our beet-sugar and cane-sugar industries are killed by free trade. Therefore, first, I think, the amendment offered by the Senator from Rhode Island should be voted down, and if it is voted down, I then shall offer an amendment which I hope will be adopted.

Mr. WALSH of Massachusetts. Mr. President, as the objections to the high and unjustifiable duty proposed on sugar have been so well and fully presented and the time for debate is about to expire, I ask unanimous consent to insert in the RECORD some communications, editorial comments, and statements which represent, in the main, my views on this subject.

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

#### BEET-SUGAR INDUSTRY.

The beet-sugar and other domestic interests have told the Senate Finance Committee of their deplorable financial condition, stating that many of them will be forced into bankruptcy if no relief is given them. The statement of their financial condition is no doubt a correct one, but their losses have not been incurred in operations, but are, rather, due to the enormous shrinkage in their inventory values. In this they are no exception to other manufacturing companies.

During the past years, under 1 cent protection against Cuba, these beet companies, as well as those of Porto Rico and Hawaii, have prospered and paid very satisfactory returns to their stockholders, and with a return to normal conditions a reduction of production, which will be forced through low prices, and a material increase of consumption, which will be expected for the same reason, there is every probability that the beet-sugar companies of the West will rapidly recover.

When the first of these beet-sugar companies were organized many years ago, preferred stock was issued for their cost and common stock, as a bonus, for a like amount. This was to attract investors and induce them to incur the risk of a new enterprise.

In course of time, under an ample protection, surplus earnings accumulated until the water was all squeezed out of their capitalization and liberal dividends were paid. In the case of the Great Western, of Colorado, these were at the rate of 47 per cent for a number of years; besides this, a very considerable amount was put into new construction to prevent others from entering the field.

As time went on the success of the Great Western and other companies under skillful management attracted competition and all have spread out beyond their legitimate territories in order to enlarge their market, this at the expense of their net earnings, for the longer the haul the greater freight rate to be deducted from their sales. Now these companies are short of capital, and dividends paid by them to their stockholders can not be recalled.

I use the Great Western as an illustration, a company which is well known and has been well managed. Its history in a great measure is that of all.

Now these beet-sugar companies of the West and Central West feel the need of an extended market. They can not go to the Pacific coast, as that is already occupied. Their only outlet is to the Atlantic or Gulf. In order to overcome freight on a long haul, they are asking increased duties on Cuban sugars to check their flow westward, at least beyond the Chicago line, for they realize that only in two ways can this be done—either by increased freight rates or an increased tariff.

The trouble at the present time is not any need of further protection, as costs in all countries are declining, but it is the question of overproduction and money already invested in further construction work undertaken or planned. Plans for new factories have been made by the Great Western, Utah-Idaho, and Amalgamated Beet Companies, as well as some smaller companies, but these are generally held up owing to present lack of funds.

The same is happening in Cuba and elsewhere, but work on new plants has necessarily been suspended or abandoned for the same reason.

The sugar industry in all countries is at a low ebb and Government intervention is sought to further check it. It will check itself if not interfered with through exhaustion of resources, both cash and credits; if artificially checked, the result would, in my opinion, be to encourage all, upon a higher market, to produce beyond requirements.

The claim of the great importance of the sugar beets as an agricultural crop can not be sustained; in fact, it is one of the least important to the country of all our agricultural crops, as shown by the Statistical Abstract of the United States of 1920, from which the following figures were taken:

Crop acreage, 1919.	
Sugar beets	692,455
Potatoes	3,952,000
Sweet potatoes	1,042,000
Hay	56,552,000

Corn	100,072,000
Wheat	72,308,000
Oats	41,835,000
Rye	1,103,000
Barley	7,198,000
Buckwheat	739,000
Rice	1,091,800
Peanuts	1,256,000
Beans (6 States)	1,002,000
Clover seed	843,000
Kafrs	5,031,000
Cowpeas	1,453,000
Cotton	33,566,000
Flaxseed	1,572,000
Tobacco	1,910,800

It will be noticed that the cultivation of sugar beets is insignificant compared with that of Irish potatoes, or even sweet potatoes of the South, and that the acreage devoted to peanuts is almost double that devoted to sugar beets; even kafr corn, a minor crop but little known in the eastern part of the United States, as well as buckwheat, far exceed in importance the sugar beets, the beet acreage in 1920 being two-tenths of 1 per cent of the crop area of the country.

With these facts before them, the beet-sugar manufacturers are pushing forward the farmers for special protection against all other interests, although when the Fordney rates were assured the manufacturers reduced contracts for sugar beets 50 per cent, thus taking the protection for themselves to the detriment of the farmer.

When the rates against Cuban sugar were increased by the Fordney tariff 60 per cent, and now amount to very nearly 100 per cent ad valorem, the rate upon the sugar beets was left as before, at 5 per cent ad valorem. This to the benefit of sugar factories of Michigan and Wisconsin, located near the Canadian line that they might bring their beets in from Canada and have this advantage over other competitors.

As has always happened during any tariff discussion, the Louisiana interests are loud in their cries for Government aid, but it should be remembered that the States of Louisiana and Texas combined produce but about 5 per cent of the requirements, and their great difficulty consists of climatic conditions.

The only interest that has not been heard by the Senate Finance Committee is that of the consumer, including the farmers of the entire country, who pay a great part of the sugar tax for the benefit of a comparatively small number of farmers in the beet-producing States.

[From the New York Evening Post, June 17, 1922.]

THE INCREASE IN NEW SUGAR DUTY TO COST CONSUMERS \$60,000,000 YEARLY—PEOPLE TO PAY DUTY IN INCREASED PRICES—MANUFACTURER OF CUBAN PRODUCT SAYS PROTECTION IS NOT NEEDED—HOW BEET-SUGAR INTERESTS OF THE WEST SHOWED POOR BUSINESS JUDGMENT. (By Edwin F. Atkins, manufacturer of Cuban sugars and member of E. Atkins & Co.)

The consumption of sugar in the United States for the year 1921 amounted in round figures to something more than 4,000,000 gross tons, of which about one-half was furnished by so-called domestic producers, free of duty, including as domestic production the sugar of our insular possessions, i. e., Hawaii, Porto Rico, and the Philippine Islands. Of this about one-half was produced within our borders, i. e., beet sugars and Louisiana and Texas cane sugars.

Up to the time of the enactment of the emergency tariff rates the rate of duty upon imported sugar was 1.26 cents per pound. Under our reciprocity treaty with Cuba, allowing 20 per cent rebate upon Cuban sugars, these were admitted at a duty of approximately 1 cent per pound. Cuba supplies very nearly all of the foreign imported sugars, and is almost entirely dependent upon her sugar industry. The emergency tariff increased the duty on Cuban sugars from 1 cent per pound to 1.6 cents, an increase of 60 per cent.

It has been the claim of the extreme protectionists that the foreign producer, and not the domestic consumer, would pay this increase in duties, and this claim was partly borne out by the fact that immediately after the passage of the emergency tariff act the f. o. b. prices of Cuban sugars at once dropped to the extent of this increased duty.

Where a country is dependent upon importations for half of its supply it is obvious that in times when the world's production exceeds consumption, the foreign producer, in order to reach our market and sell in competition with duty-free sugar, would have to absorb this increase in the duties, but when consumption exceeds production conditions are changed and consumers then would have to pay the duty.

#### FURTHER PROTECTION NOT NEEDED.

After the crop of 1921 Cuba carried over some 1,200,000 tons of the previous crop, for which there was at the time no apparent market. Besides this Cuban stock there was a further accumulation in the United States of beet and other sugars, making a carry-over of nearly 2,000,000 tons, and prices in consequence began to drop rapidly. During this process of deflation, losses upon the inventory stocks in the hands of producers, importers, refiners, distributors, and consumers were enormous. It is to recoup themselves from these losses that the beet-sugar producers are anxious to secure an increase of tariff against Cuban sugars, as they do not need further protection to put them on a parity with Cuba in producing.

It is held by the opponents of the Fordney bill that a protection of 1 cent a pound is ample, representing as it does 33 per cent to 50 per cent of the value of the raw sugars in Cuba at normal prices. The Cuban sugars, when refined, have to seek an outlet largely in the Middle West and in the great competitive markets of Chicago and St. Louis, where they have to be sold in competition with beet sugars. In addition to the duty of 1 cent per pound the beet sugars have a further protection of railroad freights. To form a correct idea of relative costs of cane and beet sugars in these markets, freight from the Atlantic and Gulf ports as well as from Colorado and other places of origin should be added to the factory costs, and it will be shown that as a rule the beet-sugar sellers there have an advantage over eastern refiners.

#### OTHER SUGAR INTERESTS SUFFERED.

It is claimed by the extreme protectionists and domestic producers that higher duties are essential to the maintenance of their industry to avoid destruction, but an examination of financial conditions shows that the beet-sugar companies have not been the only ones to suffer, and that nearly all the large sugar companies, producers in Cuba and Porto Rico, as well as the refiners, during the past year have had to raise new

working capital to cover losses sustained during this period of deflation. An examination of the listing on the New York Stock Exchange of new bonds of sugar companies will confirm this.

The beet-sugar companies after exhausting their resources at their local western banks, and not finding it easy to place securities in the East, appealed to the Government for aid to help carry their inventory stocks, and obtained many millions of dollars as loans from the War Finance Commission, which went largely to sugar companies in Utah, Idaho, and other far Western States, owned or controlled by the Mormon Church, of which Senator SMOOT is the acting head in its financial matters.

Senator SMOOT is one of the most influential members of the Senate Finance Committee, and the member to whom sugar-tariff questions are always referred. He is an extreme protectionist, particularly upon the sugar tariff, and is using all his influence to raise the Fordney sugar rate of 1.6 cents on Cuban sugar to 2 cents per pound, apparently with the expectation of offsetting the losses of the beet-sugar producers by increasing prices to the United States consumers. In this policy Senator SMOOT has the backing of the farm bloc, and, as he is a member of the Republican National Committee, he naturally has great weight in the Senate.

While all the domestic sugar interests are working together for the highest possible duties they can obtain, they are not all in accord with the extreme views of the protectionists in regard to the sugar tariff. Recently one of the prominent producers of Hawaii, well known in sugar circles and highly respected, expressed the following opinion in the Honolulu Advertiser:

"The higher rate for which western beet men have been striving is more protection than the industry needs, and, if enacted, would undoubtedly lead to a reopening of the subject at the next session of Congress. The entire sugar industry suffered severe losses in the recent deflation, and what other industry did not? I do not believe that the American consumers ought to be taxed to make good the beet-sugar men's losses, which is what the enactment of the maximum duty would amount to. Other industries have had to take their losses and no exceptions ought to be made in favor of the beet people."

One of the largest distributors of both cane and beet sugars throughout the West recently made the following admission in one of his trade circulars:

"Another factor that reduces the consumption is the huge cost of sugar through ridiculous taxation."

This man is widely known throughout sugar circles and his opinion always carries weight. Besides being a distributor he is president of a well-known beet-sugar company.

#### BAD JUDGMENT CAUSED LOSSES.

The losses which the beet-sugar people have suffered are due largely to error of judgment. Three factories were built in the State of Washington, but the farmers there would not raise sugar beets, owing to the fact that they required much more labor than other farm crops and that wheat was much more profitable. The beet people also found that the local market for refined sugar was so limited that they could not dispose of the product of these factories without paying freight for 1,500 to 2,000 miles. In consequence only one of these three factories has been operated. It is obvious that an advance in tariff rates is essential for those interests in order to offset their freight rates.

Some of these beet-sugar companies did not market their sugars wisely when they had opportunity, but borrowed money and held the sugars for higher prices, which caused them heavy losses.

An argument constantly put forward by the beet-sugar producers is that they need higher duties and higher prices in order to maintain the standard of living of the American laborer. It is a well-known fact which can not be disputed that very few American laborers are employed in the beet fields, Japanese being largely employed in California, Mexicans in the Southwest and Colorado, and Russians and Poles in Michigan and other States. Recent investigations have emphasized the deteriorating effects of the prevalence of child labor in the beet fields.

#### SAYS CONSUMERS MUST PAY.

The effect of a continuance of the Fordney emergency sugar rates will be to add about \$60,000,000 to the cost of sugar to consumers. Sugar is already the highest-taxed article on our list, and eventually the tax is taken out of the pocket of the consumer for the benefit of domestic producers (principally beet-sugar producers) if the consumer must pay the tax, as is the object of the bill, or if the producer pays the tax to keep the price of Cuban sugars down to so low a figure that they can not cover average costs, and so bring about a scarcity and raise prices at the expense of the consumer.

It would already have caused the loss of much of our export business to Cuba, which has been one of our best customers, and to whom we supplied two years ago some 76 per cent of her requirements; it would greatly increase the requirements for working capital of the refiners, and millions of dollars tied up in drawbacks against exports, which are not collectible for 90 days after shipment, and increase in many ways the cost of refining, always at the expense of the consumer; moreover, the duty is not required to cover increased cost to domestic producers, as past losses are not a legitimate charge against future costs.

BOSTON, December 14, 1921.

HON. DAVID I. WALSH,  
Senate Chamber, Washington, D. C.

DEAR MR. WALSH: As a member of the Senate Finance Committee I take the liberty to address you in relation to the proposed tariff on sugar, as provided for in the Fordney rates.

This organization through a period of 10 years of exceptionally hard work and the great expense of covering the island of Cuba with traveling representatives and maintaining a large distributing stock in Habana have been able to build up a very satisfactory volume of business with the largest interests on the island, and we are confident that if the proposed sugar tariff is made effective it will serve to destroy the Cuban sugar industry and damage to some extent the good will between our connections and ourselves and seriously affect our business. It will have a tendency to knock down what we have been so many years building up, and may we ask that you lend your influence to defeat this measure on the proposed tariff act.

Yours very truly,

A. J. TOWER Co.,  
EDWARD W. SWAN,  
Vice President.

CAMBRIDGE, MASS., December 21, 1921.

HON. DAVID I. WALSH,  
United States Senate, Washington, D. C.

DEAR SIR: We have become convinced that any extension of the destructive 60 per cent increase in the tariff rates on Cuban sugar or any increase in the former rate of 1 cent a pound, under which the domestic industry prospered, would be an act destructive of the good will for United States trade with Latin-America, and, in addition, would destroy the Cuban market for American goods, in which market we have sold \$1,693,977,391 worth of goods in the past 10 years; and so we earnestly protest against the imposition of any increase in the tariff on Cuban raw sugar, and trust that you also agree and will favor the business interests of the country by voting against an increase in the tariff rates on Cuban sugar or any increase in the former rate of 1 cent a pound.

Yours very truly,

WHITTEMORE BROS. CORPORATION,  
EVERETT STATION, BOSTON, December 17, 1921.

HON. DAVID I. WALSH,  
United States Senate, Washington, D. C.

DEAR SIR: We have just received a letter from our distributors in Cuba, in which they state that American business men have invested in Cuba over one thousand million dollars, while the investment in sugar in Louisiana is only seventy million. Cuba buys from the United States over five hundred million and is therefore a very desirable market and is a natural export for American goods, but if the Fordney bill is going to put such a duty on raw sugar that the Cubans can't sell their sugar here and have to sell it to Europe, their business will go to Europe and the United States will lose this \$500,000,000 worth of business.

The people in Cuba, of course, are very much exercised over the Fordney bill. Our agents there say so much so that a monster parade against the Fordney bill will take place on the 18th day of December, and they claim that Americans living in Cuba will march with the Cubans. It is not an anti-American parade, as some American newspapers have insinuated, but an anti-Fordney bill parade.

It seems to us here in Boston that, while we believe in tariff bills, it is not necessary to put an exorbitant tariff on raw sugar. While we do raise considerable sugar in this country, we believe that a high tariff would be simply putting money into the American producers' pockets, and keeping the Cuban sugar out of here would drive away their other business. Treat the Cubans fair and give them a chance, and they will buy a great many more goods from us than we can ever think of buying from them.

Trusting you will consider this letter when the Fordney bill comes up and do anything you can to defeat an unfair tariff on raw sugar, we remain,

Very truly yours,

BOSTON VARNISH CO.,  
J. B. LORD, President.

SALEM, MASS., January 11, 1922.

HON. DAVID I. WALSH,  
Washington, D. C.

DEAR SIR: A very serious question is now before the Senate and Congress, viz. a tariff of 2 cents a pound on Cuban sugar, which, if carried, would ruin Cuba and destroy the best market in the world for our manufactured goods. During the war the United States insisted on Cuba increasing her supply of sugar.

The sugar industry in Cuba is very largely financed by American capital, which is now invested to the extent of many millions of dollars. It is claimed that 70 per cent of the investment in sugar plants in Cuba is owned in the United States. In addition to this the Cuban merchants who are dependent on this industry owe to merchants, manufacturers, and banks in the United States many millions of dollars, a large portion of which will be lost if this bill is passed. It seems incredible that our legislators would consider passing a bill that would bring such calamity on the merchants, manufacturers, banks, and investors in the United States who are so vitally interested.

We must beg that you use your powerful influence to save the country from making so grave an error and cause such enormous loss to American interests. Many other arguments could be urged, such as the probability of a revolution in Cuba caused by unemployment, which would mean that the United States would have to intervene at heavy expense to us, but surely no other arguments are needed than those mentioned, and we depend upon you to work to our best interests.

Very truly yours,

BELL BROS. CO.

BOSTON, February 10, 1922.

Senator D. I. WALSH,  
Washington, D. C.

MY DEAR SENATOR: To protect an American industry which many believe to be uneconomic, we are imposing, under the Fordney tariff, a tax upon Cuban exporters which threatens their very existence. It seems to me that we can not continue this tariff without injuring our own interests, not only as investors and traders in Cuba but also as the principal consumers of Cuba's chief products.

Figures which I believe to be reliable show that American capital invested in Cuba in the sugar business amounts to \$1,000,000,000, whereas the entire investment in the sugar industry in the United States is less than two hundred millions.

We are importing sugar at the rate of nearly 7,000,000,000 pounds a year—practically all of it from Cuba. Our own production of cane and beet sugar amounts to less than two and a half billion pounds. Since we can not produce the sugar we consume, the high import duties will in time bring higher prices, which will have to be met by American consumers.

Aside from these economic considerations, it seems to me that this tariff wall is likely to place such a burden upon Cuba as to menace all American business in that country and to impoverish the Cuban people. That will mean enormous losses to manufacturers and bankers in the United States.

We have, as a Nation, followed a course of paternal friendliness toward Cuba heretofore. The Fordney tariff, to my mind, is treachery to one of our good friends among the small nations.

I hope you will vote to kill this measure as uneconomic and mischievous.

Very truly yours,

WALWORTH MANUFACTURING CO.,  
HOWARD COONTZ, President.

WESTFIELD MASS., December 7, 1921.

Senator DAVID I. WALSH,  
Washington, D. C.

DEAR SENATOR WALSH: Our company has enjoyed a considerable business with various accounts in Cuba and is vitally interested in the maintenance of this business. We realize that with an attempt to put into force a decided advance in duty on Cuban sugar there must be some line of reasoning in its favor.

On the other hand, we have no means of being entirely familiar and can for this reason simply indicate to you our sincere desires that a plan be worked out that will make it possible for us to continue to do business with that country.

We are basing our opinion largely on the personal pleas of several of our largest accounts in that country who apparently feel that such a tariff measure as is being considered at the present time will be next to calamity for the sugar interests in that country.

We would like you to feel, therefore, that our interests, as we can see them, would support a tariff such as has previously been in force in Cuba.

Yours very truly,

WESTFIELD MANUFACTURING CO.,  
N. K. CLARKE, Assistant Secretary.

PITTSFIELD, MASS., December 8, 1921.

Hon. DAVID I. WALSH,  
Senate Chamber, Washington, D. C.

MY DEAR SENATOR WALSH: American firms in the past 10 years have sold in Cuba more than \$1,600,000,000 of American goods manufactured in American mills by American workers. Applying the principle of protection of American industry to this situation, it would seem that protection means not only protection of American markets against foreign competition but also protecting the foreign markets for our goods against other foreign competition.

If Cuba can not continue to sell her sugar to us at a reasonable profit, she will, of course, not sell her sugar to us, but will sell it in any other market that proves profitable. In driving her sugar out of our markets we are driving our goods out of her markets.

Like other nations, where Cuba sells she will buy, and where she can not sell she can not buy.

In view of this situation, it is inconceivable that Congress will persist in enacting the 60 per cent increase in the tariff on Cuban raw sugar which was enacted in the emergency tariff act and which stands in the way of an early recovery of economic stability in Cuba. American firms, like ourselves, who have unpaid accounts in Cuba and who have in the past enjoyed a satisfactory market for their goods in the island, feel that persistence in Congress in the course adopted by the House of Representatives in the passage of the permanent tariff bill will mean an act detrimental to the best interests of American firms and American workers.

We urge you to seriously consider this point of view in connection with the enactment of the permanent tariff bill.

Yours very truly,

E. D. JONES & SONS CO.,  
E. A. JONES, Treasurer.

BATES & BACON EXPORT CO.,  
Attleboro, Mass., October 14, 1921.

The Hon. DAVID I. WALSH,  
United States Senate, Washington, D. C.

SIR: Congress has already passed the emergency tariff bill, which levies a duty on Cuban sugar equivalent to an increase of 60 per cent over the previous tariff and the Fordney bill, which has already passed the House of Representatives, is designed to make permanent this increase.

As one of your constituents, the Bates & Bacon Export Co. wishes to register its emphatic protest against the perpetuation of this increase in the tariff on Cuban sugar and to request that you do everything humanly possible to have it stricken from the Fordney bill when it comes to conference.

Our corporation is organized exclusively for the foreign sale of jewelry and maintains its own branch offices in various foreign cities, including Habana, and during the year 1920 our sales in Cuba were approximately \$400,000.

The purchasing power of Cuba is in direct proportion to its profitable sale of raw sugar which, as you know, is the principal industry of the island. If the sugar mills are forced to shut down, as many of them have been during the present year, because of their inability to produce and sell sugar at the prevailing prices, such action will throw tremendous numbers of Cuban laborers out of employment, cut off their buying power, and automatically such action will cut off the selling possibilities of merchants in all lines through the Republic.

If the sugar producers in Cuba are unable to sell their product to the United States, their principal market, on account of the greatly increased duty provided by the Fordney bill, the investments of American capital in the sugar industry in Cuba, amounting to more than a billion dollars, will be seriously jeopardized and American business with Cuba will be almost entirely wiped out until other world markets for Cuban sugar can be found or until such time as Cuba has established a new industry in some other line which will bring in an equivalent income to that heretofore enjoyed from sugar.

We have already seen the results of the increased duty on Cuban cigars, and while the action taken by Congress may be highly satisfactory to the American cigar manufacturers, the fact remains that the American lovers of good Cuban cigars are obliged to content themselves with the inferior products of the imitative manufacturers in this country.

There is no doubt that the American producers of sugar would be happy to see the increased duty on Cuban sugar perpetuated, but I believe that we as a Nation should look with broader vision upon matters of such importance. The increase would benefit the growers of American sugar and their employees, but it would be tremendously injurious not only to the Cuban producers of sugar and to the American capital interested therein but to every manufacturer and merchant in the United States who has, or has had, any business dealings whatever with customers in Cuba.

We ourselves have considerable money tied up in accounts receivable from Cuban customers, and I believe that I am safe in saying that every American exporter to Cuba is in the same position. Our Cuban customers have told us very plainly that if the proposed increase is made permanent many merchants in Cuba will find it absolutely necessary to go out of business, as the buying power of the

working class, upon which they depend, will be too small to pay even the overhead expenses.

Cuba has not yet recovered from the effects of the moratorium established a year ago, and many American exporters have accounts receivable still on their books for 1920 business which they will find themselves unable to collect on account of their Cuban customers going into "suspension of payment" if the increased duty becomes permanent.

Ever since the United States Government was instrumental in obtaining Cuba's freedom from Spain it has been our boast that we always give Cuba the "most-favored-nation" treatment and that we afford her practically the same opportunities as are given to the States of our Union for the development of her industry and commerce.

We are counting absolutely upon you to do everything humanly possible to prevent the emergency increase from becoming permanent, and this corporation would appreciate a statement from you as to where you stand in this matter of such vital importance to the industry and commerce of your State.

Very truly yours,

CHARLES JENKINSON, Treasurer.

E. ATKINS & Co.,  
Boston, June 6, 1922.

Hon. DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: Regarding sugar-tariff rates, which affect the whole country, one of the prominent sugar men of Hawaii, who is well known to me, recently expressed his views, as per copy of newspaper cutting which I inclose. This man, Mr. Tenney, realizes the danger of increased beet-sugar production in the United States, taking away his market on the Pacific coast and forcing the surplus of the Sandwich Islands to be shipped at very high freight rates, either rail or water, to Chicago and even to markets on the Atlantic coast. To this point I have frequently called attention in the past. All this would eventually be paid by the consumer.

One of the beet-sugar manufacturers, who handles large quantities of both cane and beet sugars, and himself a president of some of the minor beet-sugar companies and a strong advocate of high duties and supporter of the Fordney tariff, recently expressed his views in the weekly circular of his firm. Probably this crept into the circular without the knowledge or approval of the senior partner, who is a warm personal friend of mine and a good Republican:

"Another factor that reduces the consumption is the huge cost of sugar through ridiculous taxation."

Yours very truly,

E. F. ATKINS.

[From the Honolulu Advertiser, April 25, 1922.]

MIDDLE ROAD BEST IN SUGAR TARIFF, SAYS E. D. TENNEY.

Commenting on recent Associated Press dispatches from Washington announcing that Senator SMOOT and other Republican leaders were willing to carry the fight for the emergency sugar tariff rate to the floor of the Senate, E. C. Tenney, president of Castle & Cooke, said yesterday that the middle course is the better. The higher rate for which western beet men have been striving is more protection than the industry needs, he declared, and if enacted would undoubtedly lead to a reopening of the subject at the next session of Congress.

"The entire sugar industry suffered severe losses in the recent deflation, as what other industry did not?" he said. "I do not believe that American consumers ought to be taxed to make good the beet-sugar men's losses, which is what the enactment of the maximum duty would amount to. Other industries have had to take their losses, and no exception ought to be made in favor of the beet people."

NEW YORK, July 14, 1922.

Hon. DAVID I. WALSH,  
United States Senate, Washington, D. C.

DEAR SIR: The public prints are carrying articles, some stating that the American Sugar Refining Co. is endeavoring to secure a higher duty on sugar and others that it is making efforts to secure a lower import duty on sugar.

In view of this publicity, we wish you to know that we have taken no part, directly or indirectly, in the matter of the pending sugar duty. As is well known, this company has investments both in the foreign and in the domestic sugar fields.

Very respectfully yours,

THE AMERICAN SUGAR REFINING CO.,  
EARL D. BABST, President.

E. ATKINS & Co.,  
New York, July 14, 1922.

Senator DAVID I. WALSH,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In connection with this tariff question, I wonder what Senator SMOOT would have to say when faced with these facts: Mr. FORDNEY increased in the emergency bill the tariff on sugar 60 per cent, making the Cuban rate 1.60 cents per pound, as against the 1-cent rate in the Underwood bill. Increasing the price of sugar this way means on the 5,000,000 tons we use annually an added cost to the consumer of \$37,000,000.

This was done on the plea that Cuba, on account of her large carry-over, would have to sell raw sugars at 2 cents per pound, which with 1.60 cents duty would make the price in the States 3.60 cents per pound duty paid, and such a price, it was claimed, was needed to protect our domestic industry. Without discussing the merits of this claim, the fact is Cuban sugar for a short time did sell at 2 cents per pound, but such a low market could only be temporary, and prices, following the natural course, have reacted so that last week sugar sold at 3½ cents per pound, which with 1.60 cents duty makes the duty-paid price 5.10 cents, instead of 3.60 cents, the price it was claimed the domestic trade needed. If the Underwood rate of 1 cent per pound on Cuban sugar was to-day in effect the duty-paid price would be 4½ cents per pound, or still nearly 1 cent per pound above the price domestic producers claimed they must have.

What possible argument can there be for maintaining the 60 cents per hundred increase effective in the emergency tariff and intended to be made permanent in the Fordney-McCumber bill?

In order to advance the price of sugar Senator SMOOT, through General Crowder, was making every effort in January to have Cuba restrict her crop to 2,500,000 tons, and Cuba was told that if she could do this the domestic sugar interests would consent to the tariff rate being reduced from 1.60 cents to 1.40 cents. Anyone familiar with conditions

in Cuba would know that this was not a practical suggestion, and to show how impractical it was from a supply standpoint I would point out that Cuba this year shipped up to July 1, 3,589,000 tons.

Had her crop been restricted to 2,500,000 tons, which with the 1,200,000 tons she carried over would give her a total of 3,700,000 tons, the entire supply would have been cleaned up by July 1. We would have nothing to fall back on for the balance of the year and speculation would now be rampant.

I suppose these facts will be met not with argument, but with the usual rot about some one "trying to ruin the domestic industry." Their predictions of ruination have never been realized. The domestic interest was to be ruined when years ago Hawaiian sugars were to be admitted free, and again when duty was removed from Porto Rico sugars. This cry was repeated when the product of the Philippines had free entry, and a tremendous cry of distress went up when the Underwood bill was passed and the tariff rate on sugar was reduced to 1½ cents per pound, making the Cuban rate 1 cent per pound. Yet the domestic industry prospered enormously under the tariff rate, notwithstanding the frightful blunders and complete lack of thrift. I inclose herewith a statement of dividends paid by certain beet-sugar companies during the time the Underwood bill, which was the lowest protective tariff for many years, was in effect.

Yours very truly,

E. ATKINS & Co.

Statement showing profits and dividends of certain beet-sugar companies west of Mississippi River.

AMERICAN BEET SUGAR CO.

(Owns and operates six beet-sugar factories in Colorado, California, and Nebraska.)

Capital stock: Preferred \$5,000,000 Common 15,000,000

Year.	Net earnings.	Amount of dividends paid.		Earned on stock.		Per cent.	Per cent.
		Preferred.	Common.	Preferred.	Common.		
1915	\$1,424,654	\$300,000				28	7
1916	2,445,190	300,000	\$900,000			48	14
1917	4,882,980	300,000	3,000,000			97	30
1918	3,135,188	300,000	1,200,000			62	18
1919	1,200,740	300,000	1,200,000			24	6
1920	2,425,000	300,000	1,200,000			48	14
1921	133,509	300,000				6	

(Moody's Analyses of Investments 1921, p. 1413.)

UTAH-IDAHO SUGAR CO.

(Owns and operates 15 beet-sugar factories in Utah, Idaho, and Washington.)

Year.	Net earnings.	Amount of dividends paid.	Rate of dividends paid.	Per cent.	
				Preferred.	Common.
1915	\$1,129,906	\$566,984			11
1916	3,365,600	1,039,470			12
1917	6,445,292	1,133,967			9
1918	1,523,449	1,937,336			9
1919	978,290	2,136,371			9
1920	(1)	(1)			9
1921	1,417,840	1,423,800			

<sup>1</sup> Not reported.

On May 17, 1917, stock dividend of 150 per cent was paid on capital stock of \$10,000,000. The per cent outstanding capital stock is \$23,730,000.

(Moody's Analyses of Investments 1921, pp. 1712-1713.)

GREAT WESTERN SUGAR CO.

(Owns and operates 16 beet-sugar factories in Colorado, Nebraska, Montana, and Wyoming.)

Capital stock: Preferred \$13,630,000 Common 15,000,000

Year.	Net earnings.	Amount of dividends paid. <sup>1</sup>		Rate of dividends paid.		Per cent.	Per cent.
		Preferred.	Common.	Preferred.	Common.		
1915	Not reported	\$954,100	\$750,000			7	7
1916	do	954,100	1,050,000			7	5
1917	do	954,100	5,550,000			7	37
1918	do	954,100	7,050,000			7	47
1919	do	954,100	7,050,000			7	47
1920	do	954,100	7,050,000			7	47
1921	do	954,100	2,682,500			7	17½

<sup>1</sup> Calculated from rate of dividends paid. (Moody's Analyses of Investments, 1921, p. 210.)

AMALGAMATED SUGAR CO.

(Owns and operates 8 beet-sugar factories in Utah and Idaho.)

Capital stock: Preferred (issued July, 1919) \$4,833,300 Common 6,284,400

Year.	Net earnings.	Amount of dividends paid. <sup>1</sup>	Rate of dividends paid, common.
1916	\$1,857,596	\$665,172	Per cent. 13
1917	2,680,755	698,928	12
1918	1,423,214	698,928	12
1919	389,267	204,732	8
1920	329,633	386,664	8
1921		394,359	

<sup>1</sup> Calculated from rate of dividends paid. (Moody's Analyses of Investments, 1921, pp. 1412-1413.)

<sup>2</sup> Preferred.

Prior to 1919 the only outstanding stock was \$5,824,400 common. At that time this was increased to \$6,824,400 and \$4,833,300 preferred was issued.

HOLLY SUGAR CO.

(Preferred stock, 1921, \$3,300,000 outstanding; 58,000 shares common stock, no par value.)

Year.	Net profit.	Dividends paid.	Rate of dividend earned, preferred.
1917	\$1,874,478	\$381,170	Per cent. 36.3
1918	1,196,955	297,210	
1919	483,794	276,500	
1920	(1)		
1921	404,812	231,000	

<sup>1</sup> Not reported.

<sup>2</sup> From annual report of company for year ending Mar. 31, 1921.

UNION SUGAR CO.

(Operates one factory at Batteravia, Calif. Outstanding capital stock, \$2,530,000.)

Year.	Net earnings.	Dividends paid.	Per cent.
1915	\$413,525		8
1916	912,588		11
1917	944,977		24
1918	494,857		24
1919	626,414		16.8
1920	926,887		16.8

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

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

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

- |            |                |            |              |
|------------|----------------|------------|--------------|
| Ashurst    | Frelinghuysen  | Moses      | Spencer      |
| Ball       | Gerry          | Myers      | Stanfield    |
| Borah      | Glass          | Nelson     | Stanley      |
| Brandeggee | Gooding        | New        | Sterling     |
| Broussard  | Harrell        | Nicholson  | Sutherland   |
| Bursum     | Harris         | Norbeck    | Swanson      |
| Calder     | Heflin         | Oddie      | Townsend     |
| Cameron    | Jones, N. Mex. | Overman    | Trammell     |
| Capper     | Jones, Wash.   | Pepper     | Underwood    |
| Caraway    | Kendrick       | Phipps     | Wadsworth    |
| Colt       | Keyes          | Pomerene   | Walsh, Mass. |
| Culberson  | Ladd           | Ransdell   | Walsh, Mont. |
| Cummins    | Lenroot        | Rawson     | Warren       |
| Curtis     | Lodge          | Reed       | Watson, Ga.  |
| Dillingham | McCormick      | Sheppard   | Watson, Ind. |
| Edge       | McCumber       | Shortridge | Willis       |
| Ernst      | McKinley       | Simmons    |              |
| Fletcher   | McLean         | Smith      |              |
| France     | McNary         | Smoot      |              |

The PRESIDENT pro tempore. Seventy-three Senators have answered to their names. There is a quorum present.

Mr. McCUMBER. Mr. President, I ask that the pending amendment may be reported.

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

The READING CLERK. The pending amendment is the amendment offered by the Senator from Rhode Island [Mr. GERRY] to the amendment of the junior Senator from Louisiana [Mr. BROUSSARD] to strike out in the pending amendment, in line 3, the figures "1 45/100" and insert in lieu thereof the figures "71/100."

Mr. SIMMONS. I ask for the yeas and nays.

Mr. GERRY. The whole amendment has not been reported. I think it would save time to treat it as one amendment.

The PRESIDENT pro tempore. The Senator from Rhode Island asks unanimous consent that the two amendments which he has offered to the amendment of the Senator from Louisiana may be considered as a single amendment. Is there objection? The Chair hears none. The Secretary will report the entire amendment.

The READING CLERK. The Senator from Rhode Island [Mr. GERRY] offers an amendment to the amendment proposed by the junior Senator from Louisiana [Mr. BROUSSARD] to strike out, on page 95, line 18, the numeral "1 16/100" and insert in place thereof the numeral "71/100," and on line 20, after the comma, strike out the words "four one-hundredths" and insert in lieu thereof the words "twenty-six one-thousandths."

The PRESIDENT pro tempore. The Senator from North Carolina demands the yeas and nays. Is the request seconded? The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). The junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired he would vote "yea."

Mr. JONES of New Mexico (when his name was called). On this schedule my general pair with the Senator from Maine [Mr. FERNALD] is released, and I am therefore at liberty to vote. I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. GERRY (when Mr. PITTMAN's name was called). I wish to announce that the Senator from Nevada [Mr. PITTMAN] has again been called from Washington on account of illness in his family. I ask that this announcement may stand for the day.

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL] which I transfer to the junior Senator from Maryland [Mr. WELLES] and vote "nay."

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

The roll call was concluded.

Mr. CARAWAY. I wish to announce the unavoidable absence of my colleague [Mr. ROBINSON]. I will let this announcement stand for the day.

Mr. HALE. I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am unable to obtain a transfer of that pair. If permitted to vote, I would vote "nay."

Mr. CURTIS. I wish to announce that the junior Senator from West Virginia [Mr. ELKINS] has a general pair with the junior Senator from Mississippi [Mr. HARRISON]. I ask that this announcement may stand for the day.

Mr. SUTHERLAND (after having voted in the negative). As I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], and being unable to secure transfer of my pair, I withdraw my vote.

The result was announced—yeas 19, nays 52, as follows:

YEAS—19.			
Ashurst	Harris	Reed	Swanson
Caraway	Heffin	Sheppard	Underwood
Culberson	Myers	Simmons	Walsh, Mass.
Gerry	Overman	Smith	Walsh, Mont.
Glass	Pomerene	Stanley	
NAYS—52.			
Ball	Cummins	Harrell	McCumber
Borah	Curtis	Jones, N. Mex.	McKinley
Brandegee	Dillingham	Jones, Wash.	McLean
Broussard	Edge	Kendrick	McNary
Bursum	Ernst	Keyes	Moses
Calder	Fletcher	Ladd	Nelson
Cameron	France	Lenroot	New
Capper	Frelinghuysen	Lodge	Nicholson
Colt	Gooding	McCormick	Norbeck

Oddie  
Pepper  
Phipps  
Ransdell

Rawson  
Shortridge  
Smoot  
Spencer

Stanfield  
Sterling  
Townsend  
Trammell

Wadsworth  
Warren  
Watson, Ind.  
Willis

NOT VOTING—24.

Dial  
du Pont  
Elkins  
Fernald  
Hale  
Harrison

Hitchcock  
Johnson  
Kellogg  
King  
La Follette  
McKellar

Newberry  
Norris  
Owen  
Page  
Pittman  
Poindexter

Robinson  
Shields  
Sutherland  
Watson, Ga.  
Weller  
Williams

So Mr. GERRY's amendment to Mr. BROUSSARD's amendment was rejected.

The PRESIDENT pro tempore. At this point the Chair desires to make a statement with regard to the unanimous-consent agreement. If the agreement were literally construed, no other amendment could now be voted upon, inasmuch as the agreement declares that "the Senate shall proceed to vote without further debate upon any amendment that may be pending to the sugar schedule." The Chair believes, however, that it was the intent of the Senate that those words should include amendments that may be offered. If any Senator desires to question the ruling of the Chair upon the matter, it can be done in a very few moments.

Mr. McCUMBER. I ask unanimous consent that the Chair give to the unanimous-consent agreement that construction, in order that the paragraph referred to may include amendments pending and amendments that may be offered.

Mr. UNDERWOOD. Of course, it is understood that that will apply to all other paragraphs which may come up for consideration.

The PRESIDENT pro tempore. The Chair will so construe the agreement with regard to all the paragraphs similarly situated.

Mr. McCUMBER. That was the understanding.

Mr. WILLIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Ohio proposes to amend the amendment offered by the Senator from Louisiana, as follows: In line 3 of the amendment offered by Mr. BROUSSARD, strike out "1 45/100" and insert in lieu thereof "1 2/10."

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

Mr. SMOOT. Why not have a vote upon the whole amendment, because both affect the rate?

The PRESIDENT pro tempore. The Chair desires to remind the Senate that proceedings hereafter upon this paragraph must be without debate.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Connecticut will state the inquiry.

Mr. BRANDEGEE. If the amendment offered by the Senator from Ohio [Mr. WILLIS] should be agreed to, fixing the rate at 1.20 cents, the amendment providing for a duty of 2 cents could not be offered, could it?

The PRESIDENT pro tempore. The Chair will not conclude itself in regard to the inquiry, but it is the opinion of the Chair that such an amendment could not be offered.

Mr. BRANDEGEE. I agree with the interpretation of the Chair. I simply wish to vote intelligently. If I should vote for the 1.20-cent rate that would settle it, and I could not vote for the 2-cent rate.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Ohio [Mr. WILLIS] to the amendment of the Senator from Louisiana [Mr. BROUSSARD] on which the yeas and nays are demanded.

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

Mr. EDGE (when his name was called). I have a general pair with the Senator from Oklahoma [Mr. OWEN], who is absent. I am informed that were he present he would vote as I propose to vote. Therefore I shall vote. I vote "nay."

Mr. HALE (when his name was called). Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement which I made on previous votes as to the transfer of my pair, I vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and transfer as upon the previous vote, I vote "yea."

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr.

SMITH]. Not being able to procure a transfer of that pair, I am compelled to withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I am absolutely unable to secure a transfer of that pair, and I therefore am obliged to withhold my vote. If permitted to vote, I should vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON], which I transfer to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

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

The roll call was concluded.

Mr. UNDERWOOD. I desire to announce that the junior Senator from Mississippi [Mr. HARRISON], who is necessarily absent, if present would have voted "yea" on the pending amendment.

Mr. LODGE. Mr. President, I desire now to make an announcement which I should have previously made. The senior Senator from Maine [Mr. FERNALD], who is necessarily absent, has a general pair with the senior Senator from New Mexico [Mr. JONES]. If present and able to vote on the present vote and the preceding vote, the Senator from Maine would have voted "nay."

The result was announced—yeas 22, nays 48, as follows:

YEAS—22.

Ashurst	Harris	Reed	Underwood
Caraway	Heflin	Sheppard	Walsh, Mont.
Culberson	Ladd	Simmons	Watson, Ga.
Dial	Myers	Stanley	Willis
Gerry	Overman	Swanson	
Glass	Pomerene	Trammell	

NAYS—48.

Ball	Edge	Lodge	Pepper
Borah	Ernst	McCormick	Phipps
Brandege	Fletcher	McCumber	Ransdell
Broussard	Frelinghuysen	McKinley	Rawson
Bursum	Gooding	McLean	Shortridge
Calder	Hale	McNary	Smoot
Cameron	Harrell	Moses	Spencer
Capper	Jones, N. Mex.	Nelson	Stanfield
Colt	Jones, Wash.	New	Townsend
Cummins	Kendrick	Nicholson	Wadsworth
Curtis	Keys	Norbeck	Warren
Dillingham	Lenroot	Oddie	Watson, Ind.

NOT VOTING—25.

du Pont	Kellogg	Page	Sutherland
Elkins	King	Pittman	Smith
Fernald	La Follette	Poindexter	Walsh, Mass.
France	McKellar	Robinson	Weller
Harrison	Newberry	Shields	Williams
Hitchcock	Norris	Smith	
Johnson	Owen	Sterling	

So the amendment of Mr. WILLIS to the amendment of Mr. BROUSSARD was rejected.

Mr. GERRY. I offer the amendment to the amendment, which I sent to the desk, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment which is proposed by the Senator from Rhode Island to the pending amendment will be stated.

The ASSISTANT SECRETARY. In line 2 of the pending amendment it is proposed to strike out the numeral "1 16/100" and to insert in lieu thereof the numeral "77/100," and on line 5 of the same amendment to strike out the words "four one-hundredths" and to insert in lieu thereof the words "three one-hundredths."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Rhode Island [Mr. GERRY] to the amendment of the Senator from Louisiana [Mr. BROUSSARD].

Mr. GERRY and Mr. SIMMONS called for the yeas and nays, and they were ordered.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). On this amendment I am not positive as to how the Senator from Oklahoma [Mr. OWEN], with whom I am paired, would vote. Being unable to secure a transfer of the pair, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. MCCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair as on the previous vote, and vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before, I withhold my vote. If permitted to vote, I should vote "nay."

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

The roll call was concluded.

Mr. HALE. Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD. The Senator from Mississippi [Mr. HARRISON], who is necessarily absent, would on this question if present vote "yea."

The result was announced—yeas 21, nays 50, as follows:

YEAS—21.

Ashurst	Glass	Reed	Underwood
Caraway	Harris	Sheppard	Walsh, Mass.
Culberson	Heflin	Simmons	Walsh, Mont.
Dial	Myers	Stanley	
Fletcher	Overman	Swanson	
Gerry	Pomerene	Trammell	

NAYS—50.

Ball	France	McCumber	Rawson
Borah	Frelinghuysen	McKinley	Shortridge
Brandege	Gooding	McLean	Smoot
Broussard	Hale	McNary	Spencer
Bursum	Harrell	Moses	Stanfield
Calder	Jones, N. Mex.	Nelson	Sterling
Cameron	Jones, Wash.	New	Townsend
Capper	Kendrick	Nicholson	Wadsworth
Colt	Keys	Norbeck	Warren
Cummins	Ladd	Oddie	Watson, Ind.
Curtis	Lenroot	Pepper	Willis
Dillingham	Lodge	Phipps	
Ernst	McCormick	Ransdell	

NOT VOTING—24.

du Pont	Johnson	Norris	Shields
Edge	Kellogg	Owen	Smith
Elkins	King	Page	Sutherland
Fernald	La Follette	Pittman	Watson, Ga.
Harrison	McKellar	Poindexter	Weller
Hitchcock	Newberry	Robinson	Williams

So Mr. GERRY's amendment to the amendment of Mr. BROUSSARD was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the Senator from Louisiana.

Mr. REED. I ask that the amendment be stated.

Mr. SIMMONS. I ask for the yeas and nays.

The PRESIDENT pro tempore. The yeas and nays are demanded. Is there a second?

The yeas and nays were ordered.

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

The ASSISTANT SECRETARY. On page 95, line 18, after the word "degrees," it is proposed to strike out "1 16/100" and to insert in lieu thereof "1 45/100"; and on the same page, in line 20, after the word "test," to strike out "four one-hundredths" and insert in lieu thereof "five one-hundredths."

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

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). On this amendment I am informed that my pair, if present, would vote as I propose to vote. Therefore I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. MCCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before and stating that I am unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

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

The roll call was concluded.

Mr. SUTHERLAND. I am advised that my pair, the Senator from Arkansas [Mr. ROBINSON], if present, would vote as I expect to vote on this matter, and I therefore feel released from my pair. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from West Virginia [Mr. ELKINS] has a general pair with the Senator from Mississippi [Mr. HARRISON], and that the Senator from California [Mr. JOHNSON] has a general pair with the Senator from Georgia [Mr. WATSON].

Mr. UNDERWOOD. I desire to announce the unavoidable absence of the junior Senator from Mississippi [Mr. HARRISON], and to state that if present and not paired he would vote "nay" on this question.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35.

Ball	Gooding	Moses	Shortridge
Brandege	Harreld	Nelson	Smoot
Broussard	Jones, N. Mex.	New	Spencer
Bursum	Jones, Wash.	Nicholson	Stanfield
Cameron	Kendrick	Norbeck	Sterling
Capper	Ladd	Oddie	Townsend
Curtis	McKinley	Phipps	Warren
Dillingham	McLean	Ransdell	Watson, Ind.
Ernst	McNary	Rawson	

NAYS—37.

Ashurst	Frelinghuysen	McCumber	Swanson
Borah	Gerry	Myers	Trammell
Calder	Glass	Overman	Underwood
Caraway	Hale	Pepper	Wadsworth
Colt	Harris	Pomerene	Walsh, Mass.
Culberson	Heflin	Reed	Walsh, Mont.
Cummins	Keyes	Sheppard	Willis
Dial	Lenroot	Simmons	
Edge	Lodge	Stanley	
Fletcher	McCormick	Sutherland	

NOT VOTING—23.

du Pont	Johnson	Norris	Shields
Elkins	Kellogg	Owen	Smith
Fernald	King	Page	Watson, Ga.
France	La Follette	Pittman	Weller
Harrison	McKellar	Poindexter	Williams
Hitchcock	Newberry	Robinson	

So Mr. BROUSSARD's amendment was rejected.

Mr. SMOOT. Mr. President, on line 18 I move to strike out "1 16/100" and insert in lieu thereof "1 25/100," and on line 20 I move to strike out "four" and insert "five." The rate will be 1 84/100.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Utah, which will be stated.

The ASSISTANT SECRETARY. On line 18, page 95, at the end of the line, it is proposed to strike out "1 16/100" and to insert in lieu thereof "1 25/100," and on line 20 it is proposed to strike out "four one-hundredths" and to insert "five one-hundredths."

Mr. SMOOT and Mr. SIMMONS called for the yeas and nays, and they were ordered.

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

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Again transferring my pair as on the previous vote, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before, it being stated that my pair if present would vote as I expect to vote on this question, I feel released, and therefore vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. SIMMONS. Making the same announcement as on the previous vote, I vote "nay."

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

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

Mr. UNDERWOOD. I desire to announce the unavoidable absence of the junior Senator from Mississippi [Mr. HARRISON], and to state that if present and not paired he would vote "nay" on this question.

The result was announced—yeas 37, nays 35, as follows:

YEAS—37.

Ball	Harreld	New	Stanfield
Brandege	Jones, N. Mex.	Nicholson	Sterling
Broussard	Jones, Wash.	Norbeck	Townsend
Bursum	Kendrick	Oddie	Wadsworth
Cameron	Ladd	Phipps	Warren
Capper	McKinley	Ransdell	Watson, Ind.
Curtis	McLean	Rawson	Willis
Dillingham	McNary	Shortridge	
Ernst	Moses	Smoot	
Gooding	Nelson	Spencer	

NAYS—35.

Ashurst	Fletcher	Lodge	Simmons
Borah	Frelinghuysen	McCormick	Stanley
Calder	Gerry	McCumber	Sutherland
Caraway	Glass	Myers	Swanson
Colt	Hale	Overman	Trammell
Culberson	Harris	Pepper	Underwood
Cummins	Heflin	Pomerene	Walsh, Mass.
Dial	Keyes	Reed	Walsh, Mont.
Edge	Lenroot	Sheppard	

NOT VOTING—23.

du Pont	Johnson	Norris	Shields
Elkins	Kellogg	Owen	Smith
Fernald	King	Page	Watson, Ga.
France	La Follette	Pittman	Weller
Harrison	McKellar	Poindexter	Williams
Hitchcock	Newberry	Robinson	

So Mr. SMOOT's amendment was agreed to.

Mr. GERRY. I offer the amendment which I sent to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 96, beginning with line 13, strike out all of paragraph 503 and insert in lieu thereof the following:

PAR. 503. Molasses and sugar sirups not specifically provided for testing not above 48 per cent total sugars, 15 per cent ad valorem; testing above 48 per cent and not above 56 per cent total sugars, 2½ cents per gallon; testing above 56 per cent total sugar, 4½ cents per gallon.

Mr. BROUSSARD. Mr. President, a parliamentary inquiry. The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. BROUSSARD. I desire to inquire whether or not we have acted upon this paragraph before? My recollection is that we passed upon it.

Mr. SMOOT. We have passed on the paragraph. It has been agreed to.

Mr. LODGE. It was agreed to in Committee of the Whole.

Mr. SMOOT. It is not open to further amendment.

Mr. GERRY. I understood that it was passed on as far as committee amendments were concerned. I asked the Senator from Utah at that time if there was any opportunity to offer individual amendments to it.

The PRESIDENT pro tempore. The Senator from Louisiana has submitted an inquiry to the Chair, and the Chair rules that the amendment offered by the Senator from Rhode Island is in order. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. GERRY. I offer another amendment, which I send to the desk.

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

The ASSISTANT SECRETARY. On page 96, line 20, the Senator from Rhode Island proposes to strike out "4" and to insert in lieu thereof "3"; and in line 22, to strike out "1½" and to insert in lieu thereof "1¼," so that if amended that portion of the paragraph would read:

PAR. 504. Maple sugar and maple sirup, 3 cents per pound; dextrose testing not above 99.7 per cent and dextrose sirup, 1½ cents per pound.

The PRESIDENT pro tempore. Without objection, the two amendments will be treated as a single amendment. The question is upon agreeing to the amendment.

The amendment was rejected.

Mr. GERRY. I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The Secretary will report the amendment proposed by the Senator from Rhode Island.

The ASSISTANT SECRETARY. In paragraph 505, page 97, line 8, the Senator from Rhode Island proposes to strike out the numeral "50" in the House text and to insert in lieu thereof the numeral "15."

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

The yeas and nays were ordered.

Mr. WALSH of Montana. I ask that the paragraph be read as proposed to be amended.

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

The Assistant Secretary read as follows:

PAR. 505. Adonite, arabinose, dulcitol, galactose, inositol, levulose, mannite, d-talose, d-tagatose, ribose, melibiose, dextrose testing above 99.7 per cent, mannose, melezitose, raffinose, rhamnose, salicin, sorbite, xylose, and other saccharides, 15 per cent ad valorem.

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

Mr. EDGE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN], and not being able to secure a transfer and not knowing how he

would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my general pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

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

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON], and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

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

Mr. UNDERWOOD. The junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired, he would vote "yea."

The result was announced—yeas 21, nays 48, as follows:

## YEAS—21.

Ashurst	Glass	Reed	Underwood
Caraway	Harris	Sheppard	Walsh, Mass.
Culberson	Heflin	Simmons	Walsh, Mont.
Dial	Myers	Stanley	
Fletcher	Overman	Swanson	
Gerry	Pomerene	Trammell	

## NAYS—48.

Ball	Ernst	McKinley	Rawson
Borah	Frelinghuysen	McLean	Shortridge
Brandagee	Hale	McNary	Smoot
Bronssard	Harrell	Moses	Spencer
Bursum	Jones, Wash.	Nelson	Stanfield
Calder	Kendrick	New	Sterling
Cameron	Keyes	Nicholson	Sutherland
Capper	Ladd	Norbeck	Townsend
Colt	Lenroot	Oddie	Wadsworth
Cummins	Lodge	Pepper	Warren
Curtis	McCormick	Phipps	Watson, Ind.
Dillingham	McCumber	Ransdell	Willis

## NOT VOTING—26.

du Pont	Hitchcock	Newberry	Shields
Edge	Johnson	Norris	Smith
Elkins	Jones, N. Mex.	Owen	Watson, Ga.
Fernald	Kellogg	Page	Weller
France	King	Pittman	Williams
Gooding	La Follette	Poindexter	
Harrison	McKellar	Robinson	

So Mr. GERRY's amendment was rejected.

The PRESIDENT pro tempore. Does any Senator desire to offer an amendment to Schedule 5, the sugar schedule? If not, no further amendment will be received to that schedule, and the Senate will proceed with the consideration of paragraph 1635.

Mr. McCUMBER. To that paragraph I offer an amendment, which I send to the desk.

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

The ASSISTANT SECRETARY. In paragraph 1635, page 230, the Senator from North Dakota proposes to strike out all of the House text after the word "for" in line 6, down to and including the word "duty" in line 14, and to insert in lieu thereof, on page 286, after line 16, the following new section:

SEC. 321. (a) That the Secretary of the Treasury is authorized and directed to pay to any person producing and selling within the United States between October 1, 1922, and October 1, 1927, crude potash produced from domestic brine or minerals, or from waste or by-products of domestic manufactures, a bounty on the actual potash (potassium oxide) content, as follows:

Two and one-half cents for each pound so produced and sold during the year ending October 1, 1923;

Two and one-half cents for each pound so produced and sold during the year ending October 1, 1924;

Two cents for each pound so produced and sold during the year ending October 1, 1925;

One and one-half cents for each pound so produced and sold during the year ending October 1, 1926; and

One cent for each pound so produced and sold during the year ending October 1, 1927.

For the purposes of this section any such potash produced and sold between October 1, 1922, and October 1, 1927, but not sold in the year in which produced shall be regarded as produced in the year in which it is sold.

(b) The Secretary of the Treasury is authorized to prescribe rules and regulations and to issue orders for the filing, proof, and payment of claims for a bounty, including the examination and production of books, accounts, records, and memoranda. Any person who refuses or fails to comply with any such rule, regulation, or order shall not be entitled to such bounty.

(c) Any person who, knowing that he is not entitled to a bounty under the provisions of this section, files a claim for or receives any money upon a claim for a bounty, or who makes a false statement or

representation in relation to any such claim, or to the payment of any such bounty with intent to defraud the United States, shall upon conviction thereof be punished by a fine of not more than \$5,000 or by imprisonment for not more than five years, or by both such fine and imprisonment.

(d) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota.

Mr. McCUMBER. Mr. President—

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask him a question?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. I had not seen the amendment before. I understand that it proposes to strike out of the bill the tax feature relating to potash and to put potash on the free list with a bounty.

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. Not having seen the proposition, I desire to ask—

Mr. McCUMBER. The amendment has been printed for a number of days, I will state to the Senator. It was printed on August 3 and has been lying on the table ever since.

Mr. UNDERWOOD. It just had not come to my attention. Will the Senator allow me to ask him a question before he proceeds?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. By inserting the provisions with reference to the bounty in the free-list sections of the bill, the Senator then concludes it will put potash on the free list?

Mr. McCUMBER. It will put potash on the free list.

Mr. UNDERWOOD. In the amendment, which I now have before me, I do not see anything which indicates that potash will go on the free list, because it is not named, as the amendment that I have merely begins—

SEC. 321. (a) That the Secretary of the Treasury is authorized—

And so forth.

Mr. McCUMBER. Paragraph 1635 is the free-list paragraph.

Mr. UNDERWOOD. I understand.

Mr. McCUMBER. Therefore, if we strike out the provision which begins in line 6 and ends in line 14 on page 230, we have left "potassium chloride or muriate of potash, potassium sulphate, kainite, wood ashes and beet-root ashes, and all crude potash salts not specially provided for." That means that all of those are on the free list.

Mr. UNDERWOOD. I understand that those are in the bill now.

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. I merely wanted to be informed. Therefore, a vote against the present amendment would not be a vote against leaving potash on the free list, but it would be merely a vote against the bounty. Is that correct?

Mr. McCUMBER. I can not say that it is exactly correct. There can be any number of motions made. The first motion is simply to provide for a bounty by striking out the proviso in lines 6 to 14, inclusive, which, if it is carried, would leave potash on the free list with a bounty.

Mr. UNDERWOOD. But if the amendment is not agreed to it would leave potash on the free list without a bounty.

Mr. McCUMBER. No; it would leave it with a proviso.

Mr. LODGE. The present proviso would leave a duty on it.

Mr. McCUMBER. The motion is to strike out and insert.

Mr. FLETCHER. The question ought to be divided.

Mr. LENROOT. Mr. President, I would like to ask the Senator from North Dakota if he would not be willing to have the question divided. I understand the rule says such a question can not be divided, but it can be done by unanimous consent. Let us vote first upon the question of striking out the proviso and then upon the question of the substitute.

Mr. LODGE. Why does the Senator say the question can not be divided?

Mr. LENROOT. The rule says a motion to strike out and insert can not be divided.

Mr. LODGE. That is true.

Mr. UNDERWOOD. I hope the request of the Senator from Wisconsin will be agreed to.

The PRESIDENT pro tempore. Senators will be in order. Not more than one Senator will speak at the same time.

Mr. McCUMBER. Mr. President, if I have the floor, let me suggest that I thought there would be possibly no objection to the motion to strike out the proviso in lines 6 to 14, inclusive, as the first motion. We can vote on that motion without a roll call, I believe, and then we can determine whether we will insert the proviso for a bounty.

Mr. SIMMONS. That is the only fair way to do it.

The PRESIDENT pro tempore. The Chair desires to know what the understanding is.

Mr. McCUMBER. I simply desire to divide the amendment into two parts. The first part of it is to strike out the proviso, and we will vote on that first; and then vote upon the insertion of the matter which I have sent to the desk.

The PRESIDENT pro tempore. It is so understood, and the Chair will so consider it. The Secretary will state the first part of the amendment.

The ASSISTANT SECRETARY. In paragraph 1635, page 230, beginning in line 6, strike out the proviso down to and including line 14, as follows:

*Provided*, That for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid on the actual potash (potassium oxide) content of all the foregoing a duty of 2½ cents per pound for the first two years; 2 cents per pound for the third year; 1½ cents per pound for the fourth year; and 1 cent per pound for the fifth year: *Provided further*, That thereafter the said potash content shall be free of duty.

Mr. McCUMBER. I think that can be voted on without a roll call.

The PRESIDENT pro tempore. The question is upon agreeing to that portion of the amendment.

Mr. LODGE. Let us have the yeas and nays.

Mr. SIMMONS. I do not believe we need the yeas and nays. I think everyone favors that.

Mr. LODGE. I think we had better have the yeas and nays. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. OVERMAN. Mr. President, I ask that the letter which I hold in my hand from a prominent citizen of North Carolina in regard to the potash question, a very able and interesting communication, be placed in the RECORD.

The PRESIDENT pro tempore. Without objection, the request is granted.

The letter is as follows:

WINSTON-SALEM, N. C., July 10, 1922.

HON. LEE S. OVERMAN,  
United States Senate, Washington, D. C.

DEAR SIR: I am coming to you in behalf of the proposed legislation which has a very important bearing on the fertilizer industry, namely, that involving tariff on imported potash salts. I believe I speak the mind of the agricultural class when I tell you that any tax that would be the means of their fertilizers costing them more than at present would be a distinct burden, especially as I feel that there is no class of our people who have suffered more in the last several years than the farmers of the South, especially so with those in the cotton belt.

As I understand it, this tax proposes to put a tariff on imported potash salts equivalent to \$50 per ton for the first and second years, \$40 for the third year, \$30 for the fourth year, and \$20 for the fifth year. It has been estimated that this would mean an additional cost to the farmers in the five years of between fifty and fifty-five millions of dollars, and I certainly do not believe that the farmers in the country are in a position to stand this tax at this time.

I suppose you are aware of the fact that approximately 75 per cent of the fertilizer used in the United States annually is consumed in the territory south of the Mason and Dixon line and east of the Mississippi River, or, I might say, in the Southeastern States. This is the section that has been particularly hard hit among the agricultural people, and I can speak very feelingly of their slow recovery, as I, like a large number of other fertilizer companies, am still carrying a tremendous amount of money over from the 1920 business, when the depression first hit our people. I certainly feel that these farmers of the South are entitled to get back on their feet before added burdens are put upon them, and I sincerely hope that you share this view; and it will be certainly most pleasing to see that you would oppose any such measure that would put an import tax on raw potash that is now being brought in from Europe.

With expressions of high esteem, believe me,

Respectfully yours,

UNION GUANO CO.,  
W. H. MASLIN, President.

The PRESIDENT pro tempore. The yeas and nays have been ordered on the first part of the amendment proposed by the Senator from North Dakota [Mr. McCUMBER], which is to strike out the proviso in paragraph 1635, which has been read.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). I understand that my pair, the Senator from Oklahoma [Mr. OWEN], if present would vote as I propose to vote. Therefore I am at liberty to vote. I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I understand that my pair, the senior Senator from Maine [Mr. FERNALD], would vote on this question as I shall vote. I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). I understand that my pair, the senior Senator from Arkansas [Mr.

ROBINSON], if present would vote as I shall vote. Therefore I feel at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. WATSON of Georgia. I transfer my pair with the senior Senator from California [Mr. JOHNSON] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. UNDERWOOD. The Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired he would vote "yea" on this question.

The result was announced—yeas 66, nays 1, as follows:

YEAS—66.

Ashurst	Gerry	McLean	Stanfield
Ball	Glass	McNary	Stanley
Brandegee	Gooding	Moses	Sterling
Bursum	Hale	Myers	Sutherland
Calder	Harrell	New	Swanson
Cameron	Harris	Nicholson	Townsend
Capper	Heflin	Oddie	Trammell
Caraway	Jones, N. Mex.	Overman	Underwood
Colt	Jones, Wash.	Pepper	Wadsworth
Cummins	Kendrick	Phillips	Walsh, Mass.
Dial	Keyes	Pomerene	Walsh, Mont.
Dillingham	Ladd	Rawson	Warren
Edge	Lenroot	Reed	Watson, Ga.
Ernst	Lodge	Sheppard	Watson, Ind.
Fletcher	McCormick	Simmons	Willis
Frelinghuysen	McCumber	Smoot	
	McKinley	Spencer	

NAYS—1.

Shortridge

NOT VOTING—28.

Borah	Harrison	Nelson	Poindexter
Broussard	Hitchcock	Newberry	Ransdell
Culberson	Johnson	Norbeck	Robinson
du Pont	Kellogg	Norris	Shields
Elkins	King	Owen	Smith
Fernald	La Follette	Page	Weller
France	McKellar	Pittman	Williams

So the first part of Mr. McCUMBER's amendment was agreed to.

The PRESIDENT pro tempore. The question is upon agreeing to the second part of the amendment offered by the Senator from North Dakota [Mr. McCUMBER], which the Secretary will state.

The ASSISTANT SECRETARY. On page 286, after line 16, insert a new section to be known as section 321.

Mr. McCUMBER. Mr. President, the amendment has already been read in full.

There are a few pertinent facts which I think ought to be entered in the RECORD upon the provision which is now pending. The first of those pertinent facts is that prior to the World War we produced practically no potash in the United States. We ought to remember that. Prior to the war potash was selling for about \$40 a ton; but, being unable to produce it, when the war came we were at the mercy of the potash producers of the world outside the United States. The result of that merciless situation was that potash rose from \$40 a ton to more than \$500 a ton; and in the pending tariff bill the question is presented to the Senate whether or not we wish again to put the country in that condition at any time in the future or whether we shall take any steps whatever to develop that industry in the United States.

I call attention to the fact that the potash salts in which we are principally interested are kainite, muriate, and sulphate. The muriate and sulphate contain about 50 per cent of potash while the kainite contains about 16 per cent of potash. In 1918 the United States, with the encouragement which we had during the war, produced 50,000 tons of potash. On the basis of the 1918 production of 50,000 tons, the proposed bounty of 2½ cents per pound for the first year, 2½ cents a pound for the second year, 2 cents a pound for the third year, 1½ cents a pound for the fourth year, and 1 cent per pound for the fifth year will amount to the following sums:

The first year it would be \$2,500,000; the second year \$2,500,000; the third year \$2,000,000; the fourth year \$1,500,000; and the fifth year \$1,000,000, or a total of \$9,500,000, which the American people would be called upon to pay in cash for the benefit of the producers of potash.

The war price of potash was \$4.50 per unit of 20 pounds—I take the average war price—or \$450 per ton. The 1921 price was \$1.80 per unit of 20 pounds, or \$180 per ton. Mr. President, I think it not uninteresting to note the effect of the war on prices, on importations, and the building up of the potash industry in the United States. I will take the year 1915. The production for that year in this country was 4,374 tons of crude potash. In 1918 we had increased our production from 4,374 tons to 207,686 tons, the available content of potash of which was 54,803 tons.

Mr. FLETCHER. Mr. President—

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

Mr. FLETCHER. The Senator from North Dakota has stated the fact that we were producing 54,808 tons of potash in this country. I wish he would state where we are producing it and how it is being produced in the United States.

Mr. McCUMBER. We are producing it mostly in the West—in Nebraska, in Utah, and in California. I understand that about half of the production came from Nebraska in 1918. I desire, Mr. President, to insert in the Record the table which is found on page 16 of the United States Tariff Commission Survey A-16.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Potash produced and sold in the United States, 1916-1919.

Year.	Number of producers.		Production.		Sales. <sup>1</sup>		
	Total.	Exclusive of producers of wood-ash potash.	Crude potash.	Available content of potash (K <sub>2</sub> O).	Crude potash.	Available content of potash (K <sub>2</sub> O).	Value f. o. b. plant.
1915 <sup>2</sup> .....	5	5	4,374	1,090	4,374	1,090	\$342,000
1916.....	70	25	35,739	9,720	35,739	9,720	4,242,730
1917.....	95	46	128,961	32,573	128,961	32,573	13,980,577
1918.....	128	77	207,686	54,808	140,343	38,580	15,839,618
1919 <sup>3</sup> .....	77	45	119,736	32,418			

<sup>1</sup> Production and sales were practically the same from 1915 to 1917, and no distinction was made between them.  
<sup>2</sup> Although no production was reported from wood ashes, it is probable that an appreciable quantity of potash was produced from that source in 1915.  
<sup>3</sup> Supplied by the United States Potash Producers' Association.

Mr. FLETCHER. I desire to make one further inquiry of the Senator. What I had in mind was the effort which was being made to produce potash from some kind of seaweed, some vegetable of some kind or other, on the Pacific coast.

Mr. SMOOT. From kelp.

Mr. McCUMBER. There is no production of any importance from that source.

Mr. FLETCHER. I desire to ask the Senator from North Dakota if that effort has been a success, or whether that method of producing potash is still being prosecuted?

Mr. McCUMBER. I presume the Senator from Florida refers to the attempt to produce potash from kelp?

Mr. FLETCHER. Yes.

Mr. McCUMBER. I notice that the quantity produced from kelp in 1916 was 1,850 short tons—a very small amount.

Mr. President, taking muriate of potash—and I have stated that the important classes are muriate, sulphate, and kainite—in 1909 we imported free of duty 132,734 tons of muriate of potash. The importations grew up to 1914, when they amounted to 234,855 tons. Then came the war, and in 1916 we imported 2,126 tons of this potash to supply the entire American demand; in 1917 we imported 606 tons; and in 1918, 596 tons. The price continued to increase as the importations grew less. In 1909 the value per unit was \$35.85; in 1917 it had jumped to \$288.45 per unit. I will ask to insert the table relating to muriate of potash found on page 31 of the Tariff Information Surveys, A-16.

The PRESIDENT pro tempore (Mr. WADSWORTH in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.  
 POTASH, MURIATE OF.

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909.....	Free.....	132,740	\$4,758,906	\$35.85
1910.....	do.....	174,935	5,640,541	32.24
1911.....	do.....	191,324	6,449,575	33.71
1912.....	do.....	216,101	7,235,728	33.48
1913.....	do.....	199,854	6,737,757	33.71
1914.....	do.....	234,855	7,925,781	33.75
1915.....	do.....	102,882	3,660,353	35.58
1916.....	do.....	2,126	460,888	216.78
1917.....	do.....	606	174,806	288.45
1918.....	do.....	596	158,979	265.38
1919.....	do.....	1,677	201,307	120.04

Mr. McCUMBER. Again, Mr. President, taking sulphate of potash, we find that in 1909 the quantity that was imported for consumption was 27,239 tons; in 1917 it dropped to 656 tons; and in 1918 to 136 tons. It will be noted that while in

1909 the unit value was \$42.17, in 1919 the unit value had advanced from \$42.17 to \$170.10.

I ask that the table on page 43, relating to "Imports for consumption of potash, sulphate of, crude or refined," may be printed in the Record.

The PRESIDENT pro tempore (Mr. BRANDEGEE in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.  
 POTASH, SULPHATE OF, CRUDE OR REFINED.

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909.....	Free.....	27,239	\$1,148,607	\$42.17
1910.....	do.....	37,933	1,399,915	36.90
1911.....	do.....	47,441	1,952,370	41.15
1912.....	do.....	45,134	1,853,235	41.05
1913.....	do.....	42,877	1,798,399	41.94
1914.....	do.....	7,596	315,029	41.47
1915.....	do.....	37,389	1,572,462	42.06
1916.....	do.....	21,705	1,071,623	49.37
1917.....	do.....	2,427	197,898	81.50
1918.....	do.....	656	20,538	31.30
1919.....	do.....	136	19,837	145.88
1919.....	do.....	137	23,304	170.10

Mr. McCUMBER. In the year 1909 we imported 344,525 tons of the kainite; in 1916, after the war broke out, we imported 64 tons; and in 1917 and 1918 we did not import a single ton, but the price was \$5.73 in 1909, and in 1916 it advanced to \$28.04 per unit. Now, I ask that the table on page 45 may also be inserted.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Imports for consumption.  
 KAINITE.<sup>1</sup>

Fiscal year.	Rate of duty.	Quantity (tons).	Value.	Value per unit of quantity.
1909.....	Free.....	344,525	\$1,974,165	\$5.73
1910.....	do.....	470,241	2,268,363	4.82
1911.....	do.....	586,474	2,637,105	4.49
1912.....	do.....	479,817	2,400,589	5.00
1913.....	do.....	466,184	2,149,689	4.61
1914.....	do.....	526,112	2,579,619	4.90
1915.....	do.....	79,124	444,996	5.62
1916.....	do.....	64	1,795	28.04
1917.....	do.....			
1918.....	do.....			

<sup>1</sup> Entered in 1909 as "Kieserite," kyanite, or cyanite, and kainite.

Mr. McCUMBER. The committee was faced with this situation—a simple one, which any Senator can easily understand—if we raised the duty on potash undoubtedly it would be carried on to the consumer; but, while the consumers are paying the proposed bounty for a few years—I will not say how many, but under the provisions of the amendment as it was proposed the bounty will cease to be paid after five years—we would be developing an industry in the United States which would operate as a lever, at least, to preserve our own prices to some extent and to protect us against the possibility of another war, which would result in raising the price from \$40 a ton to more \$500 per ton. The committee, desiring both to assist the farmer in securing his potash at as reasonable a rate as possible and without raising that rate, agreed finally to place potash upon the free list and to recommend a bounty, as we did under the McKinley bill on sugar, for the purpose of developing the industry in the United States. It will be an investment, but, Mr. President, I think it will be a good investment, and therefore I support the provision.

Mr. OVERMAN. Mr. President—

Mr. McCUMBER. I yield to the Senator from North Carolina.

Mr. OVERMAN. I should like to inquire if the Senator's committee has estimated the amount of money that will be required to pay this bounty?

Mr. McCUMBER. Oh, yes; I gave it.

Mr. OVERMAN. I did not hear it.

Mr. McCUMBER. The estimate is two and a half million dollars the first two years, \$2,000,000 the next year, \$1,500,000 the next year, and \$1,000,000 the next year, on the basis of 50,000 tons of production.

Mr. OVERMAN. I thank the Senator.

Mr. McCUMBER. That would make \$9,500,000 that the American public would pay out of the Treasury for these five years in an attempt, possibly an experiment, to determine

whether or not we could so develop that industry that in all probability it would meet to a great extent the demands in the United States.

Mr. STANLEY. Mr. President—

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

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

Mr. STANLEY. Suppose this industry does develop under the stimulus of this bounty, and produces not 50,000 but 200,000 tons of potash, what then? I see that we imported, in 1920, 120,000 tons of one form of potash, 15,000 tons of another, and 872,000 tons of another. Suppose that we produce 100,000 or 150,000 tons of potash, then the bounty would be three times the amount of the estimate, would it not?

Mr. McCUMBER. Yes; it would be if we produced that amount within those years; but the Senator notes, of course, that the bounty is fixed on a descending scale, and in order to get that higher bounty the amount that the Senator suggests would have to be produced between the first year and the second year, and I think that is an impossibility.

Mr. STANLEY. The first year the bounty is 2 cents a pound, is it not, on all potash produced?

Mr. McCUMBER. Two and a half cents a pound.

Mr. STANLEY. Suppose we produced 100,000 tons the first year?

Mr. McCUMBER. My statement is that I think that is an impossibility. I do not think we can reach a production beyond 50,000 tons. It is the opinion of the experts that we probably will not go, at least, very much beyond that.

Mr. STANLEY. Why do they estimate 50,000 tons?

Mr. McCUMBER. When we were not importing any at all, the highest production was about 54,000 tons.

Mr. STANLEY. When potash was worth four or five hundred dollars a ton?

Mr. McCUMBER. Yes.

Mr. STANLEY. Your estimate is, then, that no process has yet been developed which will produce potash in any great amount commercially within the cost of the potash imported from Germany under normal conditions?

Mr. SMOOT. Mr. President, I would not want to say that. I think that after they get in operation, and get established, more than likely they can. I will say to the Senator that down in Marysvale, Utah, we have mountains of it in the alunite mines there. There is no limit to it—simply mountains of it for miles and miles and miles—and they are beginning now to work it again.

They began during the war to work that ore; they also began on the south side of the lake, and on the north side of the lake; but they did not get the plants built until the war ceased, and until all demand for the potash had ceased. Without this bounty or a duty to enable them to get started, there would be no earthly use of their going to the extent of even completing their plants at an expense, I should say, of between ten and fifteen million dollars to establish this industry in the different parts of the West. They are lying there idle. There is not a single plant operating in the United States to-day. There is over \$30,000,000 invested now, but, as I say, the plants are lying there uncompleted. They started to build, but the plants are uncompleted. They never ran any time at all.

Mr. STANLEY. Suppose we give them this duty, and they complete their plants: Will they produce potash then as cheaply as we can import it?

Mr. SMOOT. They can, with this bounty. If they do not, at the end of the term of the bounty they lose what they have invested; that is all.

Mr. STANLEY. Is there any well-established estimate as to the cost of producing a ton of potash at the end of two or three years compared with the cost of the foreign product?

Mr. SMOOT. If the system works out as they anticipate, I have not any doubt but that they can produce it from the waters of Salt Lake, and from the salt beds of Nevada, and also from the mountains of alunite that they can work and that they have already worked during the war. I have not any doubt about it at all.

Mr. STANLEY. The Senator has not any doubt about their producing potash as cheaply as it can be produced in Germany?

Mr. SMOOT. I do not know about producing it as cheaply as it can be produced in Germany.

Mr. STANLEY. Or within \$24 a ton as cheaply?

Mr. SMOOT. Oh, yes; there is not any doubt about that.

Mr. OVERMAN. Some of the potash produced during the war was sent through the country to the farmers and destroyed their crops.

Mr. SMOOT. That was the potash from Searles Lake, where the first shipments had borax in them. I have the Govern-

ment report upon it. That happened only just one year, and that was because of the fact that in refining the potash that year the borax was not taken out, and it did burn the crops in some cases a great deal.

Mr. OVERMAN. It destroyed the crops.

Mr. SMOOT. That, however, has all been corrected; and that only happened at one place in the United States, namely, Searles Lake, near where the greatest borax deposits in the world, I suppose, are located.

Mr. OVERMAN. In what State?

Mr. SMOOT. In California. The borax became a part of the deposits of potash there, and when they first produced potash they did not take out the borax, and they sold the potash with the borax in it, and when it was mixed for fertilizer it hurt the crops wherever it was put upon the ground; but that has all been done away with.

Mr. POMERENE. Mr. President—

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

Mr. McCUMBER. I yield to the Senator from Kentucky, and then to the Senator from Ohio.

Mr. STANLEY. I have one other question. Have they estimated the maximum output of the plants in which this \$20,000,000 has been invested?

Mr. SMOOT. There is more than that invested.

Mr. STANLEY. Do they know about the number of tons of potash that they can produce if the plants were completed and operating?

Mr. SMOOT. The plants completed cost a little over \$30,000,000. They were in operation during the war to their full capacity and produced 54,000 tons of potash; but, in addition to those plants that were operating, there are these other plants, on which I think at least \$10,000,000 has been spent, that are in course of erection. They are not completed and never have produced potash in commercial quantities. They have produced it in a little testing plant there, so as to show that it really can be done; but as far as the product in the soil or the mountains in one case is concerned, and the product in the water and in the brine in the other, with the Searles Lake deposits, the Agricultural Department say that there is not any question but that they have a hundred years' supply for this country known to-day.

Mr. STANLEY. Did the experts make any estimate of the cost per ton of converting these deposits into potash by this means?

Mr. SMOOT. I will say to the Senator that that can not be well done with the new deposits. Improvements have to be made, I have not any doubt, before they can compete with the German product; but the men are perfectly willing to put in their money if they have this bounty for five years, and if they can not do it in that time they will have to lose all that they have to put in.

I want to say to the Senator that the opposition to the House provision of a duty came from the farmers of the country. Mr. Gray Silver was very much opposed to it and so were the representatives of all the other farm organizations. They are not opposing a bounty, because they want to be free from a condition that is existing to-day that I shall bring to the attention of the Senate. I want to read the contracts that Germany and France to-day are compelling the potash purchasers in America to sign. Germany takes contracts for 75 per cent of all that is consumed in this country; France takes contracts for the other 25 per cent. Their contracts are, word for word, alike and they will not sell a single pound of it unless the American purchasers sign contracts for the whole amount.

Mr. REED. Mr. President—

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. Yes.

Mr. REED. It appears, then, that France and Germany have no difficulty in getting together when it is a case of skinning America in a commercial transaction.

Mr. SMOOT. I will say to the Senator that I want to put copies of both of those contracts into the Record—

Mr. REED. I hope the Senator will.

Mr. SMOOT. And I want the Senate to read each contract, and I will read here the papers where the announcement was made that an agreement had been made between Germany and France for furnishing potash to this country.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. McCUMBER. I will yield for a moment to the Senator from Ohio, and then I desire to close my very brief statement on this subject.

Mr. POMERENE. Mr. President, I voted in favor of free potash. I feel that these fertilizers ought to be free to the agricultural interests of the country. I know, of course, something about the meager deposits that there are in Nebraska and Utah, and perhaps California. I do not think it has been demonstrated as yet that there is a sufficient quantity there to make the potash commercially profitable to produce. The same situation existed as to ferromanganese, tungsten, and other alloy metals. I think it was perfectly clear from the debates on the floor of the Senate that such ferromanganese and tungsten as we had, as well as the other alloy ores, are low-grade ores. There is a very great deal of uncertainty as to whether they can ever be produced from our deposits in commercially profitable quantities. Now, the question that occurred to me was this:

Why do you adopt the policy of a tariff to encourage the production of ferromanganese and tungsten, and then, when it comes to potash, discard the protective theory entirely and adopt the bounty system of encouraging production? If the one scheme is advisable as to the ores that are used for alloys, why not in the other; or, if the bounty system is advisable when it comes to potash, why not as to the other?

Mr. McCUMBER. I think the Senator fully understands the "why" of it, just exactly the same as we understood the "why" and the "wherefore" when we put a bounty upon sugar in the McKinley tariff bill. We did not want to raise the price of sugar to the public. We did want to develop the sugar industry in the United States. We regarded that as something of a national matter, and so we said in the McKinley bill that we would not impose that extra hardship upon the American people of paying the greater price, at least not upon all of them, but would make it a great national project, and would experiment with the raising of beet sugar in the United States. If it was a success, then we would lower our bounties, or take them away in time.

In this case we are faced with the problem of whether we shall continue to purchase all of our potash abroad, and be entirely dependent upon a foreign supply, or whether we are willing to pay the cost of the experiment; and I will say that, so far as I am concerned, I think it is more or less in the experimental stage. I think, however, we can produce it in sufficient quantities. The question is not so much a question of quantity and production, as it is a question of freight rates from the fields of production to the principal fields of consumption. I think we can produce the quantity.

Mr. POMERENE. With all due respect to my good friend, I do not think he has answered my question. Whether I accept it or not is a different proposition. I know what the argument was in favor of the sugar bounty. I can understand that if that is accepted, you want to apply it to potash, and so forth; but my question was why you want to have a different scheme when you come to ferromanganese?

Mr. McCUMBER. For one thing, we want to develop the industry. Assuming that is what we are after, I will answer the Senator. The only way we can develop the industry is either by a duty upon the product which will afford protection, or by a bounty. Let us suppose that the tariff proposition would be voted down—and we are satisfied that it would be voted down—then we are driven to the other method, if we desire to have the protection.

There is a difference between a thing of that kind and taxing the steel companies by a duty. The Senator can easily understand that the Senate and the House of Representatives might be induced to vote for a bounty on the production of an article, but would not be willing to vote for a tariff duty to be paid entirely by the agriculturists; and if it were a question whether the duty would be paid by the steel people, they might not be willing to do it. That is a fair statement of the case.

Mr. POMERENE. I am not clear about it.

Mr. McCUMBER. I think the Senator is.

Mr. POMERENE. It is not quite a fair statement to say that the burden is on the steel people. In one sense of the word, it is; they must pay this increased price. But that is passed on to the consumer.

Mr. McCUMBER. Sometimes. It depends.

Mr. POMERENE. It was conceded here in the course of the argument, I think, that the duty on the alloys would add \$10,000,000 per year to the cost of steel to the consumers. I think those figures were generally admitted here. I was trying to get some reason which would satisfy my mind as to why the one system was adopted in one instance and another in the other. I want it distinctly understood that I am in favor of

placing all of these fertilizers on the free list. I think the more we encourage the fertilizers to come in the more benefit we will be conferring on the farming interests of the country. I have not any doubt about that.

Mr. McCUMBER. The Senator is satisfied of one thing—that the Senate did vote to put a duty on ferromanganese?

Mr. POMERENE. I think it did.

Mr. McCUMBER. Suppose that instead of that duty we had proposed to give a bounty equal to that duty. The Senator knows just as well as I do that we could not have carried that through. It is not a question as to why we adopted this system.

Mr. POMERENE. I can settle that with entire satisfaction to myself, at least so far as my own vote is concerned. I do not think it has been demonstrated that you have deposits of ferromanganese or tungsten in this country which can be produced in commercially profitable quantities. Of course, I have no personal knowledge on this subject, and I am dependent on what the steel interests say with regard to it. They are convinced that such deposits do not exist, or, at least, that they have not been discovered in such quantities as will justify an attempt to produce them in this country. That is the situation.

The Senator from Utah has made the statement that the Agricultural Department said they thought there were vast quantities of this potash out in the West. It may be that they have eyes with which they can see into the interior of the earth and tell how much there is or how much there is in solution in water, or something of that kind. It may be that they have that power. We had predictions, 40 or 50 years ago, that by this time the coal deposits of this country would be exhausted. That was the wisdom of the day. That was departmental wisdom. Perhaps we have some more departmental wisdom; I do not know.

Mr. McCUMBER. I answered the question which the Senator propounded to me, and answered it fully. It does not make any difference whether the Senator agrees with me or not; he asked me why we adopted one course in one instance and another course in the other instance, and I say, frankly, it was so as to get the provision through. We hope to be able to give a bounty. We did not have much hope of carrying the provision for a protective tariff. We may be in error in both cases. But that was the theory, and the only theory, on which we abandoned the general tariff duty and adopted the proposition for a bounty.

Mr. POMERENE. The reason does not seem to satisfy my mind, but I certainly do appreciate the Senator's candor.

Mr. REED. Mr. President—

Mr. McCUMBER. I yield to the Senator from Missouri. I want to finish, however, in just a moment.

Mr. REED. If the Senator from Utah is going to discuss this question, I will wait, because I think he is perhaps going to answer the matter I was going to inquire about, and I will not take the Senator's time.

Mr. McCUMBER. I wanted to answer just one proposition with reference to the prospects of production in the United States.

The Senator from Ohio thinks that there is no method by which the geological surveys can form a fair estimate of the quantity, at least that in sight. The Senator knows that this product is found in old lake bottoms. It is very easy to determine, by sinking wells in different parts of a lake, the depth of it and how far down you can go and still have this product before you get to the original bottom of the lake, and therefore I think it quite a simple process of determining the number of cubic yards in a lake's bottom and the quantity of potash that may be extracted therefrom.

I want to read just a paragraph or two from the Survey of the Tariff Commission, from the same pamphlet from which I read a short time ago. On page 7 it is stated:

Before the outbreak of the war there was practically no potash produced in this country. The domestic production during the war has been developed until in 1918 the output from all sources was about 54,000 short tons of actual potash (K<sub>2</sub>O), or about 20 per cent of our normal pre-war consumption. About one-half of the domestic production in 1918 came from the saline lakes in Nebraska. The estimated productive capacity of the domestic industry in 1919 was 100,000 short tons of actual potash, but because of the uncertain market the actual production amounted to only 32,418 tons.

I especially call attention to this:

It is estimated that the resources of the Nebraska lakes will be depleted in about 10 years at the rate of the 1918 production. Searles Lake, in California, is estimated to contain as much as 20,000,000 tons of actual potash.

The Senator from Utah undoubtedly is well informed as to the probabilities of securing potash in large quantities in his own State, and I will leave to him to discuss that feature of the case. The only question before us, really, is whether we want to try this experiment of developing the industry in the

United States and are willing to pay this much for that experiment. I believe it would be money well invested; but, after all, it is a question fraught possibly with some uncertainty.

Mr. LENROOT. Mr. President, I sincerely hope that the Senate will not adopt this amendment and embark upon the sea of bounties. If it does, if the door shall be here opened, as is proposed by the committee, the Treasury of the United States will have to be enlarged, because there will be demands for bounties similar to that which is here proposed from every quarter, from every part of the country.

If the precedent be set here to-day, we will have in the future pork-barrel bills composed of bounties compared to which river and harbor bills, which have been criticized severely in the past, will seem like nothing.

I am amazed that the committee, this committee which has under its care the protection of the Treasury of the United States, should bring to the Senate this proposition, and especially with so little foundation in merit. The chairman of the committee very frankly states that the only reason they have proposed this bounty was that they knew that the Senate would vote down a tariff rate upon this potash. That means that the chairman of the committee was satisfied that a majority of the Senate would be of opinion that the farmer, who utilizes this fertilizer, was not sufficiently interested in American production to be willing to pay the increased price of the fertilizer in order to secure it, and I think the chairman was correct in that estimate of the Senate, because I do not believe that the farmers of America are willing to pay the rates proposed in this bill in order to secure possible American production of this particular fertilizer. The chairman seems to be of the opinion that while the farmers who utilize the product would not be willing to pay the increased price of it the American people as a whole, who will not be directly interested in or benefited by it, would be willing to pay it out of the Treasury of the United States. That is the position the chairman of the committee occupies.

Mr. McCUMBER. Mr. President, if the Senator will allow me, the chairman of the committee does not occupy the position that the people of the United States are not directly interested in the preservation of an industry of this kind.

Mr. LENROOT. No; but the farmer whose success depends upon having fertilizer is not sufficiently interested, the chairman thinks, to pay the increased rate himself, and I agree with him. If the farmer is not sufficiently interested, why does the Senator think that the people of the United States as a whole are willing to do what the farmer himself would not be willing to do?

Oh, the chairman of the committee said it is only \$9,500,000; \$2,000,000 the first year, \$2,000,000 the second year, and so on, and at the end of five years it will cease. What are the facts? He said we need it in case we should get into war again so that we would not be in the same predicament we were in during the last war. But about 50 per cent of this bounty, according to the report of the Tariff Commission, will go to the producers in Nebraska. The Tariff Commission have reported, and the chairman read the report, that the source in Nebraska will be entirely exhausted in 10 years, so that we would pay them \$1,000,000 a year for four or five years; and the proposition is, therefore, to maintain an industry in Nebraska that has to go out of business in 10 years anyway.

Then we come to the only other known sources of supply, which are Searles Lake in California, and Salduro Salt Marsh in Utah, according to the report of the Tariff Commission. I will ask the Senator from Utah [Mr. Smoot] what the freight rate is on this commodity from Utah to the South or Atlantic coast points, if he can tell me.

Mr. SMOOT. Mr. President, I will say to the Senator that I can not say definitely now, but I will look it up and tell the Senator before he concludes, if possible.

Mr. LENROOT. I would like to have it in the RECORD, because the committee has said that in five years the bounty shall no longer continue. The use of the fertilizer to-day is in the Central West, east of the Mississippi River, the Atlantic Coast States, and the South. Will the chairman of the committee say to the Senate how he expects Searles Lake, in California, or Salduro Marsh, in Utah, to compete with Germany at the end of five years with potash on the free list, paying the freight rate upon the commodity from Utah and California to the place where it is used? Of course that is a question that can only be answered in one way, and that is that after the bounty ceases, if it does cease, there will be no further market in the East for the Searles Lake and Utah product, and we will again depend upon Germany; but in the meantime the Treasury of the United States will have been drained of \$9,500,000.

Then again, who will be the beneficiaries of the bounty? According to the report of the Tariff Commission there are two companies operating on Searles Lake and only two. They have all the deposits there.

Mr. SIMMONS. Mr. President—

Mr. LENROOT. I yield to the Senator from North Carolina.

Mr. SIMMONS. May I say to the Senator, before leaving the point he was just now discussing, that as I understand the data which I have here, of the total amount of potash consumed in the United States about 64 per cent is consumed in the States east of the Mississippi River and in the State of Maine.

Mr. LENROOT. Now, of course, at the end of five years, unless the bounty is again continued, the German potash will again supply that 64 per cent. That is inevitable. So far as the remaining 36 per cent is concerned, the potash that will be utilized in the Rocky Mountain States, they will have that market without the bounty and without a tariff rate because the freight rate, which is a bar against them sending their product to the Atlantic Coast States, will likewise operate as a bar against German potash entering the Rocky Mountain States, and for the same reason.

Mr. POMERENE. Mr. President—

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

Mr. LENROOT. I yield.

Mr. POMERENE. If the bounty is to be for the direct benefit of the farmer, why would it not be wise for the Treasury of the United States to pay directly to the farmer so much per pound for every pound that he uses instead of giving it to the companies which are producing the potash?

Mr. LENROOT. I shall not undertake to answer that question. I want to come back to the Nebraska situation: The chairman of the committee has said that we need the production so that in case of war, if any war occurs again, we will have a supply of our own. If that be true we had better save that 10 years' supply in Nebraska and not exhaust it now, so that in case we do get into another war we will have the supply there that would be near the territory where it would have to be used—nearer than Utah or California. So that from the Senator's own standpoint, if we want to look out for the farmer in the future, let us not utilize the small supply we have that is now anywhere near the place where it could be used.

Coming back again to the question of who would be the beneficiaries of this bounty there are two companies that have all of the Searles Lake supply in California, which the Tariff Commission says amounts to something like 20,000,000 tons. One of the companies, I happen to know, was organized while potash was upon the free list, or at least became active during that time. Senators will remember that company was before the Congress of the United States, interested in legislation that would permit them to secure those deposits by leases. They went on before the war came on. They are going on to-day and they will have a limited market, of course, for whatever they can produce. That will be an increasing market, as fertilizer is required in that particular territory. But this bounty would be a gift to that company of 2½ cents per pound, or \$50 a ton for every ton that they produce, without any resulting benefit to the American people or to the farmer. Does anyone suppose that company, with its 2½ cents a pound bounty, would sell its fertilizer to anyone in California or in the Rocky Mountain States for any less sum because they had secured \$50 a ton out of the Treasury of the United States? They would get all they could, of course, and they would ship it as far east and as far west as they could meet German competition, and no farther.

As to the Utah company of the Salduro Salt Marsh, the Tariff Commission speaks of one plant that has possibilities and that will be the beneficiary of the bounty. Then the Tariff Commission speaks of three small companies trying to secure potash from the waters of Salt Lake, but up to this time they have not been very successful.

So, Mr. President, the \$9,500,000 will go to three or four companies in California and Utah, and such production as there may be in Nebraska, which the Tariff Commission has said in any event will be exhausted inside of 10 years.

Mr. President, I am not going to make any argument upon the constitutionality of this provision except to say that in the sugar bounty case, which has been referred to, the Supreme Court of the United States, in the case of Field against Clark, expressly declined to rule upon the constitutionality of the sugar bounty because it said it was not necessary to the decision of that case, but I shall read just a paragraph:

Appellants contend that Congress has no power to appropriate money from the Treasury for the payment of these bounties, and that the provisions for them have such connection with the system established by the act of 1890 that the entire act must be held inoperative and void.

The question of constitutional power thus raised depends principally, if not altogether, upon the scope and effect of that clause of the Constitution giving Congress power "to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." (Article I, sec. 8.) It would be difficult to suggest a question of larger importance, or one the decision of which would be more far-reaching. But the argument that the validity of the entire act depends upon the validity of the bounty clause is so obviously founded in error that we should not be justified in giving the question of constitutional power, here raised, that extended examination which a question of such gravity would, under some circumstances, demand.

Later on the question came before the court in various forms. Senators will remember that Congress renewed the bounty for an additional year and that was sustained, the court said, upon the moral obligation that the sugar growers, by reason of the existence of the act, had been induced to make great expenditures, and that would be sustained irrespective, the court said, of whether the original act was constitutional or not.

So I say that we have a very grave constitutional question here, but we have a graver question of policy. I sincerely hope that the Senate of the United States, especially in times like these, with the burdens of taxation which are so great that there is criticism all over the country with reference to them, is not going to open the door here as is now proposed by the Committee on Finance by taking \$9,500,000 out of the Treasury of the United States and by that action invite every special interest from one end of the country to the other to come to the Finance Committee of the Senate in the future and ask for bounties for their products such as they will have given to the potash industry.

Mr. SMOOT. Mr. President, I wish that each Senator had read in detail the testimony which was taken by the Finance Committee. If Senators had done so I think that those who are interested in seeing that America has potash for her agricultural necessities would decide that some action on the part of Congress must be taken if the agricultural interests of the United States are to keep out of the clutches of two powerful syndicates, one in Germany and the other in France, both working in complete harmony to control the potash which is produced in all the world.

Not only that, Mr. President, but the fertilizer manufacturers in this country are working hand in glove with those two syndicates. The vice president of the Virginia-Carolina Chemical Co., Mr. S. D. Crenshaw, who is interested in potash mines in Germany, testified before the Committee on Finance. In the report on the fertilizer industry issued in 1916 by the Federal Trade Commission, the Virginia-Carolina Chemical Co. is stated to be the owner of 50 per cent of the *Gewerkshaft-Einigkeit*, located at Fallersleben, Germany, and owning German potash mines. The Virginia-Carolina Chemical Co. is also stated to be the owner of 90 per cent of the *Chemical Works-Schonebeck (Ltd.)*, situated at Schonebeck, Germany, and engaged in the chemical manufacturing business. Mr. Crenshaw was interested in having free potash, not, of course, for his financial benefit; oh, no; but for the benefit of the dear farmer. I wish Senators knew what his company has been doing to the farmer; not what the company charged for the potash alone, but what they charged for the other elements of which the manufactured fertilizer is composed.

H. A. Houston, a witness heard by the Finance Committee on the subject of potash, is the head of the German Kali Works, a corporation incorporated in 1909 under the laws of New York, and the recognized American branch of the German potash trust, or *Kalisyndikat*. The German Kali Works have acted as the propaganda agents in this country of the German syndicate, and Mr. Houston's duties have involved the dissemination of German propaganda with reference to German potash salts and experimentation looking to the increased use of German potash in the United States. The German Kali Syndicate has been back of recent propaganda designed to influence the farmers of the United States against American potash on the ground that the quality of American material was not up to the standard.

When Mr. Crenshaw was before the committee he stated that he represented 34 of the fertilizer manufacturers of the United States. In answer to questions which were asked him by members of the committee it developed that he had entered into a contract with the German producers which bound the fertilizer manufacturers of this country to buy from the German syndicate at least 75 per cent of all the potash they use for making fertilizer. In that contract, Mr. President, it is also provided that if they buy more than the 75 per cent they get certain discounts. I asked him to have sent to the committee a copy of the contract and the names of those who signed it, or of those in whose behalf he signed. A copy of that contract will be found on page 4731 of the hearings before the Finance Committee of the Senate in the volume covering the free list.

Mr. SIMMONS. May I ask the Senator from Utah what is the price named in the contract to which he has just referred? I understand those to be contracts between American importers and German and French producers.

Mr. SMOOT. Does the Senator wish me to take up the time of the Senate to read it?

Mr. SIMMONS. No; I merely wish to know the prices.

Mr. SMOOT. As to that I will read from the contract as follows:

Schedule 1, minimum purchases on 75 per cent basis: Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.

In bags of 200 pounds even weight the price is \$30.60, while in bulk the price is \$29.17.

Then, I will say to the Senator, the strength of each of the various grades is given here. I will ask that the table may be inserted in the RECORD, so that Senators may examine it and see exactly what it is.

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

	In bags of 200 pounds even weight.	In bulk.
Schedule 1, minimum purchases on 75 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	\$30.60	\$29.17
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	40.05	38.92
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	20.47	19.35
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	14.40	13.27
Manure salt 20 per cent K <sub>2</sub> O	8.52	7.20
Kainit 12.4 per cent K <sub>2</sub> O	4.05	3.82
Schedule 2, minimum purchases on 100 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	29.70	28.57
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	38.70	37.57
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	19.80	18.67
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	13.05	12.82
Manure salt 20 per cent K <sub>2</sub> O	8.32	7.20
Kainit 12.4 per cent K <sub>2</sub> O	4.72	3.60

Mr. SIMMONS. That price is not based upon the potash content?

Mr. SMOOT. Yes; the price is based upon the potash content. The price of \$29.17 per 200 pounds in bulk is on a basis of 80 per cent K. C. L.

Mr. SIMMONS. That is the price of the foreign article?

Mr. SMOOT. I am quoting the prices at which the foreign manufacturers are selling potash to buyers in this country.

Mr. SIMMONS. The figures do not represent the potash content in the article, but refer to the degree of strength of the article.

Mr. STANLEY. The article which is quoted at a price of \$29.17 would contain about 17 per cent of potash.

Mr. SMOOT. I can not tell from this table just what the strength is, but I have read the manner in which the quality of the potash is designated.

Mr. SIMMONS. That is about 80 per cent.

Mr. SMOOT. It reads: "Basis 80 per cent K. C. L."

Mr. SIMMONS. At a price of \$29.17.

Now, does not the Senator from Utah think, in view of the fact that what he quotes is the selling price in a foreign country, that we ought to pay a bounty, if we are going to pay a bounty, of 2½ cents per pound, which would be \$50 a ton?

Mr. SMOOT. The price I am quoting is at the mines in Germany and for basis 80 per cent K. C. L., and I can not tell the Senator what it is going to cost to get it here.

Mr. SIMMONS. Water freight rates are not very high.

Mr. SMOOT. They are not so high as railway freights, I am quite sure.

Mr. SIMMONS. The point I am making is that the bounty proposed is practically twice as much as the price in the foreign country free on board.

Mr. SMOOT. That is abroad, but not twice as much.

Mr. SIMMONS. Yes; abroad.

Mr. SMOOT. The bounty of 2½ cents, I will say to the Senator, is on the potash content itself. The fertilizer usually manufactured contains only about 4 per cent of potash. It is true that fertilizer used for tobacco and potatoes has sometimes a potash content as high as 8 per cent; so that in a ton of fertilizer, on the basis of 4 per cent, there would be about 80 pounds of potash; so that a bounty of 2½ cents a pound, the rate for the first year, would be just \$2 a ton.

Mr. SIMMONS. But if the Senator will pardon me, the foreign purchase is of salts which contain 80 per cent of pure

potash, and the proposed bounty is 2½ cents a pound upon the pure potash.

Mr. SMOOT. No, not on pure potash; and that is the rate for the first year.

Mr. SIMMONS. Of course, if it contained 100 per cent of potash the foreign article would be raised one-fifth in price, but the price would not go much beyond \$35 a ton at best.

Mr. STANLEY. Does the Senator mean a long ton?

Mr. SIMMONS. No; a short ton.

Mr. SMOOT. Two thousand pounds.

Mr. SIMMONS. I should like to have the Senator give us his views as to why we should give a bounty very much more than the total cost of the foreign article abroad for the purpose of stimulating the industry in this country.

Mr. SMOOT. The prices abroad, as the Senator must know, are exceedingly low to-day. There were great quantities of potash held in this country for over a year, and there was so little call for it during that particular year, as the Agricultural Department states, that in 1921 it was forced upon the market and sold for almost any kind of price that could be obtained.

Mr. POMERENE. The Senator is not complaining about that, is he?

Mr. SMOOT. I am not complaining about that. There is quite a history attached to it, which, if I had the time, I could recite.

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

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

Mr. SMOOT. I yield.

Mr. KENDRICK. I should like to ask the Senator if he can tell us how the price of potash to-day compares with the pre-war price?

Mr. SMOOT. Mr. President, the prices are so fluctuating I can not remember the prices for the various years, but the prices at present are lower than any I can remember, even lower than those prevailing before the war.

Mr. KENDRICK. Can the Senator tell us whether there has been any domestic production of potash since the decline in the price? Has not that decline had the effect of putting all our manufacturers of potash out of business?

Mr. SMOOT. The contracts to which I have referred, I will say to the Senator, were made before all ceased operations. When those contracts were made there was no need of a plant in the United States making any potash, no matter what the price, for the contracts provided that all the purchases should be made from foreign companies for the 34 companies.

Mr. KENDRICK. I ask the question, because my impression is that the decline in price closed up all of our potash plants in the West.

Mr. SMOOT. Yes; not only because of the decline in price but because of the contracts which were made. In the same hearings we find that under the peace treaty certain potash mines formerly owned by Germany were turned over to France, and now there are agreements fast and hard that Germany shall supply 75 per cent and France 25 per cent. The contracts are almost word for word the same, and they could not have been drawn in that way unless there had been an understanding between the producers of potash in Germany and the producers of potash in France. They got together that close, and those contracts have been made and they have been signed, and the RECORD shows the names of the fertilizer manufacturers that have entered into those contracts.

Mr. STANLEY. Those were contracts dividing the amount sold in this country between those two competing concerns?

Mr. SMOOT. The German contract is for 75 per cent and the French contract is for 25 per cent.

Mr. STANLEY. That is, the contracts provide that purchasers in this country shall take one-fourth from France and three-fourths from Germany?

Mr. SMOOT. That is the program.

Mr. STANLEY. That is just a division of output among themselves.

Mr. SMOOT. Among themselves.

Mr. STANLEY. That does not affect us, one way or the other.

Mr. SMOOT. Not at all, with this exception: If they can destroy all of the potash production in the United States, what will be the contract price next year? These contracts are only for one year.

Mr. STANLEY. Do those contracts provide that the purchasers here shall take 100 per cent of their demands from Germany and France—25 per cent from Germany and 75 per cent from France?

Mr. SMOOT. Seventy-five per cent from Germany and 25 per cent from France.

Mr. STANLEY. And if they purchase potash elsewhere, they can not get potash from Germany and France?

Mr. SMOOT. They would not allow any to be sold to them elsewhere.

Mr. STANLEY. They sell to this country only on condition that we purchase our entire needs from those two sources. Is that it?

Mr. SMOOT. Yes; and I have here the list of the names of the signers of the contracts. I can put them into the RECORD without reading, or I can read them.

Mr. STANLEY. What I am coming to is this: If they can enforce a contract of that kind, prohibiting certain distributors of potash from purchasing elsewhere than from these mines in France and Germany, what is the use of our offering bounties to concerns that can not find a market?

Mr. SMOOT. Mr. President, all that is produced in the United States, of course, will be sold to the other few fertilizer manufacturers of the country, or directly to the farmers, if they want it; but what the committee thought was this: Knowing what has taken place this year, knowing that the trade has been divided between the two countries, knowing that Germany would not sell that potash unless we agreed to take 75 per cent of all of the potash used by these companies from Germany, knowing that they had contracts with France for the other 25 per cent, and knowing that the contracts were almost word for word the same in the two countries, there is only one conclusion to draw, and that is that they are going to close up all of the potash mines in the United States, and that is what they have done. Not one of them is operating.

Mr. KENDRICK. In other words, the purpose was to leave us just as dependent upon those countries as we were before the war?

Mr. SMOOT. Yes; absolutely. Not only that, Mr. President, but do not think for a minute that this contract has been made for 10 years at these prices. It is only for one year. What will be the demand of those producers next year? Suppose we are not producing any potash in this country, and suppose that all of the plants have gone to wrack and ruin—and it will not take many years for them to do so—at what price do you think you are going to buy potash from Germany and France next year with an agreement of that kind?

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

Mr. SMOOT. Yes; I yield.

Mr. KENDRICK. I have no doubt the Senator is fully informed as to the supply of potash in the country, but in any event the amount is entirely unlimited, as nearly so as can be imagined. In my State alone it is estimated that in one place there is a sufficient supply to furnish the world with potash for 180 years.

Mr. SMOOT. Let me say to the Senator that we have enough in Utah, at Marysvale, in those alunite deposits, to furnish the world with potash for I do not know how many years.

Mr. SIMMONS. Mr. President, may I ask the Senator one question? In what form is that potash in Utah?

Mr. SMOOT. It is found in ore in the mountains; in fact, it is a mountain of ore. It can be mined the same way as you would remove a mountain in one place and put it somewhere else, and in the transfer you take out the potash.

Mr. SIMMONS. Is it in the form of a salt?

Mr. SMOOT. No; it is not a salt. That found around and in the Salt Lake is extracted from a salt brine.

Mr. SIMMONS. What is it?

Mr. SMOOT. It is a potash ore called alunite.

Mr. SIMMONS. What are the other contents of the ore?

Mr. SMOOT. I can not say. Perhaps it is dirt, perhaps talc, or some other material that it is mixed with.

Mr. SIMMONS. What per cent of it is potash?

Mr. SMOOT. That I do not know.

Mr. SIMMONS. How does the Senator know whether or not it is there in commercial quantities?

Mr. SMOOT. I know it is there in commercial quantities, because it has been produced, and a mill was started and was running until the low price interfered with its operation.

Mr. POMERENE. Mr. President, if it is in such vast quantities in the form of a salt, why in the world are we trying to extract it from the water, from the lakes, and so forth?

Mr. SMITH. Mr. President, if the Senator will allow me, it is not in the form of a salt. It is in rock formation, a whole mountain of it.

Mr. SMOOT. Potash has been extracted for a number of years in a small way.

Mr. SMITH. I know it has, but not in anything like commercial quantities—

Mr. SMOOT. Oh, yes.

Mr. SMITH. And not in any way to compete with the cheap form of potash known as German kainite. That does not need any treatment at all. It is taken right out of the mines and simply ground and shipped to the agriculturists throughout the country. I myself have been a large user and importer of potash in the form of what we call kainite, and I was a little surprised to see that the Tariff Board calls attention to that form of potash. It is taken out and shipped without any treatment, without any evaporation or any processing at all, except just to break up the lumps in which it occurs. One German geologist estimates that there is enough available right there to last the world, at the rate of 5,000,000 tons a year, for 600,000 years. Of course, those are big figures. There is no place upon the face of the earth that can compete with that kind of a deposit; and if we put a bounty or a tariff on the production of potash in this country it means that the farmers of this country who are dependent upon that one ingredient that is not found outside the red lands of the Piedmont regions of the country, will have to burden themselves with whatever tax is imposed, either in the form of a tariff or a bonus, in order to procure the necessary crops in this country.

Mr. SMOOT. If they mine that the same as they do copper at the Utah copper mines, and handle it in the way that they extract copper, Germany will have no advantage at all in lifting her ore a thousand feet or more.

Mr. POMERENE. Mr. President, let me ask the Senator a question. Does the Senator really think we ought to adopt this bounty system now, so far as potash is concerned?

Mr. SMOOT. The only reason why I would support the bounty for the few years that are proposed is because I want to see those establishments within the next five years demonstrate whether or not they can make enough potash in the United States to supply the demands of the United States. If they can, I want to say to the Senator now that the payment of this bounty would be the cheapest possible thing for the American people.

Mr. POMERENE. Mr. President, the Senator has just given to the Senate absolute assurance that there are deposits of potash in Utah sufficient to supply the farming communities of this country for hundreds of years. He does not seem to have any doubt about that; so it would seem to me that there is not any necessity for this bounty for the next three or four or five years.

Mr. SMOOT. The Senator knows that these German and French producers control the industry of the whole world; and does the Senator think for a moment that they are going to allow any industry to be established in the United States that is going to interfere with them if they can help it?

Mr. POMERENE. Mr. President, I have not a great deal of detailed knowledge on that subject, but I do know that it costs them just as much to get potash from the Atlantic coast into the interior of the country as it costs the people westerly to get it to the place where it will be consumed.

Mr. SMOOT. I think when it runs through a mill, and the pure potash is extracted, the freight rate is not going to have the disadvantages that the Senator thinks.

Mr. POMERENE. This freight rate is a very peculiar thing. It is a dreadful burden in certain instances and no burden at all in other instances, as it would seem.

Mr. SMOOT. I suppose the Senator is referring to magnesite. That is a heavy earth and shipped by the ton.

Mr. POMERENE. In what form does potash exist in these mountains in Utah?

Mr. SMOOT. I have already stated that. It is in the form of a mineral in the earth that forms the mountains.

Mr. SMITH. It is in the form of rock, is it not?

Mr. SMOOT. Sometimes it is in the form of rock and sometimes it is in loose deposits—in fact, the whole mountain contains potash.

Mr. SMITH. Mr. President, if the Senator will allow me—

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

Mr. SMOOT. I do.

Mr. SMITH. This German potash has been coming to the United States ever since we began to use commercial fertilizers, and the price of it in this country, except during the period of the war, when we had an embargo on German potash, was in a way negligible.

Mr. SMOOT. It was not so when a few years ago before the war some Americans went to Germany, because the price of potash had risen so high, and purchased two mines in Germany, and then they found out that the German Government

would not allow them to export it. The Senator must remember the action that President Roosevelt took at that time.

Mr. SMITH. But, Mr. President, in the spring of this year German kainite, which during the war and during the embargo went to almost fabulous prices for the potash contained in the kainite—

Mr. SMOOT. They had an embargo on it.

Mr. SMITH. Oh, I understand; but I want to call the Senator's attention to the fact that this spring it could be sold on the market for about eleven or twelve dollars a ton, which was back to the pre-war price. It was offered freely all through the South Atlantic States, or at least in my State, at practically the pre-war price, in any quantity that you desired to get, and that was already available for fertilizer purposes.

Right in this connection, let me say that I was interested in listening to the Senator a moment ago when he spoke about the fertilizer companies using this ingredient and then charging a high price for the balanced fertilizer. The truth of the matter is that nearly all the farmers who use the potash use it directly from the ship. I do not suppose there are more than 10 per cent of the farmers of the South Atlantic States but that use their potash—either the muriate, which runs 25 to 30 per cent, or the kainite, which runs about 12½ to 15 per cent—just in the form in which it is imported; that is, in the South Atlantic States. I suppose more backward people—

Mr. POMERENE. For cotton?

Mr. SMITH. For tobacco, for potatoes, for truck of all sort; the fact of the matter is, for general agricultural purposes. There is what is called the balanced fertilizer. That is where the factory will put it up in the form of these mixed ingredients, three of them—the ammonia, or, in other words, potash, and phosphoric acid, and nitrate; but most of them buy their ingredients. For instance, they get cottonseed meal for their nitrogen content, or blood and tankage, or they will use nitrate of soda, and buy the muriate of potash or the kainite and the phosphoric acid, what they call acid phosphate. They take those and mix them in just whatever proportions they see fit. The phosphoric acid comes directly from the mines where they crush the rock and treat it with the sulphuric acid to produce phosphoric acid, and then they get their kainite direct from ship side and their nitrate of soda direct from ship side, and, of course, there are vast quantities of the fertilizer mixed for the convenience of individuals. They mix it for them, sometimes, according to order.

The PRESIDENT pro tempore. Will the Senator from Utah permit the Chair to make an observation?

Mr. SMOOT. Certainly.

The PRESIDENT pro tempore. It may be believed by Senators that this question can be debated by any Senator for two hours. That is not the opinion of the Chair. No Senator can speak more than one hour upon it.

Mr. SMOOT. Mr. President, I am perfectly aware of that, and I do not want to take the full hour, although half of my time has been taken up by others.

The story told by the Senator from South Carolina is a beautiful one. Everybody knows that the fertilizer manufacturers of this country use the great bulk of potash shipped into this country. There may be a farmer, like the Senator from South Carolina, who mixes it himself; but everybody knows that the American fertilizer manufacturers put the potash into fertilizer. I think there is generally four units of potash in a ton of fertilizer.

Mr. SMITH. Mr. President, the Senator certainly has misrepresented the facts, unintentionally, of course.

Mr. SMOOT. No; I have not misrepresented the facts.

Mr. SMITH. I do not know about the Senator's section of the country, where they do not, perhaps, use it at all; but I am right in the center of the fertilizer-using district of America, and I state here that up to the time of the war the farmers mixed practically 70 per cent of their fertilizer; and they have done so since the war.

Mr. SMOOT. Mr. President, potash which comes into the United States from Germany is under contract with the fertilizer manufacturers of the United States. They do not bring potash in here to sell. They bring potash into the United States to mix into fertilizer, and then they sell the fertilizer.

Mr. SIMMONS. Mr. President, I would like to ask the Senator a question.

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

Mr. SMOOT. Yes; I yield.

Mr. SIMMONS. During the war we developed factories for the manufacture of potash, and made somewhere between forty and fifty thousand tons a year. That was under the protection of the embargo.

Mr. SMOOT. Germany embargoed it. None of it came out of Germany.

Mr. SIMMONS. During the war there was practically an embargo on it, and under the operation of the embargo we developed that industry. When the embargo was taken off and German competition restored, as I understand the Senator, many of these factories closed up and went out of business.

Mr. SMOOT. They have not gone out of business—

Mr. SIMMONS. They have stopped operations.

Mr. SMOOT. They have stopped operations.

Mr. SIMMONS. Suppose we start them into operation again by allowing them a bounty of \$50 a ton, and, under the stimulus of that bounty, they build up quite an industry here during these five years you propose to give them that bounty. Just as in the case of the embargo, at the end of the five years German competition will be opened up again, we will assume. Does the Senator have any apprehension that those factories will again close, again go out of business, and all the bounties we have paid for the purpose of developing this industry go for naught—

Mr. SMOOT. No; I do not think that.

Mr. SIMMONS. Simply because they could not stand up against German competition then, any more than they can stand up against German competition now?

Mr. SMOOT. There is quite a difference between an industry that is wholly developed and one that is just starting. It is easier for the German cartel to kill an industry in its infancy, before it can get started, than if it allows it to get started and get upon its feet. As far as I am concerned, I want to say now that if this bounty is granted—and I would not vote for a general bounty—and that industry can not be established and stand upon its feet at the end of five years, I never shall say another word in advocacy of a bounty.

Mr. TOWNSEND. Mr. President, why did the committee fix the rate at 2½ cents per pound?

Mr. SMOOT. Because of the fact that to get started and established, it will take a greater protection at the beginning to put them on their feet than when they have successfully established and perfected their plants and organization.

Mr. TOWNSEND. How did the committee fix upon the original rate of 2½ cents?

Mr. SMOOT. That is the rate the House fixed; they claimed that if they were given that rate they could meet the competition of Germany under conditions existing then.

Mr. POMERENE. Mr. President, I want to ask the Senator a question. The process by which they produce this potash—

Mr. SMOOT. From a salt brine in most cases.

Mr. POMERENE. From the brine, are well determined and defined?

Mr. SMOOT. We have what is termed "an unlimited supply."

Mr. POMERENE. What I am getting at is that the processes have been well determined—

Mr. SMOOT. No; not the processes. The product is well defined.

Mr. POMERENE. I am talking about the processes. That is what I am trying to get at. Does the Senator think that the present processes are not profitable?

Mr. SMOOT. Take the plant at the north end of the lake at Salt Lake City, for instance. They barely got their mills started, their ponds perfected, before the present prices prevented them from operating. The process is to extract the potash by separating it from the salt after the sun has evaporated the water.

The first process they had was not a success. They secured chemists who had had experience with this product in a foreign country. They just got a new process started, and never worked it to any extent before the present condition came about, and they had to close down.

If they can not in five years develop a process which will separate the potash from the salt profitably, so that they can ship the pure potash itself, then they are not going to make a success of it, and if they are willing to spend their millions of dollars in order to further try, with a view of furnishing potash to consumers, the committee feel they ought to be encouraged to the extent of the bounty granted in the bill.

Mr. POMERENE. I asked my question for two purposes, and the one the Senator has answered. But the other purpose was this: We provided for the appointment of a commission to estimate and determine the damages which were sustained by those who had gone into the development of these alloy ores, and, as I recall, it covered potash, too?

Mr. SMOOT. It did not cover potash in the condition in which it is made from the lake, and only in cases where they were directed by the officials of the Government to undertake it.

Mr. POMERENE. But some of them were directed. Were these companies of which the Senator speaks in that number?

Mr. SMOOT. They were not. The Salduros Co. started with a view of establishing a permanent business. They spent about \$12,000,000 at the south end of the lake. They have never made any claim against the Government of the United States.

Mr. POMERENE. Then it must be true that they went into it as an enterprise of their own?

Mr. SMOOT. They did.

Mr. POMERENE. And now we are expected to help them along by this bounty?

Mr. SMOOT. It is not only helping them; it is providing for the production of potash in America, which will regulate somewhat in the future the price at which potash shall be sold in the United States. That is all there is to this proposition.

I think I stated before that the farm organizations of the country are against the duty upon potash.

Mr. POMERENE. I agree with them.

Mr. SMOOT. Evidently the Senator does. I knew that without having him say so.

Mr. POMERENE. I wanted to impress it upon the Senator.

Mr. SMOOT. If there is no potash produced in the country, and two syndicates in the world control all the output of potash which will be used in this country and the world; when that condition arises what is the farmer going to pay for his potash? All there is for the Senate to decide is whether they want to say now to all of the potash producers in the United States, "Scrap all your machinery. Don't think of your investments hereafter. They are lost." Or say, "You have thirty to forty million dollars invested. You claim that if we give you time you will produce potash at the end of five years in competition with Germany, and if you can not do that at the end of five years all that you have invested will be lost, and you will take it the same as any other loss you have sustained in any other line of business."

If it were only for the protection of the men who had put their money into the enterprise and lost it, Congress should not act in a case like that. If that were all there was to it, nobody would be here asking that a bounty be given on this product. That is not what the bounty is for. The bounty is for the purpose of demonstrating to the people of the United States and to the consumers of potash that if time is allowed American producers can compete with the German and the French syndicates.

Mr. President, this aid was given to the sugar industry, and it was given to the production of other things in the United States, and I am in hopes that it will be given to potash. But I want to say frankly I could not be induced to put a dollar into a potash plant with the feeling that there is against the industry and the belief that we can depend entirely upon Germany and France for our supplies. But that is for the Senate to say.

Mr. POMERENE. Does the Senator feel that at the expiration of the time for which the bounty is to be given they will not ask for any further bounty?

Mr. SMOOT. I do, because they say they have no intention of doing so; and not only that, but in the meantime, if they can not produce it as cheap and make a profit, they will not want to operate longer. Men will not operate at a loss; that is, for very long. They can do it for this year, or two years, or three years, if there is some prospect of success in the future; but if there is not, men are not going to operate very long at a loss.

Mr. REED. Mr. President, I should like to ask the Senator a question.

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

Mr. SMOOT. I was through, I will say to the Senator, but I shall be glad to answer his question.

Mr. REED. I have been compelled to be out of the Senate during nearly all the Senator's remarks and he may have covered the question. If so, I am not going to ask him to repeat it. The Senator called my attention to the fact that there appears to be some sort of mutuality of interest between American importers and the foreign holders of these deposits.

Mr. SMOOT. Yes.

Mr. REED. Has the Senator spoken of that?

Mr. SMOOT. I have covered it.

Mr. REED. Very well; I shall not ask the Senator to repeat it.

Mr. SMOOT. I call the Senator's attention to the fact that the very man, Mr. A. D. Crenshaw, who appeared as a witness before the committee, is vice president of the Virginia-Carolina Chemical Co., which owns works in Germany. He is the man who made the deal for the 34 fertilizer manufacturers of the United States that they should take 75 per cent of the potash they use in the manufacture of fertilizer in the United States from Germany. The record also shows that the same contract

was made by the same 34 people with the French syndicate, almost word for word, for the other 25 per cent. In other words, it means that those 34 manufacturers of fertilizer in the United States are not going to buy one pound of potash from any producer in the United States.

Mr. REED. May I ask the Senator whether he does not think a situation of that kind ought to be dealt with by a direct statute?

Mr. SMOOT. I think something ought to be done in a legislative way. If not, just as soon as they scrap the potash plants in the United States—and if they do not scrap them, time will do it in a very few years, indeed, because the machinery would deteriorate more while lying idle than it would if it were in operation—the American people will pay whatever these two great syndicates dictate.

Mr. REED. I am not passing on the question. I may say by way of parentheses that I regret the agreement to vote on the schedule, as I understand, to-night. Is not that the agreement?

Mr. SMOOT. That is the unanimous-consent agreement, I will say to the Senator.

Mr. REED. I would like to ask if we can not by unanimous consent modify the agreement so that we may have a little more time to discuss this item. I think it is very important. I, of course, have been away, and I have no right to ask any indulgence, but it seems to me, if the Senator has described the situation accurately, as I believe he has, that the bill ought to carry with it a positive enactment of law which will reach the sort of combination he has spoken of, if it is not already covered by the antitrust statute.

Mr. SMOOT. In the hearings I called attention to that fact when Mr. Crenshaw testified. I will say to the Senator, however, there is no need of getting unanimous consent to-night, because when the bill reaches the Senate it will be open to amendment at that time.

Mr. SIMMONS. It will be open to amendment when we arrive at the 11th or 12th of August.

Mr. SMOOT. That is also true.

Mr. REED. But we must vote on this question to-night, and I do not like to vote on it before I have time to go into it thoroughly. As I said, I have no right to ask the Senate to delay because of my prolonged absence. I would like to say that it is utterly wrong in principle and the thing, in my judgment, is intolerable that American dealers should be permitted to sign contracts with foreign producers which exclude or have a tendency to exclude American producers from the market. That is a trust practice in its worst form.

My judgment is that any American manufacturer who will do it ought to be sent to jail for a good, long term, because he is not only cornering American trade and depressing competition but he is doing it in the interest of foreign producers as against all American producers. I think a practice of that kind, when it affects a product so essential to the farmers of a considerable portion of the United States, is something which is deserving of passing notice in this body.

Mr. SMOOT. In the hearings before the committee, on page 4730, when Mr. Crenshaw was before the committee, I made this statement:

Senator SMOOT. I desire at this place in the record to have a copy of the contract put in, because I think the committee will find out that it evades all of our antidumping laws.

Mr. CRENSHAW. It does; that is, it provides for the Germans to pay it.

Senator SMOOT. It evades all the antidumping laws we may pass. It evades all of the laws passed against combinations or trusts, and I want it to go into the record. I want the American people to understand what these people that are talking against an American industry are undertaking to do with a foreign country. I have no more to say right at this time, but I will when I go onto the floor of the Senate, perhaps.

I ask that the contract of the American Agricultural Chemical Co. and others with the Deutsches Kalisyndikat, G. m. b. H., dated September 23, 1921, with the terms, may be printed in the RECORD. I also ask that the contract of the American Chemical Co. and others with the Societe Commerciale des Potasses D'Alsace, dated November 17, 1921, may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The contracts referred to are as follows:

*Contract of the American Agricultural Chemical Co. and others with Deutsches Kalisyndikat, G. m. b. H., dated September 23, 1921.*

Agreement made this 28th day of September, A. D. 1921, by and between Deutsches Kalisyndikat, G. m. b. H., Berlin, a corporation of Germany, hereinafter called the "seller," party of the first part, and the American Agricultural Chemical Co., Virginia-Carolina Chemical Co., International Agricultural Corporation, Armour Fertilizer Works, Swift & Co., F. S. Royster Guano Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Caraleigh Phosphate & Fertilizer Co., Barling & Co., E. Rauh & Sons Fertilizer Co., Federal Chemical Co.,

F. W. Tunnell & Co., Georgia Fertilizer & Oil Co., G. Ober & Sons Co., Griffith & Boyd, Gulf Fertilizer Co., I. P. Thomas & Sons Co., Miller Fertilizer Co., Mutual Fertilizer Co., Olds & Whipple, Piedmont-Mount Airy Guano Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co. (Inc.), Rogers & Hubbard Co., Smith Agricultural & Chemical Co., Southern Fertilizer & Chemical Co., W. B. Tilghman Co. (Inc.), Wutchet Fertilizer Co., Wilson & Toomer Fertilizer Co., York Chemical Works, a group hereinafter called the "buyer," as several parties of the second part, the individual members of which group are hereinafter sometimes called "participants"; and

Whereas the participants desire to purchase potash salts from the seller and avail themselves of the highest discounts, as shown by schedules hereinafter set forth; and

Whereas no one of the participants desires to purchase sufficient quantities to entitle it to the highest discount named hereinafter; and

Whereas the participants, by uniting their purchases under this contract, are able to buy at least the quantity which carries the highest discount, as shown by schedules hereinafter set forth; and

Whereas seller is willing to give a discount to the participants making up a group of buyers under this contract on the basis of aggregate quantity purchased.

Now, therefore, for value received, and each in consideration of the agreements by the other herein set forth, the parties agree with each other as follows:

ARTICLE I.—TERM.

The term of this contract shall be from the date hereof to and including April 20, 1922.

ARTICLE II.—QUANTITIES.

Each participant agrees to purchase from the seller at least 75 per cent of its entire purchases of potash salts for the term hereof at the prices set forth in Schedule 1 of Article III hereof, subject to the conditions, discounts, and limitations hereinafter set forth.

The buyer has the right, through S. D. Crenshaw and H. H. Lippincott, to notify the seller within two weeks from the date hereof, by a writing, mailed or delivered to seller at 42 Broadway, New York City, of its intention to purchase from the seller 100 per cent of the entire purchases of the participants of potash salts for the term hereof, in which event each of the participants agrees to purchase from the seller 100 per cent of its entire purchases, and in such event the prices shall be the lower prices set forth in Schedule 2 of Article III of this contract. Whenever notice is required in this contract notice by registered mail or delivery is sufficient.

Each participant agrees that the 75 per cent of its purchases which it is obligated to purchase hereunder shall be a minimum of the number of tons (of 2,000 pounds each) K<sub>2</sub>O which is set opposite its name at the end of this article under the caption of "Minimum purchases on 75 per cent basis," it being understood that the remaining 25 per cent may be purchased by participants from any American or foreign sources. Each of the participants further agrees that if it elects to purchase 100 per cent of its entire purchases, such 100 per cent shall be a minimum of one and one-third times the number of tons (of 2,000 pounds each) K<sub>2</sub>O which is set opposite its name under the caption of "Minimum purchases on 75 per cent basis," and the seller agrees to sell such minimum quantities which each of the participants is obligated to take.

Seller further agrees to sell to each of the participants, in addition to such quantities, additional quantities not in excess of 33 1/3 per cent of such quantities as such participants shall require.

The seller also agrees to sell to each of the participants any further quantities required by them, provided that at the time of the delivery of shipping instructions and during five days thereafter the exchange rate of the German mark shall be not higher than 1.35 cents per 1 mark. If any participant shall through the operation of the condition contained in the preceding sentence not be entitled to receive from the seller the full percentage of its purchases which it has agreed to purchase from seller, it shall be free to purchase such additional quantities from other sellers.

Minimum purchases on 75 per cent basis.

	Tons.
The American Agricultural Chemical Co.	10,000
Virginia-Carolina Chemical Co.	6,000
International Agricultural Corporation	3,375
Armour Fertilizer Works	2,000
Swift & Co.	4,500
F. S. Royster Guano Co.	2,000
Arkansas Fertilizer Co.	49
Baugh & Sons Co.	1,500
Berkshire Fertilizer Co.	150
Caraleigh Phosphate & Fertilizer Co.	165
Darling & Co.	75
E. Rauh & Sons Fertilizer Co.	33
Federal Chemical Co.	169
F. W. Tunnell & Co.	592
Georgia Fertilizer & Oil Co.	235
G. Ober & Sons Co.	150
Griffith & Boyd	272
Gulf Fertilizer Co.	400
I. P. Thomas & Sons Co.	523
Miller Fertilizer Co.	182
Mutual Fertilizer Co.	37
Olds & Whipple	200
Piedmont-Mt. Airy Guano Co.	413
Read Phosphate Co.	165
Reliance Fertilizer Co.	12
Richmond Guano Co.	38
Robertson Fertilizer Co. (Inc.)	100
Rogers & Hubbard Co.	188
Smith Agricultural & Chemical Co.	150
Southern Fertilizer & Chemical Co.	50
W. B. Tilghman Co. (Inc.)	338
Wutchet Fertilizer Co.	113
Wilson & Toomer Fertilizer Co.	1,275
York Chemical Works	220
Total	35,680

It is understood that the above minimum quantities include deliveries of potash salts since June 1, 1921.

ARTICLE III.—Price and payment.

	In bags of 200 pounds even weight.	In bulk.
Price schedule No. 1:		
Muriate of potash, 80-85 per cent, basis 80 per cent K. C. L.	\$37.00	\$35.75
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	47.50	46.25
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	25.75	24.50
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	19.00	17.75
Manure salt 20 per cent, basis 20 per cent K <sub>2</sub> O	12.25	11.00
Kainit 12.4 per cent K <sub>2</sub> O	8.50	7.25
Price schedule No. 2:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	36.00	34.75
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	46.00	44.75
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	25.00	23.75
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	18.50	17.25
Manure salt 20 per cent K <sub>2</sub> O	12.25	11.00
Kainit 12.4 per cent K <sub>2</sub> O	8.25	7.00

Per 2,000 pounds net weight in good order ex-vessel Boston, New York, Philadelphia, Baltimore, Norfolk, Wilmington (N. C.), Charleston, Savannah, Brunswick, Fernandina, Jacksonville, Tampa, Mobile, Pensacola, New Orleans, Galveston, St. John (N. B.), or Halifax (N. S.), provided quantities ordered for each respective port are sufficient to obtain freight room at reasonable freight rates.

Freight: Freight to be deducted from the invoice and paid by participants on discharge at port of destination in accordance with charter party and/or bill of lading.

Analysis and weight: Participants agree to accept seller's weights, tares, and analyses; seller agrees to furnish certificates of analyses for potash salts packed in bags and certificates of analyses and of weights for potash salts in bulk.

If manure salt 20 per cent shall test by seller's analysis more than 20 per cent K<sub>2</sub>O, or kainit 12.4 per cent more than 12.4 per cent K<sub>2</sub>O, such excess is free of charge; but if the two above-mentioned grades shall test by seller's analysis less than 20 per cent and 12.4 per cent K<sub>2</sub>O, respectively, then seller agrees to make a pro rata allowance.

If participant shall at any time with reason claim that an error in weight or in analysis has been made, seller agrees through its New York office to give the matter its prompt attention and proper consideration and to adjust the same without unreasonable delay.

Payment: The amount of each invoice, less freight, shall be paid by each of the participants in cash in New York City. Each participant shall, within 14 days after the date of this contract, furnish to seller a detailed estimated statement of quantities and grades of potash salts constituting the minimum quantity of K<sub>2</sub>O which it shall at the time be obligated to take hereunder, and shall within said 14 days furnish to seller a confirmed irrevocable letter of credit on a New York City bank or banker to be approved by seller, to continue in effect until final payment for such minimum quantity, at the following rates per ton of 2,000 pounds of potash salts, so specified, as per following schedules, to wit:

	In bags of 200 pounds even weight.	In bulk.
Schedule 1, minimum purchases on 75 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	\$30.60	\$29.17
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	40.05	38.92
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	20.47	19.35
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	14.40	13.27
Manure salt 20 per cent K <sub>2</sub> O	8.32	7.20
Kainit 12.4 per cent K <sub>2</sub> O	4.05	3.82
Schedule 2, minimum purchases on 100 per cent basis:		
Muriate of potash 80-85 per cent, basis 80 per cent K. C. L.	29.70	28.57
Sulphate of potash 90-95 per cent, basis 90 per cent K <sub>2</sub> SO <sub>4</sub>	38.70	37.57
Double manure salt 48-53 per cent, basis 48 per cent K <sub>2</sub> SO <sub>4</sub>	19.80	18.67
Manure salt 30 per cent, basis 30 per cent K <sub>2</sub> O	13.95	12.83
Manure salt 20 per cent K <sub>2</sub> O	8.32	7.20
Kainit 12.4 per cent K <sub>2</sub> O	4.72	3.60

Each participant shall, within 40 days after the date of this contract, furnish to seller a detailed revised and corrected statement of quantities and grades of potash salts constituting its minimum tonnage of K<sub>2</sub>O, and the total amount of the letter of credit issued as above provided shall be readjusted accordingly.

Whenever any participant shall have paid for the aggregate minimum tonnage of K<sub>2</sub>O which participant is obligated to purchase under this contract, said letter of credit shall be released and seller agrees to notify the bank or banker to that effect.

Whenever credits thus established by any participant shall have been exhausted or so released, such participant shall thereafter, either before or at the time of delivery of shipping orders, furnish additional like letters of credit covering quantities so ordered at the above rates per ton of 2,000 pounds of potash salts.

Seller agrees to deliver in exchange for payment seller's invoice, consular invoice, certificate of analysis, certificate of weights (for crude salts only), bill of lading, and charter party (if any). In case any of the foregoing documents are delayed and not obtainable on the day of presentation to the New York bank or bankers, seller will present invoice and delivery order and proof of arrival of steamer at

port of destination, and agrees and guarantees to furnish the foregoing documents as soon as they come to hand, and in any event within 21 days, and each of the participants agrees to instruct its bank or banker accordingly. Each of the participants, however, shall have the right to give seller a bank acceptance maturing four months from the date of presentation of documents or delivery order and bearing interest at the rate of 6 per cent per annum in lieu of cash; and in such a case seller agrees to repay to such participants one-half of 1 per cent for the bank-acceptance commission. Seller agrees, if so desired by any participant, not to present the documents to the New York bank or bankers before the steamer has arrived at port of destination.

ARTICLE IV.—SHIPMENT.

Shipments are to be made according to shipping instructions to be delivered to seller at 42 Broadway, New York, N. Y., at any time during the term hereof. Each of the participants agrees to order shipments as early as possible. Goods shall be ordered in quantities of not less than 200 tons of bulk goods and/or 50 tons of bag goods to a shipment. Seller agrees to make prompt shipments at such times as participants shall direct.

Seller agrees to pay a discount of 1½ per cent (to be calculated on the prices set forth in the schedules in Article III) on all shipments ordered by any participant prior to October 15, 1921, for September/October shipment, 1921. This discount is to be deducted from each invoice.

Seller has the right to make deliveries ex-store Atlantic and Gulf ports in place of shipments from abroad, and in that case the term "ex-store" shall be equivalent to the term "ex-vessel," provided that cost shall be not greater to the participants at their respective works than if delivered ex-vessel, and in such case seller shall furnish public sworn weighers' weights and analysis certificate of Stilwell & Gladding of sample drawn by public sampler, or certificate of any other reputable chemist selected by seller and approved by participant.

Discharge of goods: Participants shall receive potash salts as per bill of lading and charter party (if any) as soon as steamer is ready to discharge, after having secured proper berth, in northern ports as fast as steamer can discharge; in southern ports, south of Baltimore, at the rate of not less than 400 tons of 2,240 pounds each per day, Sundays and holidays excepted and weather permitting. On shipments to southern ports seller agrees to stipulate in charter parties that the steamer shall discharge at two wharves as designated by respective participants, provided there is a sufficient depth of water at such wharves. If possible, seller shall also stipulate for discharge at a third wharf, but in such a case participant shall pay the expense of removal of the steamer from the second to the third wharf. Any lighterage at port of discharge is for participants' account, but participants guarantee only 19½ feet of water at Wilmington, N. C., Charleston, and Savannah, and only 20 feet at Mobile, Ala. Seller shall provide in charter party that respective participants shall have privilege of stevedoring at current rates of port.

ARTICLE V.—DISCOUNT.

QUANTITY DISCOUNT.

Seller represents to buyer that its scale of quantity discounts is:

	Tons K <sub>2</sub> O.
1 per cent upon purchases of.....	1,000
3 per cent upon purchases of.....	5,000
5 per cent upon purchases of.....	10,000
8 per cent upon purchases of.....	20,000
10 per cent upon purchases of.....	30,000

Inasmuch as the total minimum quantities which participants are obliged to take hereunder which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller under contracts whereby the seller agreed to protect the participants against any subsequent decline in price, aggregate in excess of 30,000 tons, seller agrees to give participants a quantity discount of 10 per cent (to be calculated on the prices set forth in the schedules in Article III). This discount shall be deducted from each invoice.

Seller agrees not to give to any other buyers of potash salts in the United States (Atlantic and Gulf ports) and/or Canada any higher discounts for the respective quantities than above stated or any lower prices or better terms than herein contained.

SPECIAL DISCOUNT.

Seller further agrees to pay a special discount of 2 per cent (to be calculated on the prices set forth in the schedules in Article III) on all quantities of potash salts sold hereunder which shall be resold by any participant to dealers and/or consumers in unmixed form. Any participant making such resale shall upon furnishing to the seller an affidavit of the total tonnage of each grade of such sales, be entitled to receive such discount within 60 days after April 30, 1922.

SEPARATE DISCOUNT.

Seller agrees to pay to any of the participants a separate discount of 1 per cent (to be calculated on the prices set forth in the schedules in Article III) on all deliveries made to such participants, provided:

(1) Such participant shall state in its price lists that potash salts can now be had in all required quantities, and that it is advisable to buy mixed goods containing as high a percentage of potash as is suitable to the respective crops; and

(2) Such participant shall instruct its selling organization and salesmen to sell and recommend mixed goods containing as high a percentage of potash as is suitable to the respective crops.

Any such participant shall, upon furnishing to seller an affidavit stating that it has fully complied with the above conditions, be entitled to receive such discount within 60 days after April 30, 1922. Failure of any participant to comply with such conditions shall not deprive any other participant of its right to such separate discount.

ARTICLE VI.—PROTECTION OF PARTICIPANTS.

In case seller during the term of this contract shall sell to any purchaser of potash salts in the United States to or through Atlantic and Gulf ports and/or Canada any grade or grades of potash salts, whether mentioned in this contract or not, at lower prices and/or allow or pay to any such purchaser higher discounts or better terms than those named in this contract, then and in such event, such lower prices and/or higher discounts and/or better terms shall also apply to this contract with retroactive effect as though such lower prices and/or higher discounts and/or better terms had originally been contained in this contract; provided that nothing herein contained shall preclude the seller from selling to other groups of buyers and allowing discounts on the basis of

the aggregate purchases of such groups under contracts containing similar provisions to those of this contract.

In the event that potash salts should be offered to any participant at lower net prices than those named in this contract, such participant shall be entitled to buy such salts, provided:

(1) That the quantity so offered to such participant shall be bona fide and substantial, aggregating approximately 1,000 tons  $K_2O$ .

(2) That notice of the net price at which such potash can be purchased shall have been given to the seller in New York, at 42 Broadway, and the seller shall not within five days thereafter have notified the participant that it intends to meet such lower price by reducing the prices named in this contract to such price offered to the participant.

In case the seller should elect so to reduce the net prices specified in this contract, such reduction shall apply to all participants and to all quantities not yet shipped to the participants, during the entire remainder of the term of this contract. No quantity discount from such reduced prices shall be allowed.

In the event that the seller should not elect to reduce its prices for the remainder of the term of the contract to meet the prices offered to any participant, then any such participant shall have the right on notice to the seller given to it in New York, at 42 Broadway, to cancel and to terminate so much of the contract as shall cover so much of the grade of potash salts for which such offer at a reduced price has been received and accepted, and which reduction of price the seller is unwilling to meet as above set forth.

In the event that the seller should determine not to reduce its prices, but to permit any participant to purchase such salts at such reduced prices from other sellers, it shall not in any wise affect the right of such participant or of any other participant to receive the quantity discount of 10 per cent to which each participant is entitled hereunder, and each participant shall be entitled to receive such discount notwithstanding it shall make such purchases from other sellers of potash salts.

In the event that seller shall not reduce its price in the event of a lower price being offered to any participant, and shall permit such participant to purchase potash salts from others as herein provided, seller agrees immediately to notify the bank or banker issuing the letters of credit hereinabove referred to that the credit of such participant has been reduced by an amount to be determined by multiplying the number of tons (of 2,000 pounds) of the grade of potash salts as to which the contract is so canceled by the rate applicable to the grade as specified in the table of rates set forth in this contract above in paragraph entitled "Payment."

In the event that seller shall reduce its price to meet the prices offered by others, seller agrees immediately to notify the bank or banker issuing the said letters of credit of such reduction of price and of the corresponding reduction in the liability of each and every participant under said letters of credit to an amount to be computed as follows: The tonnage of each grade which such participant shall at the time still be obligated to purchase shall be multiplied by the reduced price applicable; from each such sum thus obtained there shall be deducted an amount equal to the number of tons (of 2,000 pounds each) of such grade multiplied by \$2.70.

The prices named in Article III and the discounts named in Article V of this contract shall also apply to all quantities received or ordered by participants since June 1, 1921, and such quantities shall be deemed to be included within the terms and conditions of this contract.

The seller further agrees that if the prices in Article III shall hereafter be reduced, as above provided in the first paragraph of Article VI, such reduced prices shall then be applicable to the purchases referred to in the preceding sentence.

In the event of war, revolution, fire, flood, strike, accident, or any other contingencies beyond the control of the participants happening to such number of the factories owned and operated by any participant or its branches that the operation thereof shall be interfered with or interrupted in such manner as to prevent such participant from using all the merchandise agreed to be purchased by it under this agreement, such participant has the right to cancel such portion of this contract as may be affected thereby by giving notice to the seller in New York to that effect, provided said goods shall not have been shipped or vessels to carry the same shall not have been chartered prior to notice being given to seller of the existence of such impediments. Such cancellation shall not deprive the participant so canceling, or any other participant, of the quantity discount which it is entitled to hereunder.

#### ARTICLE VII.—PROTECTION OF SELLER.

In case of war, revolution, fire, flood, strikes, accidents, or any other contingencies beyond the control of the seller happening to such number of the mines or works represented by it as to make impossible the production or transportation of the goods herein described, seller shall have the right to cancel this contract with reference to the shipments which may be so affected or to make these shipments after the said impediments and contingencies shall have been removed, provided the respective participants who shall have ordered such shipments agree thereto. Should seller notify any participant that it is prevented from making deliveries in case of war, etc. (as above), such participant shall have the right to buy the quantities so affected from other sellers of potash salts. The quantity discount to which the participants are entitled hereunder shall not be reduced because of such cancellation and such purchases from other sellers of potash salts.

Each participant agrees expressly to use or sell potash salts bought from seller under this contract only in the United States, Canada, Cuba, and Porto Rico. Shipments to Cuba and Porto Rico may be ordered direct to those countries by participants at the same prices and discounts named in this contract except as to difference in freight. Deliveries of mixed fertilizer goods containing potash may be made to any country.

This contract embraces only shipments of potash salts to Atlantic and Gulf ports of the United States and Canada.

This contract further embraces only shipments of potash salts for agricultural purposes. Shipments for chemical purposes are excluded from this contract, but seller agrees to bind such buyers as buy potash salts for chemical purposes not to resell them for agricultural purposes.

#### ARTICLE VIII.—TAXES AND DUTIES.

Seller hereby assumes and agrees to pay any tax or duty which may be imposed or assessed by the German Government in any way affecting deliveries under this contract. However, if the German Government shall impose or assess any new tax or duty, seller shall have the right or option to cancel any unshipped part of the contract, except as to the minimum quantities which each participant shall be then obligated to take hereunder.

Seller hereby also assumes and agrees to pay any tax or duty affecting deliveries under this contract which may be imposed or assessed by the United States Government under the antidumping act of 1921 or any

amendment thereto which may be hereafter enacted, provided, however, in case of such amendment seller shall not be required to pay any tax or duty in excess of amount of tax payable under existing provisions.

On the other hand, each of the participants hereby assumes and agrees to pay any other tax or duty which may be imposed or assessed by the United States Government and/or any war-risk insurance affecting deliveries to it under this contract. However, if the United States Government shall impose or assess any additional tax or duty, each participant shall have the right or option to cancel any unshipped part of the contract except as to the minimum quantity which each participant shall be then obligated to take hereunder and except as to any quantity for which steamers have already been chartered.

#### ARTICLE IX.

It is hereby expressly provided, anything herein contained to the contrary notwithstanding (subject to the provisions of Art. VI hereof), that in case any participant shall have failed prior to April 1, 1922, to have given to the seller shipping orders or instructions for the full amount of the minimum quantities which it is obligated to purchase set opposite its respective name, that seller shall have the right nevertheless to ship to such participant a quantity of  $K_2O$  equal to the difference between such minimum quantity and the quantity for which shipping instructions or orders shall have been so given to the seller. Such quantity of  $K_2O$  shall be distributed in any grades whatsoever that the seller may select and shall be shipped to such participant at the port nearest to its factory, and the seller shall be authorized to draw drafts for the purchase price of such potash shipments under the said letter of credit given by such participant under the terms of this agreement, and upon receipt of the documents as hereinbefore provided the bank shall pay such drafts for shipments made under the terms of this paragraph in all respects the same as if the shipments had actually been directed by the participant.

#### ARTICLE X.

This agreement may be executed in several counterparts. In witness whereof seller has caused these presents to be executed in its behalf by its managers, W. Fortmann and H. Duchrsen, thereto duly authorized, and each of the buyers has caused these presents to be executed in its behalf by its officers thereto duly authorized the day and date first above mentioned.

Executed and delivered in the presence of—

DEUTSCHES KALISYNDIKAT G. M. B. H.  
By \_\_\_\_\_  
And \_\_\_\_\_

Contract of the American Agricultural Chemical Co. and others with Societe Commerciale des Potasses D'Alsace, dated November 17, 1921.

Agreement made this 17th day of November, A. D. 1921, by and between Societe Commerciale des Potasses D'Alsace, a body corporate of France, hereinafter called the "Seller," party of the first part, and the American Agricultural Chemical Co., Virginia-Carolina Chemical Co., International Agricultural Corporation, Armour Fertilizer Works, Swift & Co., F. S. Royster Guano Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Carleigh Phosphate & Fertilizer Co., Darling & Co., E. Rauh & Sons Fertilizer Co., Federal Chemical Co., F. W. Tunnell & Co., Georgia Fertilizer & Oil Co., G. Ober & Sons Co., Griffith & Boyd, Gulf Fertilizer Co., I. F. Thomas & Sons Co., Miller Fertilizer Co., Mutual Fertilizer Co., Olds & Whipple, Piedmont Mount Airy Guano Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co. (Inc.), Rogers & Hubbard Co., Smith Agricultural Chemical Co., Southern Fertilizer & Chemical Co., W. B. Tighman Co., Wulchet Fertilizer Co., Wilson & Toomer Fertilizer Co., York Chemical Works, who are to purchase from seller not less than 12,500 tons of potash salts ( $K_2O$ ) as hereinafter provided, together with the following-named persons, who are to purchase additional quantities of potash salts ( $K_2O$ ) as hereinafter further provided: The Acme Manufacturing Co., A. D. Adair & McCarthy Bros., Anderson Fertilizer & Oil Co., Capital Fertilizer Co., Grasselli Chemical Co., Hubbard Fertilizer Co., Meridian Fertilizer Factory, Savannah Guano Co., Southern States Phosphate & Fertilizer Co., Tupelo Fertilizer Factory, Pelham Fertilizer Co., Charles W. Priddy & Co. (Inc.), a group hereinafter called the "Buyer," as several parties of the second part, the individual members of which group are hereinafter sometimes called "participants"; and

Whereas the participants desire to purchase potash salts from the Seller and avail themselves of the highest discounts, as shown by schedule hereinafter set forth; and

Whereas no one of the participants desires to purchase sufficient quantities to entitle it to the highest discount named hereinafter; and

Whereas the participants, by uniting their purchases under this contract, are able to buy at least the quantity which carries the highest discount, as shown by schedule hereinafter set forth; and

Whereas seller is willing to give a discount to the participants making up a group of buyers under this contract on the basis of aggregate quantity purchased;

Now, therefore, for value received and each in consideration of the agreement by the other herein set forth, the parties agree with each other as follows:

#### ARTICLE I.—TERMS.

The term of this contract shall be from the date hereof to and including April 30, 1922.

#### ARTICLE II.—QUANTITIES.

Each participant severally agrees to purchase from the seller, and the seller agrees to sell to each participant, the number of tons (of 2,000 pounds each) of  $K_2O$  which is set opposite the name of each participant at the end of this article under the caption "Quantities," at the prices set forth in the schedule in Article III hereof, subject to the conditions, discounts, and limitations hereinafter set forth.

Seller further agrees to sell to each of the participants, in addition to such quantities, additional quantities, not in excess of 33 1/3 per cent of such quantities, if any of such participants shall at any time or times during the term hereof so desire.

The seller also agrees to sell to each of the participants any further quantities required by them, provided that at the time of the delivery of shipping instructions and during five days thereafter the exchange rate of the French franc shall be not higher than 7.7 cents per 1 franc. If any participant shall, through the operation of the condition contained in the preceding sentence, not be entitled to receive from the seller such additional purchases which it has agreed to purchase from seller, it shall be free to purchase such additional quantities from other sellers.

	Tons of 2,000 pounds.
The American Agricultural Chemical Co.....	3,240
Virginia-Carolina Chemical Co.....	2,140
International Agricultural Corporation.....	1,185
Armour Fertilizer Works.....	714
Swift & Co.....	1,620
F. S. Royster Guano Co.....	820
Arkansas Fertilizer Co.....	17
Baugh & Sons Co.....	540
Berkshire Fertilizer Co.....	54
Caraleigh Phosphate & Fertilizer Co.....	60
Darling & Co.....	27
E. Rauh & Sons Fertilizer Co.....	13
Federal Chemical Co.....	60
F. W. Tunnell & Co.....	263
Georgia Fertilizer & Oil Co.....	28
G. Ober & Sons Co.....	154
Griffith & Boyd.....	98
Gulf Fertilizer Co.....	144
I. P. Thomas & Sons Co.....	895
Miller Fertilizer Co.....	66
Mutual Fertilizer Co.....	13
Olds & Whipple.....	25
Piedmont Mt. Airy Guano Co.....	148
Read Phosphate Co.....	59
Reliance Fertilizer Co.....	27
Richmond Guano Co.....	13
Robertson Fertilizer Co. (Inc.).....	86
Rogers & Hubbard Co.....	72
Smith Agricultural Chemical Co.....	54
Southern Fertilizer & Chemical Co.....	27
W. B. Tilghman Co. (Inc.).....	121
Nuichet Fertilizer Co.....	41
Wilson & Toomer Fertilizer Co.....	158
York Chemical Works.....	97
<b>Total.....</b>	<b>12,529</b>

The Acme Manufacturing Co.....	30
A. D. Adair & McCarty Bros.....	27
Anderson Fertilizer & Oil Co.....	43
Capital Fertilizer Co.....	27
Grassell Chemical Co.....	65
Hubbard Fertilizer Co.....	540
Meridian Fertilizer Factory.....	30
Savannah Guano Co.....	27
Southern States Phosphate & Fertilizer Co.....	30
Tupelo Fertilizer Factory.....	32
Pelham Fertilizer Co.....	27
Chas. W. Priddy & Co. (Inc.).....	75
<b>Total.....</b>	<b>953</b>

Total..... 18,482  
It is understood that the above quantities include deliveries of potash salts since June 1, 1921.

ARTICLE III.—Price and price schedule payment.

	In bags of 200 pounds even weight.	In bulk.
Muriate of potash 80/85 per cent, basis 80 per cent K. C. L.....	\$37.00	\$35.75
Manure salt 20 per cent, basis 20 per cent K <sub>2</sub> O.....	12.25	11.00
Kainit 14 per cent, minimum K <sub>2</sub> O.....	9.43	8.18

Per 2,000 pounds net weight in good order ex-vessel Boston, New York, Philadelphia, Baltimore, Norfolk, Wilmington, N. C., Charleston, Savannah, Brunswick, Fernandina, Jacksonville, Mobile, Pensacola, New Orleans, Galveston, St. John, New Brunswick, or Halifax, Nova Scotia, provided quantities ordered for each respective port are sufficient to obtain freight room at reasonable freight rates.

FREIGHT.

Freight to be deducted from the invoice and paid by participants on discharge at port of destination in accordance with charter party and/or bill of lading.

ANALYSIS AND WEIGHT.

Participants agree to accept seller's weights, tares, and analyses; seller agrees to furnish certificates of analyses for potash salts packed in bags and certificates of analyses and weights for potash salts in bulk.

If manure salt 20 per cent shall test by seller's analysis more than 20 per cent K<sub>2</sub>O, or kainit 14 per cent more than 14 per cent K<sub>2</sub>O, such excess is free of charge, but if the two above-mentioned grades shall test by seller's analysis less than 20 per cent and 14 per cent K<sub>2</sub>O, respectively, then seller agrees to make a pro rata allowance.

If participant shall at any time, with reason, claim that an error in weight or in analysis has been made, seller agrees, through its New York agent, to give the matter its prompt attention and proper consideration and to adjust the same without unreasonable delay.

PAYMENT.

The amount of each invoice, less freight, shall be paid by each of the participants in cash in New York City. Each participant shall, within 14 days after the date of this contract, furnish to seller a detailed estimated statement of quantities and grades of potash salts constituting the minimum quantity of K<sub>2</sub>O which it shall at the time be obligated to take hereunder, and shall within said 14 days furnish to seller a confirmed irrevocable letter of credit on a New York City bank or banker to be approved by seller, to continue in effect until final payment for such minimum quantity, at the following rates per ton of 2,000 pounds of potash salts, so specified, as per following schedule, to wit:

Schedule.

	In bags of 200 pounds even weight.	In bulk.
Muriate of potash 80/85 per cent, basis 80 per cent K. C. L.....	\$30.00	\$29.47
Manure salt 20 per cent K <sub>2</sub> O.....	8.32	7.20
Kainit 14 per cent K <sub>2</sub> O.....	5.79	4.60

Each participant shall within 30 days after the date of this contract furnish to seller a detailed revised and corrected statement of quantities and grades of potash salts constituting its tonnage of K<sub>2</sub>O, and the total amount of the letter of credit issued as above provided shall be readjusted accordingly.

Whenever any participant shall have paid for the aggregate tonnage of K<sub>2</sub>O, which participant is obligated to purchase under this contract, said letter of credit shall be released and seller agrees to notify the bank or banker to that effect.

Whenever credits thus established by any participant shall have been exhausted or so released, such participant shall thereafter, either before or at the time of delivery of shipping orders, furnish additional like letters of credit covering all additional quantities so ordered at the above rates per ton of 2,000 pounds of potash salts.

Seller agrees to deliver in exchange for payment: Seller's invoice, consular invoice, certificate of analysis, certificate of weights (for crude salts only), bill of lading, and charter party (if any). In case any of the foregoing documents are delayed and not obtainable on the day of presentation to the New York bank or bankers, seller will present invoice and delivery order and proof of arrival of steamer at port of destination and agrees and guarantees to furnish the foregoing documents as soon as they come to hand, and in any event within 21 days, and each of the participants agrees to instruct its bank or banker accordingly. Each of the participants, however, shall have the right to give seller a bank acceptance maturing four months from the date of presentation of documents or delivery order and bearing interest at the rate of 6 per cent per annum, in lieu of cash; and in such a case seller agrees to repay to such participants one-half of 1 per cent for the bank-acceptance commission. Seller agrees, if so desired by any participant, not to present the documents to the New York bank or bankers before the steamer has arrived at port of destination.

ARTICLE IV.—SHIPMENT.

Shipments are to be made according to shipping instructions to be delivered to seller's agents, H. J. Baker & Bro., at 81 Fulton Street, New York, N. Y., at any time during the term hereof. Each of the participants agrees to order shipments as early as possible. Goods shall be ordered in quantities of not less than 200 tons of bulk goods and/or 50 tons of bag goods to a shipment. Seller agrees to make prompt shipments at such times as participants shall direct.

Seller has the right to make deliveries ex-store Atlantic and Gulf ports in place of shipments from abroad, and in that case the term "ex-store" shall be equivalent to the term "ex-vessel," provided that cost shall be not greater to the participants at their respective works than if delivered ex-vessel, and in such case seller shall furnish public sworn weighers' weights and analysis certificates of Stillwell & Gladding of sample drawn by public sampler, or certificate of any other reputable chemist selected by seller and approved by participant.

DISCHARGE OF GOODS.

Participants shall receive potash salts as per bill of lading and charter party (if any) as soon as steamer is ready to discharge after having secured proper berth, in northern ports, as fast as steamer can discharge; in southern ports south of Baltimore at the rate of not less than 400 tons of 2,240 pounds each per day, Sundays and holidays excepted and weather permitting. On shipments to southern ports seller agrees to stipulate in charter parties that the steamer shall discharge at two wharves as designated by respective participants, provided there is a sufficient depth of water at such wharves. If possible, seller shall also stipulate for discharge at a third wharf, but in such a case participant shall pay the expense of removal of the steamer from the second to the third wharf. Any lighterage at port of discharge is for participants' account, but participants guarantee only 19½ feet of water at Wilmington, N. C., Charleston, and Savannah, and only 20 feet at Mobile, Ala. Seller shall provide in charter party that respective participants shall have privilege of stevedoring at current rates of port.

ARTICLE V.—DISCOUNTS.

QUANTITY DISCOUNT.

Seller represents to buyer that its scale of quantity discounts is:

- 1 per cent upon purchase of 1,000 tons K<sub>2</sub>O.
- 3 per cent upon purchase of 5,000 tons K<sub>2</sub>O.
- 5 per cent upon purchase of 10,000 tons K<sub>2</sub>O.
- 10 per cent upon purchase of 12,500 tons K<sub>2</sub>O.

Inasmuch as the total minimum quantities which participants are obligated to take hereunder, which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller aggregate in excess of 12,500 tons, seller agrees to give participants a quantity discount of 10 per cent (to be calculated on the prices set forth in the schedules in Article III). This discount shall be deducted from each invoice.

Seller agrees not to give to any other buyers of potash salts in the United States (Atlantic and Gulf ports) and/or Canada any higher discounts for the respective quantities than above stated or any lower prices or better terms than herein contained.

SPECIAL DISCOUNT.

Seller further agrees to pay a special discount of 2 per cent (to be calculated on the prices set forth in the schedule in article 3) on all quantities of potash salts sold hereunder which shall be resold by any participant to dealers and/or consumers in unmixed form. Any participant making such resales shall, upon furnishing to the seller an affidavit of the total tonnage of each grade of such sales, be entitled to receive such discount within 60 days after April 30, 1922.

SEPARATE DISCOUNT.

Seller agrees to pay any of the participants a separate discount of 1 per cent (to be calculated on the prices set forth in the schedule in article 3) on all deliveries made to such participants, provided (1) such participant shall state in its price that potash salts can now be had in all required quantities, and that it is advisable to buy mixed goods containing as high a percentage of potash as is suitable to the respective crops; and (2) such participant shall instruct its selling organization and salesmen to sell and recommend mixed goods containing as high a percentage of potash as is suitable to the respective crops.

Any such participant shall, upon furnishing to seller an affidavit stating that it has fully complied with the above conditions, be entitled to receive such discount within 60 days after April 30, 1922. Failure of any participant to comply with such conditions shall not deprive any other participant of its rights to such separate discount.

ARTICLE VI.—PROTECTION OF PARTICIPANTS.

In case seller during the term of this contract shall sell to any purchaser of potash salts in the United States to or through Atlantic and Gulf ports and/or ex-warehouse and/or Canada any grade or grades of

potash salts, whether mentioned in this contract or not, at lower prices and/or allow or pay to any such purchaser higher discounts or better terms than those named in this contract, then and in such event such lower prices and/or higher discounts and/or better terms shall also apply to this contract with retroactive effect as though such lower prices and/or higher discounts and/or better terms had originally been contained in this contract, provided that nothing herein contained shall preclude the seller from selling to other groups of buyers and allowing discounts on the basis of the aggregate purchases of such groups under contract containing similar provisions to those of this contract.

In the event that potash salts should be offered to any participant at lower net prices than those named in this contract, such participant shall be entitled to buy such salts, provided (1) that the quantity so offered to such participant shall be bona fide and substantial, aggregating approximately 1,000 tons  $K_2O$ ; (2) that notice of the net price at which such potash can be purchased shall have been given to the seller's agents in New York, H. J. Baker & Bros., at 81 Fulton Street, or to the seller at its office at 25 West Forty-third Street, and the seller shall not within five days thereafter have notified the participant that it intends to meet such lower price by reducing the prices named in this contract to such price offered to the participant.

In case the seller should elect so to reduce the net prices specified in this contract, such reduction shall apply to all participants and to all quantities not yet shipped to the participants, during the entire remainder of the term of this contract. No quantity discount from such reduced prices shall be allowed.

In the event that the seller should not elect to reduce its prices for the remainder of the term of the contract to meet the prices offered to any participant, then any such participant shall have the right on notice to the seller's agents given to them in New York, at 81 Fulton Street, to cancel and to terminate so much of the contract as shall cover so much of the grade of potash salts for which such offer at a reduced price has been received and accepted, and which reduction of price the seller is unwilling to meet as above set forth.

In the event that the seller should determine not to reduce its prices, but to permit any participant to purchase such salts at such reduced prices from other sellers, it shall not in any wise affect the right of such participant or of any other participant to receive the quantity discount of 10 per cent, to which each participant is entitled hereunder, and each participant shall be entitled to receive such discount notwithstanding it shall make such purchases from other sellers of potash salts.

In the event that seller shall not reduce its price in the event of a lower price being offered to any participant, and shall permit such participant to purchase potash salts from others as herein provided, seller agrees immediately to notify the bank or banker issuing the letters of credit herein above referred to, that the credit of such participant has been reduced by an amount to be determined by multiplying the number of tons of 2,000 pounds of the grade of potash salts as to which the contract is so canceled by the rate applicable to the grade as specified in the table of rates set forth in this contract above in paragraph entitled "Payment."

In the event that seller shall reduce its price to meet the prices offered by others, seller agrees immediately to notify the bank or bankers issuing the said letters of credit of such reduction of price and of the corresponding reduction in the liability of each and every participant under said letters of credit to an amount to be computed as follows: The tonnage of each grade which such participant shall at the time still be obligated to purchase shall be multiplied by the reduced price applicable from each such sum thus obtained there shall be deducted an amount equal to the number of tons of 2,000 pounds each of such grade multiplied by \$2.70.

The prices named in Article III and the discounts named in Article V of this contract shall also apply to all quantities received or ordered by participants since June 17, 1921, and such quantities shall be deemed to be included within the terms and conditions of this contract.

The seller further agrees that if the prices in Article III shall hereafter be reduced as above provided in the first paragraph of Article VI, such reduced prices shall then be applicable to the purchases referred to in the preceding sentence.

In the event of war, revolution, fire, flood, strike, accident, or any other contingencies beyond the control of the participants happening to such number of the factories owned and operated by any participant or its branches, that the operation thereof shall be interfered with or interrupted in such manner as to prevent such participant from using all the merchandise agreed to be purchased by it under this agreement, such participant has the right to cancel such portion of this contract as may be affected thereby, by giving notice to the seller's agents in New York to that effect, provided said goods shall not have been shipped or vessels to carry the same shall not have been chartered prior to notice being given to seller's agents of the existence of such impediments. Such cancellation shall not deprive the participant so canceling or any other participant of the quantity discount which it is entitled to hereunder.

#### ARTICLE VII.—PROTECTION OF SELLER.

In case of war, revolution, fire, flood, strikes, accidents, or any other contingencies beyond the control of the seller happening to such number of the mines or works represented by it, as to make impossible the production or transportation of the goods herein described, seller shall have the right to cancel this contract with reference to the shipments which may be so affected or to make shipments after the said impediments and contingencies shall have been removed, provided the respective participants who shall have ordered such shipments agree thereto. Should seller notify any participant that it is prevented from making deliveries in case of war, etc. (as above), such participant shall have the right to buy the quantities so affected from other sellers of potash salts. The quantity discount to which the participants are entitled hereunder shall not be reduced because of such cancellation and such purchases from other sellers of potash salts.

Each participant agrees expressly to use or sell potash salts bought from seller under this contract only in the United States, Canada, Cuba, and Porto Rico. Shipments to Cuba and Porto Rico may be ordered direct to those countries by participants at the same prices and discounts named in this contract, except as to difference in freight. Deliveries of mixed fertilizer goods containing potash may be made to any country.

This contract embraces only shipments of potash salts to Atlantic and Gulf ports of the United States and Canada.

This contract further embraces only shipments of potash salts for agricultural purposes. Shipments for chemical purposes are excluded from this contract, but seller agrees to bind such buyers as they buy potash salts for chemical purposes not to resell them for agricultural purposes.

#### ARTICLE VIII.—TAXES AND DUTIES.

Seller hereby assumes and agrees to pay any tax or duty which may be imposed or assessed by the French Government in any way affecting deliveries under this contract. However, if the French Government shall impose or assess any new tax or duty, seller shall have the right or option to cancel any unshipped part of the contract, except as to the minimum quantities which each participant shall be then obligated to take hereunder.

Seller hereby also assumes and agrees to pay any tax or duty affecting deliveries under this contract which may be imposed or assessed by the United States Government under the antidumping act of 1921 or any amendment thereto which may be hereafter enacted; provided, however, in case of such amendment seller shall not be required to pay any tax or duty in excess of amount of tax payable under existing provisions.

On the other hand, each of the participants hereby assumes and agrees to pay any other tax or duty which may be imposed or assessed by the United States Government and/or any war-risk insurance affecting deliveries to it under this contract. However, if the United States Government shall impose or assess any additional tax or duty each participant shall have the right or option to cancel any unshipped part of the contract except as to the minimum quantity which each participant shall be then obligated to take hereunder and except as to any quantity for which steamers have already been chartered.

#### ARTICLE IX.

It is hereby expressly provided, anything herein contained to the contrary notwithstanding (subject to the provisions of Article VI hereof), that in case any participant shall have failed prior to April 1, 1921, to have given to the seller shipping orders or instructions for the full amount of the quantities which it is obligated to purchase set opposite its respective name that seller shall have the right nevertheless to ship to such participants a quantity of  $K_2O$  equal to the difference between such minimum quantity and the quantity for which shipping instructions or orders shall have been so given to the seller. Such quantities of  $K_2O$  shall be distributed in any grades whatsoever that the seller may select, and shall be shipped to such participant at the port nearest to its factory, and the seller shall be authorized to draw drafts for the purchase price of such potash shipments under the said letter of credit given by such participant under the terms of this agreement, and upon receipt of the documents as hereinbefore provided the bank shall pay such drafts for shipments made under the terms of this paragraph in all respects the same as if the shipments had actually been directed by the participant.

#### ARTICLE X.

Whereas seller recognizes an obligation to the participants following (but to no participant other than those named): The American Agricultural Chemical Co., Armour Fertilizer Works, International Agricultural Corporation, F. S. Royster Guano Co., Swift & Co., Virginia-Carolina Chemical Co., Acme Manufacturing Co., A. D. Adair & McCarty Bros., Anderson Phosphate & Oil Co., Arkansas Fertilizer Co., Baugh & Sons Co., Berkshire Fertilizer Co., Capital Fertilizer Co., Caraleigh Phosphate & Fertilizer Co., Darling & Co., Federal Chemical Co., Georgia Fertilizer & Oil Co., Grasselli Chemical Co., Griffith & Boyd Co., Gulf Fertilizer Co., Meridian Fertilizer Factory, Miller Fertilizer Co., Mutual Fertilizer Co., G. Ober & Sons, E. Ruah & Sons Fertilizer Co., Read Phosphate Co., Reliance Fertilizer Co., Richmond Guano Co., Robertson Fertilizer Co., Rogers & Hubbard Co., Savannah Guano Co., Smith Agricultural Chemical Co., Southern Fertilizer & Chemical Co., Southern States Phosphate & Fertilizer Co., I. P. Thomas & Sons Co., W. B. Tighman Co. (Inc.), Tupelo Fertilizer Factory, Wulchet Fertilizer Co., York Chemical Works, Chas. W. Priddy & Co. (Inc.), growing out of last year's business with them by which the seller has agreed to refund 6,023.42 metric tons of  $K_2O$  to said participants in proportion to the quantities of potash taken by them in 1920-21, and the seller hereby agrees with each of such participants, but only if participants shall make purchases of potash salts from seller as hereinafter set forth to deliver to each of such participants in proportion to the amounts set after their names hereafter in this article, free of cost, in good order, ex-vessel, at any of the ports named in article 3 hereof which may be designated by the participants, provided the quantities for each respective port are sufficient to obtain freight room at reasonable freight rates, the following amounts of  $K_2O$  of the grades specified by the participants:

1. During 1922-23 a total tonnage free of cost of  $K_2O$  equal to 10 per cent of the purchases by each of such participants during such year not in excess of the amounts hereafter set opposite the names of such participants.

2. If any such participant shall not purchase during 1922-23 the full amount hereafter set opposite its name, it shall then be entitled to a tonnage free of cost during the year 1923-24 consisting of a total tonnage of  $K_2O$  equal to 10 per cent of such portion of the amount hereafter set opposite its name as it shall not have purchased during 1922-23, and as it shall purchase during 1923-24: *Provided, however,* That the total tonnage free of cost during 1923-24 which any participant shall be entitled to hereunder shall in no case exceed 2.5 per cent of the amount hereafter set opposite its name, even though such 2.5 per cent shall be less than 10 per cent of its purchases during 1923-24, and it shall have no right in or claim to any balance remaining and to which it shall not have become entitled by reason of its purchases made as aforesaid. The failure of any participant to purchase during the periods mentioned in this article the quantity of  $K_2O$  set opposite his name shall not in any wise prejudice the right of the other participants to receive the said free tonnage.

Seller agrees to quote as low net prices for  $K_2O$  as the lowest net prices at which such grades of potash salts shall be offered to any participant by any seller outside of the United States, it being also understood that in computing such net prices the  $K_2O$  to be delivered free of cost as hereinbefore provided shall not be taken into consideration.

If for any reason whatsoever no contract shall be entered into between the parties for the year 1922-23 and for the following year of 1923-24, the obligation of the seller shall be a continuing one and the said participants shall be entitled to receive the free-of-cost tonnage to the extent and upon the terms and conditions hereinbefore set forth, upon the entering into of contracts between the parties hereto for the purchase of  $K_2O$  whenever such contracts may be entered into.

The amount of tonnage which is the basis of computing the amount of free tonnage to which each of such participants shall be entitled is as follows:

	Metric tons.
American Agricultural Chemical Co.	12,305.90
Armour Fertilizer Works	4,151.40
International Agricultural Corporation	7,947.10
F. S. Royster Guano Co.	4,966.00

	Metric tons.
Swift & Co.	3,397.00
Virginia-Carolina Chemical Co.	7,860.60
Acme Manufacturing Co.	214.20
A. D. Adair & McCarty Bros.	894.60
Anderson Phosphate & Oil Co.	643.50
Arkansas Fertilizer Co.	639.90
Rauh & Sons Co.	1,947.50
Berkshire Fertilizer Co.	150.70
Capital Fertilizer Co.	473.90
Caraleigh Phosphate & Fertilizer Co.	347.80
Darling & Co.	247.20
Federal Chemical Co.	491.10
Georgia Fertilizer & Oil Co.	1,127.90
Grasselli Chemical Co.	529.60
Griffith & Boyd Co.	581.60
Gulf Fertilizer Co.	108.70
Meridian Fertilizer Factory	659.20
Miller Fertilizer Co.	237.20
Mutual Fertilizer Co.	858.40
G. Ober & Sons Co.	380.30
E. Rauh & Sons Fertilizer Co.	425.50
Read Phosphate Co.	789.70
Reliance Fertilizer Co.	581.90
Richmond Guano Co.	1,221.90
Robertson Fertilizer Co.	496.90
Rogers & Hubbard Co.	136.80
Savannah Guano Co.	621.00
Smith Agricultural Chemical Co.	75.40
Southern Fertilizer & Chemical Co.	1,016.00
Southern States Phosphate & Fertilizer Co.	111.60
I. P. Thomas & Sons Co.	876.20
W. B. Tilghman Co. (Inc.)	785.30
Tupelo Fertilizer Factory	287.70
Pelham Fertilizer Co.	260.00
York Chemical Works	405.70
Charles W. Priddy & Co. (Inc.)	981.80

Total metric tons..... 60,234.20  
 If seller should fail to meet competitors' prices (as aforesaid) and for this reason.

It is agreed that in the event that contracts between the seller and such participants shall not have been entered into and the seller shall sell to other persons in the United States potash salts at net prices equal to or lower than those offered by any seller outside of the United States, then the seller shall be obligated to deliver to each such participant the free of cost tonnage of  $K_2O$  hereinbefore referred to, even though no contract for the sale of  $K_2O$  shall be entered into between the seller and such participants, in such event each of such participants shall be entitled to obtain delivery from the seller of tonnage of  $K_2O$  free of cost to which it is entitled as hereinbefore provided, in manner following: Not exceeding 75 per cent thereof during the first year and not exceeding 25 per cent thereof during the second year succeeding such sale to other persons in the United States.

It is further agreed that if the seller shall enter into any contract or arrangement with any other foreign producers by which directly or indirectly the marketing of the product from the seller shall be pooled or an agreement made for its disposition in connection with the products of such other foreign competitors in such a manner that the seller shall be unable to sell to participants as contemplated, before the participants shall have received the free-of-cost tonnage to which they are entitled to hereunder, then the seller agrees that it shall be obligated to deliver to each such participant the free-of-cost tonnage of  $K_2O$  hereinbefore referred to, even though no contracts for the sale of  $K_2O$  shall be entered into between the seller and such participants. In such event each of such participants shall be entitled to obtain delivery from the seller of tonnage of  $K_2O$  free of cost to which it is entitled as hereinbefore provided, in manner following: Not exceeding 75 per cent thereof during the first year and not exceeding 25 per cent thereof during the second year succeeding the entering into such contract or arrangement with such other foreign producers.

#### ARTICLE XI.

This agreement may be executed in several counterparts. This contract shall be binding on such of the parties hereto who execute the same, even though all of the parties named as several parties of the second part shall fail to execute the same: *Provided, however,* That a sufficient number of parties of the second part mentioned on page 1 who are to purchase from seller not less than 12,500 tons execute this contract so that the total quantities set opposite the names of such parties so executing under Article II hereof shall at least equal an aggregate of 12,500 tons.

Seller agrees that all details in the performance of this contract in its behalf may be arranged by participants through seller's agents, H. J. Baker & Bro.

This contract shall be binding on the successors and assigns of the parties hereto. In witness whereof seller has caused these presents to be executed in its behalf by its director Gustave Lenable, thereunto duly authorized, and each of the buyers has caused these presents to be executed in its behalf by its officers thereunto duly authorized the day and date first above mentioned.

Executed and delivered in the presence of  
 SOCIETE COMMERCIALE DES POTASSES D'ALSACE,  
 By \_\_\_\_\_, Director.

The words "the above quantities include" having been restored, the words "shall be adjusted as to prices, terms, and conditions of this contract" on page 4 having been stricken out, the words "which include the quantities heretofore purchased by the participants since June 1, 1921, from the seller," on page 5, having been restored, and the words "the seller should fail to meet competitors' prices (as aforesaid) and for this reason" having been inserted at the top of page 17 before execution by participants, and such changes having been made by cable authority from Mr. Lenable.

H. J. BAKER & BRO.,  
 For SOCIETE COMMERCIALE DES POTASSES D'ALSACE.

Mr. SHORTRIDGE. Mr. President, I appreciate the hour and the desire of Senators to proceed to a vote. The facts as applicable to this question have been very fully stated by different Senators. I should be very glad indeed if all the Senators were familiar with the facts as they were developed before the

committee and as they are authoritatively stated by the various briefs and documents which were submitted. Much now has by consent been carried into the Record, and I hope that before the matter is finally disposed of each and every Senator, quite regardless, quite indifferent to political affiliations, will familiarize himself with those records. I say that very earnestly, indulging myself in the belief or the thought that Senators will come to the conclusion that the American industry needs the aid which is here proposed to be given.

If, Mr. President, posterity shall take any note whatever of this day's transaction in this body, it will be seen that I stood here solitary and alone in voting against substituting a bounty for a tariff. In very brief words, I desire to say that I think a mistake was made in abandoning a principle in which I believe. I firmly believe that the industry should be encouraged, should be developed, so that we may be independent of foreign nations in times of peace, commercially and economically, and certainly in time of danger, if danger shall ever threaten or come upon us.

So, believing that the industry should be encouraged not for the immediate benefit of those directly engaged in it but for them and the whole country, and with great deference to others for whose opinions I have genuine, not feigned, respect, I thought and think that the proper way to protect and encourage the industry was by way of a tariff; wherefore I voted against attempting to substitute a bounty instead of a tariff duty. In the wisdom of the Senate, however, they have turned from the protective theory or method, and it is for us to determine whether we shall adopt the bounty system for the limited period of five years.

I listened, though at a distance and with some difficulty, to the Senator from Utah [Mr. Smoot] when he said that, given this bounty, if within a five-year period the industry had not become, so to speak, self-sustaining and able to compete with the foreigner or unable to sustain itself in competition, he would never vote to continue this method of aid or assistance. I want to say for myself that I do not anticipate five years and commit myself to what I shall then do. I reserve for myself always the right to shape my conduct according to the exigencies of the times. I hope that the Senator from Utah may be here five years from now in the full vigor of his great intellect. Anticipating that time, it might well be that he and every one of us would not only wish to give this aid but increase it; for we would not desire nor would any of these patriotic Senators around about me desire that our country should once more become dependent upon a foreign enemy.

Mr. SMOOT. By that time we shall know whether a bounty will accomplish the object or whether we shall have to come to protection.

Mr. SHORTRIDGE. We might then turn from bounty to protection; but, in any event, with great respect—and I do not say this to embarrass any Senator or to get into controversy on a collateral thought—I do not think it wise or the part, pardon me, of a statesman to commit himself to an act to occur possibly in the distant future.

Much has this day been said here in regard to this industry; I need not repeat it. I could detain Senators for hours in stating what the record discloses; but I think there is an erroneous idea abroad in the land, perhaps it is entertained here, that the deposits of potash in my State of California are limited. Those deposits are inexhaustible. The evidence of that would be all conclusive before any court, before any tribunal whose ministers would be governed by the evidence. We could prove beyond reasonable doubt that with modern inventions and the use of modern machinery the deposits—to use that word—in California are practically inexhaustible; that they would certainly not be exhausted for 100 years; and that there is a quantity there sufficient, if developed, to supply America for probably 100 years.

Mr. REED. Mr. President—  
 The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Missouri?

Mr. SHORTRIDGE. Certainly.  
 Mr. REED. Will the Senator tell us whether the deposit to which he refers is rich enough so that it may be successfully worked?

Mr. SHORTRIDGE. My answer is "yes," but it can not be worked in competition with foreign trusts or combinations that would temporarily depress prices, in order to put us out of business, and would then hold us at their mercy.

Mr. REED. At what price can potash be produced there?  
 Mr. SHORTRIDGE. I have not the exact figures in my mind in relation to that, I will say to the Senator from Missouri.

Mr. REED. Can it be produced at the present market prices?  
 Mr. SHORTRIDGE. I should doubt that very much.

Mr. REED. For how much above the present market price can it be produced?

Mr. SHORTRIDGE. I am not, on my feet, able to answer the Senator's question and state the exact figures.

Mr. REED. Why can it not be produced as cheaply as it can be produced in Germany?

Mr. SHORTRIDGE. Because of the cost of labor, broadly speaking.

Mr. REED. What proportion of the cost of the finished product is labor?

Mr. SHORTRIDGE. The cost of producing it might be said to commence, as I do commence, with the capital invested; thence on down through all the processes to its completion.

Mr. REED. What I am trying to get at is whether, if this industry is thoroughly established, it is then going to be able to operate and to produce as cheaply as we can buy abroad and make a reasonable profit, or whether it has got to be fed with a spoon forever?

Mr. SHORTRIDGE. I do not propose to feed that or any other industry with a spoon.

Mr. REED. Well, with a scoop shovel, I presume.

Mr. SHORTRIDGE. Nor with a scoop shovel; but, answering the distinguished Senator, who comes back with laurels upon his brow—

Mr. REED. I am merely trying to get information.

Mr. SHORTRIDGE. I will give the Senator my theory as to how we propose to help this industry, as I would help every other industry, whether it be in California or in Missouri. I am not here saying that we ever can carry on this industry in the United States in direct competition with like industries in foreign countries. I say that in respect to hundreds of industries in America; I say it in respect to the rice industry, the sugar industry, the bean industry, the citrus fruit industry, and many other industries of field and shop that I could name. We differ, perhaps, radically as to these theories. As for me, I think—and I venture to add, "I think I know"—that the prosperity of a great industry in Missouri—and there are reasons not now disclosed why I feel very kindly toward that State—would be of benefit to my State of California or to my native State of Iowa, just to the north of Missouri. I think it is to our interest, and, as American Senators, we should strive by all legal means to build up industries in America, to multiply them, to diversify them, so that all men, women, and also children of proper age, shall find employment; for without employment at reasonably remunerative wages there are want and misery and tears and suicide; but when the people of Missouri, or of North Dakota, or of Utah, or of my own dear, incomparable State of California are all employed, all engaged in legitimate labor, then prosperity goes laughing through the fields and through the shops; then happiness is in the hearts of men; women sing, children laugh, and fathers are proud and happy.

I believe it is my duty to aid this industry by way of tariff, or in this instance by way of a bounty. I am familiar with the geography and topography and the geology, and so forth, of my State. I know that in this industry there have already been invested millions of capital; that it has heretofore employed many men in profitable labor. I know that now for reasons which have been stated all is paralysis. I know that merchants, Democrats and Republicans, and men of other type politically, all join in calling upon me to aid this industry. I speak their matured mind, not their selfish, narrow, unpatriotic mind.

Mr. REED. Mr. President—

Mr. SHORTRIDGE. I will ask the Senator to pardon me for a moment. In a communication which I have here, and which, if time permitted, I would gladly read, because it is a splendid and logical argument, addressed to me by the Inyo Chemical Co., its president speaks of "pioneers and patriots." They were, indeed, pioneers and patriots in the development of this important American industry. I ask consent, Mr. President, that the letter may be printed in the Record without reading.

The PRESIDENT pro tempore. The Senator has a right to read it.

Mr. SHORTRIDGE. I will not take the time to read it. Perhaps, however, having said so much concerning it, reading a paragraph or two may not be uninteresting to Senators. I speak with a certain degree of embarrassment because of the hour and of the desire of the Senate to speed on its work, but I hope Senators will indulge me. The writer of the letter says—and I address myself to the intellect of those who listen—

It has been repeatedly stated that America can not compete with Germany in the production of potash and other chemicals. These statements have been so numerous and so forceful and insistent that even the best friends of American industry have come to believe they are true.

The Inyo Chemical Co. is the owner of a potash deposit situated in Deep Springs Valley, Inyo County, Calif. This company has been carrying on a system of exploration, development, and scientific research for a period of four years. The best engineers, chemists, and scientists available have been giving profound and careful thought and study to the problems that have to do with quantity, quality, and economic reclamation of the chemicals locked up in the vast storehouse of this deposit.

Here [exhibiting], Senators, are some pictures illustrative of Searles Lake and of the deposits referred to in the letter from which I am now quoting.

Therefore, when we come to you and say that American producers of potash and other chemicals can compete with Germany or any other country in the world we have positive experience and facts back of our statements.

First, let me say that scientific exploration of this property began as early as November, 1917, and that since that time we have been constantly engaged in exploration, development, and construction. We have had a corps of chemists and engineers working almost constantly since that time.

I will read from another paragraph of the letter:

Experiments in connection with this plant, which was of the capacity of about one-half ton per day and built only for experimental purposes, extended into 1921. We are now engaged in building a 10-ton unit for the production of high-grade potash, carbonate of soda, and borax.

Right here let me say that all the natural potash brines so far discovered in the United States, including the lakes in Nebraska and California, contain valuable by-products in the form of carbonates and sulphates, and that the brines of the potash lakes of California contain an added chemical in the form of borax. It has been stated that the presence of these chemicals is detrimental to the potash. I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated, and that instead of the other chemicals being a detriment the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

Mr. REED. May I ask the Senator to read the last sentence again?

Mr. SHORTRIDGE. I will read it with pleasure.

I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated, and that instead of the other chemicals being a detriment the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

Mr. REED. That seems to answer my question as to whether or not this could ever be made an industry to stand on its own feet.

Mr. SHORTRIDGE. That would be so, Senator.

Mr. REED. That would seem to indicate it.

Mr. SHORTRIDGE. It would so indicate unquestionably. If they succeed along the lines this writer points out, this industry will be self-sustaining in the years to come.

I turn now particularly to that part of the letter dealing with the investments made there, why, and when—but first this paragraph:

In connection with this propaganda relative to a \$34,000,000 duty, permit me to direct your attention, first, to the fact that before the war our total importation of potash from Germany amounted to about \$18,000,000 per year, not to exceed \$20,000,000 at any time, and on which importation German producers nor American importers paid not one cent. Next, let me call your attention to the fact that due to the necessity of war with Germany, American patriots and pioneers invested in property, plants, machinery, communities, etc., approximately \$50,000,000. This investment of \$50,000,000 at its best can not produce more than 20 per cent, or one-fifth, of the potash required for consumption in the United States, therefore, it is safe to say that in order to produce all the potash that will be required for United States consumption it will eventually mean an investment of five times that amount, or \$250,000,000.

I am sure Senators follow the thought of the writer—that up to the date mentioned \$50,000,000 were invested, which, he argues, had been sufficient by way of development to produce approximately one-fifth of the consumption in America, and the thought he advances further is that with the industry growing and developing, by the investment of five times that amount there would be an investment of \$250,000,000, which, wisely administered, would furnish the supply for the American demand; but he states that to follow it by this further thought, which struck me as quite intelligent, and, I think, logical:

In an article which I wrote in 1919 I estimated that it would require \$360,000,000 in investments to produce all the potash consumed in this country within 10 years after the war. Now let me call your attention to an item of taxation—

I pause here. I think it is nine and a half millions that this bounty provides for, is it not?

Mr. SMOOT. A total of that amount.

Mr. SHORTRIDGE. A total of nine and a half millions over a period of five years; and while it is quite true, as the Senator from Wisconsin [Mr. LENROE] with some vehemence remarked, that this Nation is staggering under the burden of taxation, I do not think its back will break by reason of imposing nine and a half millions additional during the coming five years.

This writer says, however—and I repeat—

Now let me call your attention to an item of taxation: The \$50,000,000 invested by American potash pioneers and patriots was not exempt from taxation. The industry was employing many people and building up new empires, yet they were expected to pay not only the Federal taxes but also the State, county, and other taxes that are spread upon the tax rolls. I don't know what the total in percentage on the investment would be, but it is safe to figure a gross of 5 per cent to cover all the various taxes which an American farmer, manufacturer, or business man must pay in order to maintain our several governments, build roads, harbors, etc. Therefore the amount that would have to be paid by an industry with a total investment of \$250,000,000 would actually amount to \$12,500,000 per year, and an industry of this magnitude would, in its various ramifications of employees, subindustries, consumption of supplies, fuel, etc., maintain a still larger investment that must also pay taxes.

Perhaps I can not emphasize his thought by any words of my own; but I gather from the writer and I submit to the Senate that if we should invest, if you please, if the Government should invest nine and a half millions in this enterprise, if you may so call it, and it should result in investment of two hundred and fifty or three hundred and sixty-odd millions, it would bring about investments and taxable properties which through taxes would repay many, many times over the investment of nine and a half millions. That is one thought which I think, while not of course determinative of the problem, is worth consideration.

Mr. TRAMMELL. Mr. President—

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

Mr. SHORTRIDGE. Certainly; with pleasure.

Mr. TRAMMELL. Does the writer give any information there indicating that the maintenance and the fostering of this industry will bring about a reduction in the price of potash to the producers of this country, passed on, of course, to the consumers? Is there any hope for the producers, the farmers of the country, that they will get potash cheaper on account of the Government fostering this industry?

Mr. SHORTRIDGE. I think so; for if our industry is put out of business, and the German and the French producers of potash, which manifestly are trusts or combinations, control the situation, we will have higher prices, unless science shall make some great and miraculous discovery.

Mr. TRAMMELL rose.

Mr. SHORTRIDGE. May I go on just a little further, by the Senator's leave, to answer him? However, I stand ready for another question.

Mr. TRAMMELL. I was going to ask why, then, in anticipation of somebody else's advance of prices, we should take action here that will result in an immediate advance of prices in order to try to foster the industry in this country?

Mr. SHORTRIDGE. I do not think it would follow; but if it did, temporarily, for the ultimate good I would favor it.

Responding to the thought of that question, I say to the Senator from Florida that that same thought is involved in every item in this tariff bill. Why, Senators, I come from California. We look out upon the Pacific Ocean, the greatest ocean on earth. The ocean was once regarded as a barrier and a protection for a nation. We now know that the ocean is an avenue of approach. We look across there to the islands, to Hawaii, and on to the Philippines, and to Japan, and to China, and farther on to India. We have in California an American type of civilization, men and women from every State in the Union, the pioneers of '49, who came, indeed, from Florida and Maine—brave men, courageous women.

They went around the Horn in small sailing vessels or across the Isthmus with the dangers of natives and of miasma, or across the plains with Indians to fight and the wild forces of nature; but they carried civilization there; they carried the Christian religion there; they carried the American flag there, and there they have built the great Commonwealth of California. Our schools, colleges, universities, our fields, our factories, all are there as the result of the brave men and the braver women who crossed to that favored land. I say this not merely to pay tribute to the State I love, but to emphasize that we can not compete with the oriental. The American farmer, with wife, with children of his affection, with schools and colleges, with our type and standard of civilization, can not compete with the Japanese or with the Chinese coolie. We can not do it. You may say, then, let us perish. No, no; I know you will not say that. I know you love that State as you do your own. We are American Senators here, and our hearts are big enough to hold in loving care every State in this Union. We can not compete with the Chinese or the Japanese in our own fields, nor can we compete with the product of their labor when that product is produced yonder in Japan, or in China, or in Mongolia, or in Manchuria, or in farther India. We can not do that.

But you say, "Well, how can Government help?" Government can help, as every nation knows, as every statesman ought to realize, by imposing appropriate and adequate tariff duties upon the products of foreign countries, whereby we derive revenue for our own Government and protection to our own people. It is not a theory. It is in many instances a concrete, tragic fact. Therefore when I am asked the question, "Can we ever produce as cheaply as the foreigner?" I answer you, "I do not think we can." We never can compete here in America, with our type of civilization, with the poor, the downtrodden, the oppressed, the miserable, the unhappy peoples of many of the lands of the earth.

Ah, you may say to me that we should endeavor to do so; that God made us of one blood; that whether we be Hottentots or Shakespeares we are brothers. I do not know how you feel about this. Loving all mankind as I do, hating none, not desiring to injure any people on this earth, nevertheless I think of my own country and our people first; and in everything, in every bit of legislation affecting our domestic affairs or affecting our foreign relations I have in mind always, first and forever, the welfare, the dignity, the honor, the glory of our Nation and the happiness of our people.

My fellow Senators, this potash industry very directly affects California. There are more than two companies interested. There are many companies interested in this industry. The deposits, to come back to that thought, are said to be almost inexhaustible. Millions of dollars have been invested in machinery, in appliances, in the starting and the development of this industry, and, as has been stated, they are idle to-day, and the men of California, quite regardless of politics, quite regardless of partisanship, indifferent to that phase of this matter, are unanimous in saying that this industry is of vast importance to the State and needs aid from the Government.

Mr. REED. How many men does it employ?

Mr. SHORTRIDGE. At present very few.

Mr. REED. How many men has it employed since the period of building the works outside of the construction of the works?

Mr. SHORTRIDGE. Directly and indirectly, I would safely say thousands.

Mr. REED. I mean, now, outside of the construction of the works, how many did it employ in the manufacture or production of potash?

Mr. SHORTRIDGE. In carrying supplies, in erecting machinery—

Mr. REED. I said excluding the construction of the works.

Mr. SHORTRIDGE. The Senator can not force my answer.

Mr. REED. I am not trying to force an answer.

Mr. SHORTRIDGE. I do not know, on the spur of the moment, the exact number of men immediately employed in and about the works, but there is hauling and teaming and all sorts of labor. Probably other Senators can furnish the definite information.

Mr. REED. The Senator will understand that when I speak about employment in the works, I mean how many men are employed in this industry outside of the matter of constructing the buildings. Of course, the construction of the plant is one thing. When that is done, it is over. With the plant constructed, how many men were employed at any one time in the works; I mean by that haulers, teamsters, and everything that goes with it.

Mr. SHORTRIDGE. I will not undertake to answer when the figures are not definitely in my mind, but I promise the Senator that I will look up the data and endeavor to answer him and the Senate before the matter is disposed of. There was some reference in this letter, I think, to the fact that this one company in its preliminary stages had employed several hundred.

With the indulgence of Senators, I will presume to read a little further from this letter.

However, the above will illustrate the point that I want to bring out, namely, that if the potash industry of this country is developed to an extent that it will produce all the potash consumed in the United States, it will pay into the treasuries of our various governmental departments \$12,500,000 per year. Therefore, if the industry is not developed and the potash, which is an absolute necessity, come in free of any kind of taxation, that \$12,500,000 per year must be paid by other industries, farmers, merchants, manufacturers, and citizens.

When one looks at the propaganda, such as the clipping above, made for the purpose of deception—false, dishonorable, and misleading—he wonders how long the American people will stand for this sort of thing.

If importations of potash paid 25 per cent ad valorem duty that would only be paying \$4,500,000 per year on the total amount of potash consumed per year previous to the war.

I read another paragraph:

We have had war. Every American citizen is being called upon to pay taxes. Why should we permit the foreigner to take advantage of our fine roads, harbors, and other facilities for making sales and de-

diveries of their product without asking him to pay, with reasonable equality, the same proportion that our own citizens are asked to pay for these facilities and advantages?

I have here a letter addressed to me by the West End Chemical Co., which presents the views of that company, with which I agree, and I ask permission that it may be carried into the Record. (See Appendix.)

I also have a letter from the Western Industries Co., with headquarters in San Francisco, upon the same subject, and from which I will venture to read one paragraph:

Our plant, if it could be operated to capacity, would give steady employment to over 100 men and would turn out 600 tons of potash per month. It and similar other plants throughout the country are lying idle or working on very limited capacity. We all need all of the protection we can get if we are to remain in the field against foreign importation.

I have here also a respectful letter addressed to me by the Whitney Chemical Co., of San Francisco, from which I take the liberty of reading one short paragraph:

There has been a great development in this industry on the Pacific coast in the last few years as a by-product of the salt plants and a duty such as proposed in this bill is essential to the industry. We sincerely hope you will support the duty on these products, and we will be pleased to give you any further information if you wish.

We have in that State the county of San Bernardino, in so-called southern California. I read a telegram addressed to me by the board of supervisors of that county. It reads:

SAN BERNARDINO, CALIF.

SENATOR SAMUEL SHORTRIDGE,  
Washington, D. C.:

Millions of dollars are invested in this county in potash. The successful operation of the potash industry depends entirely upon the temporary protection given in the proposed tariff bill. We request your influence to retain potash schedule in proposed House bill.

BOARD OF SUPERVISORS SAN BERNARDINO COUNTY, CALIF.

I happen to know, I think personally, each and every member of that board. They are high-class men. They are not grafters; they are not dreamers; they are practical men, representative men, chosen by the people of the county to speak for them in domestic matters, and they express these thoughts.

I trouble you with saying this in the hope that Senators of Democratic faith may see that this is, if you will and if you choose to so call it, an exception to your fundamental views upon tariff. Very reputable, very honorable Members of the Senate, for reasons sufficient to them, have voted, generally speaking, against the bill as proposed by the committee. On the other hand, for reasons which to them seemed good and all sufficient, they have voted for tariff duties on certain imported articles. All who listen know to whom I refer. I have no criticism but high praise for such Senators, and I am hoping that Members on the Democratic side of the Chamber, where I have the honor temporarily to stand, will see in this industry such merit as will persuade them that it will be wise and proper to give this temporary assistance or aid.

In so doing, they do not stultify themselves, not at all. The Senator from Alabama [Mr. HEPLIN] did not stultify himself nor do himself any dishonor when he voted for a tariff duty on certain products of his State, and I can say the same of other Senators—the Senator from Wyoming, the Senators from Louisiana, the Senators from Arkansas, the Senator from Montana, the Senator from New Mexico, and Senators from other States. For reasons good and sufficient, they did as they did, and I am hoping that in respect to this industry, which so vitally concerns the people of my State and I think almost as vitally concerns the people of every State—for we are one Nation, not 48 States—I am hoping that this industry will be supported and aided, if you please, not forever, as some might think, but for the temporary period of five years, at a total cost to the Government of \$9,500,000.

It will not bankrupt Uncle Sam. While I believe in curtailing expenses, in cutting down expenses, in lopping off many unnecessary offices, and decapitating a great many unnecessary officers, this is an instance where I think it will be helpful not only to Nebraska, to Utah, to California, but, in the larger view, helpful to America to incur expenses. I never again wish to see my country dependent upon any foreign country for any article which by our labor and genius we can produce, whereby American men and women may receive profitable employment. I never wish to see my country dependent and terror-stricken in time of war.

God grant that war may never come again to this Republic, a prayer which I think every good man and every Christian mother utters every day and every hour; but the ways of Providence are mysterious, beyond our comprehension, and it may be that our Nation, righteous as it is, and smitten with

a love of peace, shall again be embroiled in danger. I do not say this in fear or trembling, but as a precaution against dependency on foreign and possibly hostile nations. In time of peace or war we should, I submit, accord this protection and aid and assistance to this important American industry.

#### APPENDIX.

INYO CHEMICAL CO.,  
San Francisco, Calif., December 30, 1921.

Hon. SAMUEL M. SHORTRIDGE,  
United States Senate, Washington, D. C.

DEAR SIR: As Senator from the great State of California and a representative of the people of California and the United States I am sure you will be interested in having before you some facts about the chemical industry and the potash industry of the United States that are not generally known.

It has been repeatedly stated that America can not compete with Germany in the production of potash and other chemicals; these statements have been so numerous and so forceful and insistent that even the best friends of American industry have come to believe they are true.

The Inyo Chemical Co. is the owner of a potash deposit situated in Deep Springs Valley, Inyo County, Calif. This company has been carrying on a system of exploration, development, and scientific research for a period of four years. The best engineers, chemists, and scientists available have been giving profound and careful thought and study to the problems that have to do with quantity, quality, and economic reclamation of the chemicals locked up in the vast storehouse of this deposit. Therefore when we come to you and say that American producers of potash and other chemicals can compete with Germany or any other country in the world we have positive experience and facts back of our statements.

First let me say that scientific exploration of this property began as early as November, 1917, and that since that time we have been constantly engaged in exploration, development, and construction. We have had a corps of chemists and engineers working almost constantly since that time.

In 1919 about 5,000 gallons of brine of the Deep Springs Valley Lake was sent to the laboratories of the University of Michigan, where experiments were made under the direction of our engineers.

In 1920 we built a complete plant on the property for the purpose of making potash and extending experiments in a practical way. The results of the work in this plant were an unqualified success in that the crude potash produced by the plant showed an analysis of 98 per cent pure potassium chloride, and that by a very simple and inexpensive process other chemicals contained in the brine could be reclaimed in a high state of purity in addition to the unprecedented high grade of the crude potash.

Experiments in connection with this plant, which was of the capacity of about one-half ton per day and built only for experimental purposes, extended into 1921. We are now engaged in building a 10-ton unit for the production of high-grade potash, carbonate of soda, and borax.

Right here let me say that all the natural potash brines so far discovered in the United States, including the lakes in Nebraska and California, contain valuable by-products in the form of carbonates and sulphates, and that the brines of the potash lakes of California contain an added chemical in the form of borax. It has been stated that the presence of these chemicals is detrimental to the potash. I am about to say to you positively that all the various chemicals in the potash brines of the California lakes can be separated and that instead of the other chemicals being a detriment, the by-products that can be reclaimed from the potash brines of California will eventually be made to pay the entire cost of production.

We have a process whereby the borax is separated from the potash by the simplest possible method, and at an infinitesimal cost. We have also discovered in our research work a process for reclaiming the sodium carbonate, which can be readily converted into sodium bicarbonate and soda ash.

The other constituents of the California brines are principally sodium sulphate and common salt. These may also be separated in a high state of purity and can be made available for market when freight rates will permit.

Please keep in mind the presence of valuable by-products in the potash brines of California and at the same time take note that the potash salts from German mines do not contain valuable by-products. Also please note that while the crude potash as manufactured by the Inyo Chemical Co. is 98 per cent potassium chloride, equal to 61.7 per cent potassium oxide, the German crude potash salts run from 12 to 20 per cent potassium oxide, or  $K_2O$ .

It has been unfortunate that the high price of potash during the war and the absolute necessity for this product at that time stimulated the building of large and expensive plants for the purpose of getting a production, no matter what the cost, because it was not then a question of quality but one of quantity. The word had gone out that the country must have potash at any cost and the pioneers and patriots got busy. The result was the investment of a large capital in plants to produce potash that were not only expensive to build but also inefficient to operate. Therefore when the war ended and our ports were thrown open and foreign-produced potash permitted to come in without any taxation whatever the pioneers and patriots who saved the country during the war were asked to continue paying their taxes on a basis of war-time investments, with the result that an industry with a total investment of \$50,000,000 has been throttled.

Fortunately, or unfortunately, the Inyo Chemical Co. did not have available funds to build a large plant promptly upon the discovery of the immense deposit in Deep Springs Valley; we have therefore been compelled to proceed slowly and give our available funds to research and scientific work.

I can say to you without reservation that the results we have achieved can be achieved in the same proportion by other potash producers in the State of California. I can say to you positively from scientific explorations made in the Deep Springs Valley and Searles Lakes that there is a supply of potash in these two lakes sufficient to supply the entire United States for more than a hundred years. It only remains for the legislators of this country to become possessed of a knowledge of the true facts in order that this immense wealth which has lain dormant for so many years becomes available and a part of the trade, commerce, and vitality of our own people.

The following is a clipping which I received in the mail from one of my friends in Boston yesterday:

[From the Bridgeton Evening News, Wednesday, December 7, 1921.]

**SAVE DOMESTIC POTASH BY CLIPPING A \$34,000,000 DUTY ON ITS IMPORTATION FROM ABROAD AND LET THE CONSUMING PUBLIC GO HANG IN THE NEWEST ALTRUISTIC PIECE OF LEGISLATION.**

"Here he is again. Little old Mr. Special Interest is out in the legislative limelight waving the flag and calling for protection for another war-time baby. We're great protectionists. We'll just naturally protect anything with the old high tariff. Going to slap it on importation of potash now. That will save the domestic industry—maybe.

"That's one side. When you slap a \$34,000,000 duty on something somebody has to pay. This time it's the farmer first and then the consuming public. The farmer has been battling with unequal price levels, and then with high freight rates. Just as he begins to see the markets ahead along comes a little scheme to add about \$3 to the cost of production on every acre of his ground. He can't pay it, so he'll quit using potash. Presto—no potash, poor crops—the public pays.

"How do they do it? A little group, these domestic potash producers, but they've pushed their duty through the House in the Fordney tariff bill, and now it's up to the Senate.

"The best the domestic industry can produce is less than one-fifth of the country's demand for potash, but they're going to shove a \$34,000,000 bump in front of the farmer's market truck. That's the spirit. No one ever heard of bringing down the cost of living by soaking a duty on potash when potash is one of the three necessary ingredients of fertilizer, and fertilizer is imperative for good crops. Watch potatoes, cotton, fruit, beets, tobacco, and a lot of other commodities soar if the potash duty goes over. Who cares? We've saved another war-time baby, and one that realized handsome profits in its time, too."

In connection with this propaganda relative to a \$34,000,000 duty, permit me to direct your attention, first, to the fact that before the war our total importation of potash from Germany amounted to about \$18,000,000 per year, not to exceed \$20,000,000 at any time, and on which importation German producers nor American importers paid not one cent. Next let me call your attention to the fact that due to the necessity of war with Germany, American patriots and pioneers invested in property, plants, machinery, communities, etc., approximately \$50,000,000. This investment of \$50,000,000 at its best can not produce more than 20 per cent, or one-fifth, of the potash required for consumption in the United States; therefore it is safe to say that in order to produce all the potash that will be required for United States consumption, it will eventually mean an investment of five times that amount, or \$250,000,000. In an article which I wrote in 1919 I estimated that it would require \$360,000,000 in investments to produce all the potash consumed in this country within 10 years after the war.

Now let me call your attention to an item of taxation; the \$50,000,000 invested by American potash pioneers and patriots was not exempt from taxation. The industry was employing many people and building up new empires, yet they were expected to pay not only the Federal taxes but also the State, county, and other taxes that are spread upon the tax rolls. I don't know what the total in percentage on the investment would be, but it is safe to figure a gross of 5 per cent to cover all the various taxes which an American farmer, manufacturer, or business man must pay in order to maintain our several governments, build roads, harbors, etc. Therefore the amount that would have to be paid by an industry with a total investment of \$250,000,000 would actually amount to \$12,500,000 per year, and an industry of this magnitude would, in its various ramifications of employees, sub-industries, consumption of supplies, fuel, etc., maintain a still larger investment that must also pay taxes.

However, the above will illustrate the point that I want to bring out, namely, that if the potash industry of this country is developed to an extent that it will produce all the potash consumed in the United States, it will pay into the treasuries of our various governmental departments \$12,500,000 per year. Therefore, if the industry is not developed and the potash, which is an absolute necessity, comes in free of any kind of taxation, that \$12,500,000 per year must be paid by other industries, farmers, merchants, manufacturers, and citizens.

When one looks at the propaganda, such as the clipping above, made for the purpose of deception—false, dishonorable, and misleading—he wonders how long the American people will stand for this sort of thing.

If importations of potash paid 25 per cent ad valorem duty, that would only be paying \$4,500,000 per year on the total amount of potash consumed per year previous to the war.

I ask of you in all fairness, why should any commodity, no matter what it is, whether we can produce it in this country or not, come into the United States without paying, as near as can be, the same rate of taxation imposed upon our own citizens—farmers, manufacturers, and merchants?

Taxes are assessed and paid in proportion to the facilities and advantages furnished by the Commonwealth. If there are no facilities, the taxes should be proportionate, e. g., if you enjoy concrete roads, you expect to pay taxes proportionate to the advantages.

The Hottentot of Timbuctoo is the man John Stuart Mill had in mind when he wrote that celebrated chapter on International free trade, because the Hottentot has no fine roads, harbors, facilities, advantages, or taxes, and therefore the importer to such a country is not getting "something for nothing," and consequently is entitled to free entry.

We have had war. Every American citizen is being called upon to pay taxes. Why should we permit the foreigners to take advantage of our fine roads, harbors, and other facilities for making sales and deliveries of his product without asking him to pay, with reasonable equality, the same proportion that our own citizens are asked to pay for these facilities and advantages?

In conclusion, let me say to you that if the legislators of the United States Senate and House of Representatives will put a duty on potash and other chemicals that are now being imported into the United States sufficient to cover all the taxes that would be paid by these industries when in operation we will furnish to the American farmer and to other American industries potash at a lower price than they have ever purchased it heretofore.

Neither the American farmer nor the American statesman need have any fear as to the ultimate outcome.

I am attaching hereto some cuts and photographs that will give you some idea of the magnitude of the Deep Springs Lake deposit. The Searles Lake deposit, on which four plants were built, is many times larger than this one.

Thanking you in advance for any interest you may see fit to take in giving the information which I hand you to your friends and colleagues, I am,  
Yours very truly,  
H. W. CARR,  
President Inyo Chemical Co.

SAN FRANCISCO, CALIF., July 13, 1921.

HON. SAMUEL MORGAN SHORTRIDGE,  
United States Senate, Washington, D. C.

DEAR SIR: We wish to urge your support of the Fordney tariff bill as applying to magnesium chloride and potash.

There has been a great development in this industry on the Pacific coast in the last few years as a by-product of the salt plants, and a duty such as proposed in this bill is essential to the industry. We sincerely hope you will support the duty on these products and we will be pleased to give you any further information if you wish.

Yours very truly,

WHITNEY CHEMICAL CO.,  
LESLIE D. WHITNEY, President.

WESTERN INDUSTRIES CO.,  
San Francisco, Calif., July 13, 1922.

HON. SAMUEL M. SHORTRIDGE,  
Senate Office Building, Washington, D. C.

DEAR SIR: The present tariff bill which is under discussion before the House carries the following duties on potash materials of interest to us:

"Potassium chloride or muriate, potassium sulphate, kainit, wood ashes and beet-root ashes, and all crude potash salts not specially provided for for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid on the actual potash (potassium oxide) content of the foregoing a duty of 2½ cents per pound for the first two years, 2 cents per pound for the third year, 1½ cents per pound for the fourth year, and 1 cent per pound for the fifth year, and thereafter free of duty.

"Potassium bichromate, 2½ cents per pound."

We would like your active support on the above duties. We were the first concern in the United States to develop a potash supply after the German supply was cut off during the war.

We have over \$200,000 invested in the potash department of our plant.

Our plant, if it could be operated to capacity, would give steady employment to over 100 men, and would turn out 600 tons of potash per month. It and similar other plants throughout the country are lying idle or working on very limited capacity. We all need all the protection we can get if we are to remain in the field against foreign importation.

Sincerely,

K. S. MARYANSKI,  
Assistant Secretary.

OAKLAND, CALIF., July 13, 1921.

HON. SAMUEL MORGAN SHORTRIDGE,  
United States Senate, Washington, D. C.

DEAR SIR: There is now pending before the Houses of Congress a permanent tariff bill, which, if passed, will establish a duty on potash ranging from 2½ cents per pound the first year to 1 cent per pound the fifth year and thereafter duty free.

We believe you are well informed regarding the potash industry and the hardships and vast expenses entailed in locating deposits in America at a time when it was vital to the interest of the entire country that potash be found here on account of the foreign supply being cut off and our crops and lands suffering for lack of it when so much depended on those crops.

Due largely to conditions caused by the present rates of foreign exchange and to the differential of labor rates, foreign labor is obtainable at a rate of approximately 50 cents (American money), whereas, as you know, rates in this country are many times in advance of that amount, it is prohibitive to try and compete with the foreign market without some protection by tariff.

This company entered the search for potash at the time it was so greatly needed, and we have established a very large plant at Searles Lake in the Mojave Desert in California for the reclaiming of potash from the salt brine of the lake. We have spent a million dollars in developing a process of refining that has now reached the point where we feel certain of being able to produce potash in competition with the foreign market if given the very small protection for the short time called for in the bill now pending.

There are many other companies besides ourselves that put forth their millions in money as well as their time and effort to aid their country in the time of need, and there are many thousands of people whose investment and living is dependent on the continued operation of the industry.

We feel certain that you will give this potash tariff your deep consideration, and that you will vote for its passage.

Very truly yours,

WEST END CHEMICAL CO.,  
NORMAN P. ELLIS, Acting Secretary.

Mr. SIMMONS. Mr. President, I know every Senator is extremely anxious to dispose of this paragraph to the end that we may proceed to the consideration of the other paragraphs which we must finish, under the rule, before we recess this afternoon. This is no time, therefore, for discussion. I think the subject has been pretty well covered by the debates which we have had.

I have here certain data, with comments, furnished me by experts of the department. I ask unanimous consent to incorporate them in the Record at the close of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SIMMONS. Mr. President, I simply want to say this and nothing more. I should have liked to discuss the question rather fully because it is an important one. It has been said that we will only have to pay \$9,500,000 during the five years. That depends upon the amount of fertilizer potash that is made. I anticipate that with the \$50 per ton bounty potash will be made in the United States not for the potash but in order to get the bounty. In that way a large amount will be made, and in the end, instead of \$9,500,000, we may have to pay out of the Treasury many times that sum.

The proposition of giving bounties is to my mind always obnoxious. It is one of the most evil suggestions that has been

made in connection with our legislation. I think it is indefensible whenever applied, but when we apply that principle to the creation and fostering and nourishment and development of an industry when we know, after we shall have spent millions of dollars in bounties to put it upon its feet, that as soon as those bounties are withdrawn the industry will necessarily fall to pieces because it can not for natural reasons compete with a like industry in a foreign country, it is doubly obnoxious. That is the character of industry we are now proposing to foster with a bounty. During the war, under the influence of the embargo, the industry did develop, but developed very slowly. Although the price was very high, still it developed very slowly. At the end of the war the bounty was withdrawn and the factories were practically closed.

Those who had entered into it had gone out of business. They made large profits while in business during the war because of the high prices prevailing while the embargo was in force. Now we are proposing to give that industry for five years a further practical monopoly and practical embargo upon their products in America; that is to say, we are proposing to subsidize them to the extent of \$50 a ton for their fertilizer, nearly twice the price of the foreign product.

At the end of the five years, just as surely as I stand here, if that bounty shall be withdrawn, the industry that we shall have developed will go to pieces in the face of the foreign competition—and why? It must be apparent to Senators on both sides of the Chamber, from the facts which have developed in the discussion, that it is absolutely impossible for us to make in the United States, by artificial means and by expensive processes, a potash that can be sold in competition with the potash that is found abroad in inexhaustible quantities in the soil and needs only to be dug up, as we would dig up sand. So it is proposed to build up an industry with foreknowledge that as soon as we get it built up and withdraw the fostering care that builds it up it will go to wreck again and that all the money we shall have invested in building it up and developing it will be thrown away and the American people who will have gone down into their pockets to furnish the bounties will have nothing to show for the money that has been legislated out of their pockets into the hands of these people.

APPENDIX.  
POTASH.  
USES.

About 95 per cent of all potash is used for fertilizer purposes. It is used principally in the growing of cotton, tobacco, potatoes, citrus fruits, and garden truck.

MARKET.

The principal market is located in the South Atlantic States, which consume over half of the annual yearly consumption in the United States.

FOREIGN RESOURCES.

Prior to the war Germany held an almost complete monopoly on the world's trade in potash. This monopoly was made possible by the possession of the only known large deposits of soluble potash salts, located near Stassfurt and in Alsace. With France now in possession of Alsace sharp competition between these two deposits for the world's trade in potash may be expected.

DOMESTIC PRODUCTION.

Before the outbreak of the World War there was practically no potash produced in this country. The domestic production during the war has been developed until in 1918 the output from all sources was about 54,000 short tons of actual potash (K<sub>2</sub>O), or about 20 per cent of our normal pre-war consumption. About one-half of the domestic production in 1918 came from the saline lakes in Nebraska.

DOMESTIC CONSUMPTION.

For several years before the outbreak of the war the imports of potash salts averaged about 1,000,000 tons. This quantity represents a normal pre-war consumption of approximately 270,000 short tons of actual potash (K<sub>2</sub>O). Over 99 per cent of this import came from Germany.

FUTURE OF AMERICAN POTASH INDUSTRY.

It is questionable if the recovery of potash on the present scale from the natural brines of Nebraska and California, from kelp, and from the leucite hills of Wyoming can be continued after the resumption of foreign competition. The raw materials are not as suitable for cheap production of potash as are the minerals of the Stassfurt, Germany, and Alsace, France, deposits. The American sources are far from the chief markets—South Atlantic States—which places them at a large disadvantage in regard to freight rates.

NEED OF POTASH.

Potash is essential to the growth of all plants. In the United States the cotton crop needs and has in the past taken by a substantial margin more commercial potash than any other crop. A large proportion of the cotton-growing area is greatly benefited by its use. The lack of potash in the soil can not be compensated for by the addition of other fertilizers.

IMPORTS.

The imports into the United States of potash salts for several years prior to the outbreak of hostilities had averaged about 1,000,000 tons, valued at a little less than \$15,000,000. The actual potash (K<sub>2</sub>O) content of these salts from 1906 to 1914, in short tons, were as follows:

1906	155,974
1907	144,351
1908	136,057

1909	173,220
1910	279,780
1911	274,446
1912	253,678
1913	270,720
1914	207,089

DOMESTIC PRODUCTION COMPARED WITH IMPORTS.

A comparison of the yearly production of potash during and since the World War with total imports in short tons were as follows:

Year.	Domestic production.	Imports for consumption.
1914		207,089
1915	1,090	48,867
1916	9,720	7,885
1917	32,573	8,100
1918	54,803	7,957
1919	32,474	39,619
1920	48,077	224,792
1921	10,171	81,017

All the above are official Government figures.

PRESENT CONDITION OF AMERICAN POTASH INDUSTRY.

By the end of 1920 many of the domestic producers of potash had closed their plants and at present the industry is at a standstill. Quoting from "Potash in 1921," by M. R. Nourse, in "Mineral Resources of the United States" (Geological Survey), "The general business depression, the peculiarly disorganized condition of the fertilizer business, the high freight rates, and the low price of foreign potash are given by former producers of domestic potash" as the causes for the rapid decline of the industry in the United States.

DOMESTIC CONSUMPTION.

In the following table are given for the years 1913 to 1921 the total consumption of fertilizer in the United States, the total potash (K<sub>2</sub>O) used, the average percentage potash content in the fertilizer, and the increased cost which an addition of 2½ cents per pound would entail on the potash actually consumed:

Year.	Fertilizer sold in United States.	Potash consumed.	Average potash.	Total increased cost, at 2½ cents per pound.	
				On potash actually consumed.	If 5 per cent potash content were used.
1913	6,544,340	273,124	4.2	\$13,655,700	\$16,360,850
1914	7,240,320	178,610	2.5	8,930,500	18,103,800
1915	5,573,200	60,204	1.1	3,010,200	13,933,000
1916	5,390,540	17,605	.3	880,250	13,476,350
1917	6,206,540	40,673	.6	2,033,650	15,516,350
1918	6,756,740	62,760	.9	3,138,000	16,891,850
1919	6,891,320	61,034	.9	3,051,700	17,228,300
1920	7,654,220	247,252	3.2	12,362,600	19,135,550
1921	4,500,000	71,997	1.6	3,599,850	11,250,000

From the preceding table it can be readily seen that during the World War the use of potash in fertilizer was curtailed to such an extent that the productivity of our soil was necessarily considerably diminished. From an average of over 4 per cent in 1913, the potash content in the fertilizer fell to three-tenths of 1 per cent in 1916. If there had been a duty of 2½ cents per pound on potash imported in 1913 an additional cost would have resulted to the farmer of over \$13,500,000, and in 1920 of over \$12,000,000. If, during these nine years, 5 per cent potash had been used in the fertilizer (a normal need) the increased cost at 2½ cents to the American farmer would have averaged yearly about \$15,750,000.

FARM EXPENDITURES FOR FERTILIZER.

The following table shows the expenditures by the farmers of this country, according to the United States Census Office, for 1909 and 1919 for fertilizers, and several leading States:

	1919		1909	
	Value.	Per cent of total, United States.	Value.	Per cent of total, United States.
Total for United States	\$326,399,800		\$114,882,541	
South Carolina	52,546,795	16.1	15,162,017	13.2
North Carolina	48,796,694	14.9	12,262,533	10.7
Georgia	46,196,434	14.3	16,890,149	14.7
Virginia	17,277,705	5.3	6,932,455	6.0
Other South Atlantic States	20,882,549	6.4	8,407,978	7.3
Total South Atlantic States	185,700,177	57.0	59,625,130	51.9
Total southern east of Mississippi River	211,177,032	64.7	72,526,369	63.1
Maine	7,759,667	2.4	4,099,479	3.5

It can be readily seen from the preceding table that the Southern States are the dominant factor in the fertilizer of the country. The South Atlantic States in 1909 consumed by value about 52 per cent, and in 1919 57 per cent, of the total of the country, and the Southern States east of the Mississippi River purchased 63 per cent in 1909 and 64.7 per cent in 1919.

POTASH CONSUMPTION BY STATES.

The latest available figures for a normal year of potash consumption are for 1910, which are as follows:

State.	Potash consumption.	Per cent potash content in fertilizer.	Fertilizer consumption.	Per cent of United States consumption of potash.	Cultivated acres.	Pounds of potash consumed per 100 acres cultivated.
	<i>Short tons.</i>		<i>Short tons.</i>			
North Carolina.....	28,909	4.1	630,095	10.0	5,737,037	1,007.8
Maine.....	8,334	6.4	116,085	2.8	1,588,065	1,049.6
Florida.....	15,086	7.8	172,641	5.4	1,223,078	2,466.9
New Jersey.....	9,234	6.9	120,000	3.3	1,114,903	1,656.5
Massachusetts.....	4,408	6.1	64,000	1.6	654,844	1,346.3
Connecticut.....	2,925	6.5	40,000	.1	534,846	1,093.8
South Carolina.....	42,706	3.6	1,048,806	15.3	5,152,845	1,657.6
Georgia.....	44,650	3.5	1,134,000	16.0	9,662,383	924.2

The preceding table gives an idea of the high percentage of potash contained in the fertilizers consumed in some of the Eastern States where intensive cultivation is engaged in, running as high as 7.8 per cent in Florida, 6.9 per cent in New Jersey, 6.5 per cent in Connecticut, and 6.4 per cent in Maine. For 1910 the total fertilizer consumed in the entire country was over 6,000,000 tons, which contained about 280,000 short tons of pure potash, which averaged therefore nearly 4.6 per cent content of potash.

PRICES.

Prices of imported and domestic potash (pure K<sub>2</sub>O) for comparative purposes are rather difficult to obtain, as the price depends somewhat upon the grade and amount of potash contained in the potash salts. The figures given below were obtained from "Mineral Resources of the United States" (Geological Survey), and the prices are per unit (20 pounds) of potash (K<sub>2</sub>O):

Year.	Imported—Average price at point of origin for year.	Domestic—Average sales price f.o.b. plant for year.
1913.....	\$0.52	.....
1914.....	.55	.....
1915.....	.77	73.14
1916.....	2.62	4.37
1917.....	3.75	4.29
1918.....	4.50	4.11
1919.....	1.46	2.31
1920.....	1.71	1.80
1921.....	1.21	1.02

Since the middle of 1921 to the middle of 1922 the prices of imported potash have decreased from 20 per cent to 50 per cent. The prices quoted above are for potash which is to be used chiefly for fertilizers. With the prices of foreign-bought potash back to the pre-war levels the proposed duty of 2½ cents per pound or 50 cents per unit of 20 pounds will mean an ad valorem equivalent of nearly 100 per cent.

PRICES OF IMPORTED POTASH VERSUS DOMESTIC FREIGHT RATES.

Allow me to quote from the hearings of 1922 before the Senate Finance Committee (p. 4740) regarding the discussion with Mr. S. D. Crenshaw, of Richmond, Va., representing the National Fertilizer Association, as follows:

"Senator JONES. What is your contract price for the German potash per unit? What does it amount to?"

"Mr. CRENSHAW. The price of muriate of potash is \$37 per ton for 50 units.

"Senator JONES. How much would that be per unit?"

"Mr. CRENSHAW. From that has to come off discount, making it \$31.64, divided by 50. That is 63 and a fraction over—between 63 and 64 cents a unit.

"Senator JONES. Then you get potash here almost for the cost of transportation?"

"Mr. CRENSHAW. That is what I say is one of the difficulties of the western producers.

"Senator JONES. The western producer never could get rid of this freight charge.

"Mr. CRENSHAW. Of course, he can hope to have a reduction in it.

"Senator SMOOT. Were the prices you quoted on the product delivered here, or are they German prices?"

"Mr. CRENSHAW. Delivered in United States ports.

"Senator McLEAN. Is the supply in Germany inexhaustible?"

"Mr. CRENSHAW. Absolutely, Senator.

"Senator McLEAN. Of course, if that were true they would have an incentive to sell all that they can and at a fair profit."

Mr. Crenshaw continues: "Freight from the Nebraska lakes, which run from 22 per cent to 25 per cent K<sub>2</sub>O content, to main fertilizer consuming points is \$15 to \$16 a ton, or 60 cents a unit (20 pounds) of pure potash. From California freight on 32 per cent K<sub>2</sub>O was \$23.25 per ton, or 70 cents per unit, of potash." Thus we can get potash delivered at American ports almost as cheap as the cost of transportation from Nebraska and cheaper than from California.

DIFFICULTY WITH AMERICAN POTASH.

I wish to quote from a brief filed by Mr. J. D. Cameron Bradley, vice president of the American Agricultural Chemical Co., during the Senate hearings of 1922 (p. 4725):

"I do not believe that this country can successfully compete with German or French potash unless actual deposits of potash salts are discovered. The potash produced from the Nebraska lakes is low grade and inferior in quality to the German article either for direct application or for use in mixed fertilizers. The California product contains a certain amount of borax, which is deleterious to plant life, and this company is unwilling to risk its use. Other companies who have used it have suffered heavy losses in consequence of the borax injuring

the crops. It is now claimed that the amount of borax has been reduced to a safe percentage, but of this fact we are not as yet sufficiently convinced to risk using it in our fertilizers.

"I can not believe that Congress will consent to levy a tax upon the products of the soil and indirectly upon the very sustenance of every citizen."

Allow me to quote again from Mr. Crenshaw, of Richmond, Va., regarding the many practical reasons that militate against American potash:

"No producer in America can furnish kainit, which is the form of potash salt that is most largely used by the American farmers in an unmixed state. The muriate of potash (K<sub>2</sub>O content about 50 per cent) produced from the largest American source—Searles Lake, Calif.—still bears the prejudice of the consumer and the fear of the fertilizer manufacturer as to the use of it, because of experiences with it in the past, when they produced a muriate of potash so high in borax as to injure crops and cause innumerable damage suits that cost many fertilizer manufacturers immense sums. The product of the Nebraska lakes is good for its grade, except for the fact of its being so alkaline as to prevent practically the use of certain important ammoniates in manufacturing complete mixed goods, because it causes loss of ammonia."

Boiled down, the essence of the facts is:

"(1) In spite of five years of war, which gave the American producers a monopoly, and which they exercised to arbitrarily charge the highest prices obtainable, even to the extent of six or seven times the pre-war and present prices of potash—say, approximately \$4.50 per unit—they were never able to produce the equivalent of over 54,000 tons of pure potash in any one year. Therefore, I repeat, there is no reason to expect that they can produce the normal American requirements at present prices even plus proposed tariff, say, about \$1.10 per unit, when they could not produce more than about 25 per cent of the normal American requirements with prices practically four times as high.

"(2) Should the farmers of this country be taxed a sum estimated by American producers at approximately \$54,000,000 in the effort to nurture a war-time business baby to self-supporting manhood, when it looks hopeless to successfully accomplish this?"

"(3) Much propaganda has been published to the effect that the present price of German potash is due to the low value of the German mark, but the fact is that many years ago, when the German mark was normal, we made a contract for German potash at about 30 per cent lower than the present prices.

"(4) In May, 1920, some fertilizer manufacturers bought the equivalent of about 12,500 tons of pure potash from certain American producers at what they claimed to be cost prices, because they stated that bankruptcy would otherwise result to many of them, and, furthermore, that they had worked out in research laboratory new methods to reduce their costs and save by-products that made it certain they would be able to meet foreign competition as to price. Now, 19 months later, instead of having fulfilled their prophecies, they ask for tariff protection for five years at the expense of the farmer.

"(5) The use of potash is not confined to farmers who grow any single crop or to any special section of our country. The interest is identical with growers of potatoes in Florida, the Carolinas, Virginia, New York, Maine, Michigan, etc. The same is true of producers of wheat, corn, etc., whether North, South, East, or West. Florida citrus fruits would reach you in poorer condition unless the grove owners feel that potash prices not only justify their using it, but using it in the form of sulphate. Without potash especially the sandy lands of the South can not produce normal yields of cotton. The tobacco crops of Florida, the Carolinas, Pennsylvania, Connecticut, Massachusetts, Wisconsin, Kentucky, Porto Rico, etc., are all dependent on potash. Porto Rico could not successfully grow sugar cane without it. Peaches, apples, strawberries, vegetable crops, wherever grown, require it.

"(6) Certain forms of potash much used and desired in the United States can not be produced in this country.

"(7) One of the difficulties of the American production is that the freight rates from producing to consuming points average some 40 to 50 cents per unit of potash, or nearly as much as the cost of foreign potash delivered at American ports."

INADEQUACY OF AMERICAN SUPPLY OF POTASH.

Quoting again from Mr. Crenshaw, on page 4739 of the Senate hearings, as follows:

"Mr. CRENSHAW. I said that the representatives of the American potash producers met November 14, 1921, when I had an interview with them. I have already told you that I asked them to please make a showing as to what the possible production in America would be at the end of a five-year tariff protection. They promised to give it to me, as I have stated, but I have never heard from them since.

"Senator SMOOT. They may do it at this hearing.

"Mr. CRENSHAW. One minute. At the same interview I asked them what was the productive capacity of the United States—

"Senator SMOOT. To-day?"

"Mr. CRENSHAW. In the next year, and here it is. This is a memorandum that I dictated after our meeting was over. All this is in tons of K<sub>2</sub>O. They estimated that Trona could produce 20,000 tons; Salduro, 10,000 tons; what we call the Nebraska Lakes, 12,500 tons; the Alunite of Utah, 6,000 tons; the United States Alcohol Co., 3,000 tons; the cement companies, 3,000 tons; the beet-sugar companies, 5,000 tons; the West End Chemical Co., at Searles Lake, 1,500 tons, making a total of 61,000 tons. That, they say, is their ability to produce now."

In the Senate hearings before the Finance Committee, on pages 4747-4749, we have the statement of Hon. JOHN S. BENHAM, a Representative in Congress from the State of Indiana:

"Representative BENHAM. I represent the fourth district of Indiana in the House, and when not acting as a Member of Congress my most serious business is agricultural pursuits.

"During probably 10 years prior to my becoming a Member of the Sixty-sixth Congress my main business was buying run-down, worn-out farms that nobody wanted and attempting to refertilize them, repair buildings, and, in short, I was something of a doctor of sick farms. I relied on two agencies—the very liberal use of potash and, of course, the use of clover. I have made quite large use also of commercial fertilizer rich in this one element, potash, and using from a few pounds of potash per acre up to 100 pounds, owing to the crop I wanted to produce, the condition of the soil, and the time I had for building up the farm.

"The whole delegation from Indiana in the House, including myself, are high protectionists. I do not need to give out any family secrets. I am speaking on the potash question from the standpoint

of a high protectionist for all promising American industries. However, the element potash is protected at the rate of 25 per cent ad valorem in the chemical schedule, which we agriculturists do not oppose.

"I am speaking against the tariff on agricultural potash, because I do not believe—I have seen no evidence, no statistics anywhere that makes me believe—that it is or is likely to become a promising American industry."

I do not find any evidence of any single year where the American producers have produced more than one-eighth of the amount demanded and needed. The largest amount produced in any one year in the United States was about 54,000 tons. On the other hand, \$75,000 tons have been used by the American farmer, and a vastly greater amount is now needed, owing to the fact that not enough potash was used during the war.

#### EFFECT OF PROPOSED RATE UPON FARMER.

Hon. JOHN S. BENHAM continues:

"The tariff of 50 cents a unit would be a burden on the American farmer of from 50 cents to \$50 per acre.

Allow me to add also from the hearings on page 4752 the statement of Dr. Frank App, representing New Jersey Federation of County Boards of Agriculture and New Jersey State Grange, Trenton, N. J.:

"The tomato farmer finds it very hard on him because he is usually not so large a farmer, but it means \$20 per farm for the tomato grower who grows the normal amount in the tomato section. And the same is true of sweet potatoes. They use about the same amount for sweet potatoes, or \$20 for a man who grows the normal acreage. The farmer opposes the tariff as it exists, first, because of the excessive cost to the farmer when you are charging him about \$12,500,000 to \$15,000,000 for protection to an industry to the extent of \$2,500,000—in other words, you are not only protecting the man who is going to make the potash, but you are also charging over and above that quite a large amount—and, second, because of the poor distribution, as the man who grows potatoes and other vegetables pays an excessive amount of this tariff."

It may also be interesting to note the increased cost to several of the chief fertilizer consuming States which the duty of 2½ cents per pound would entail. Using consumption figures of a normal year—1910—before the war, this duty would cost both Georgia and South Carolina over \$2,000,000 each, North Carolina nearly one and one-half million dollars, Alabama over a million, etc. These increased costs will be borne first by the American fertilizer manufacturer, then by the farmer, and lastly by the American consumer. It has been figured that for the entire country the increased duty would be over \$14,000,000.

#### FINAL.

In conclusion allow me to mention again Hon. JOHN S. BENHAM, on page 4750 of the hearings, as follows:

"In the hearings before the Ways and Means Committee of the House the potash producers and the potash distributors in America were heard. They presented their case very well, indeed. The farmers who are paying the bills directly were not for any considerable length of time heard. The people who finally pay the bills, the 100,000,000 Americans who are interested in both the price and the quality of the fruits, the grains, and vegetables have not been heard. It is a well-known fact that not only are fruits and vegetables produced much cheaply by the use of potash, but their keeping qualities are very much improved.

"I had thought just a little of telling some secrets, and yet I think possibly it is not desirable to do so. I should like to state only this: We agriculturists of the House had the understanding, after a talk with one of the members of the Ways and Means Committee, that this element in which we were interested was to be on the free list. We learned later on that there was a tariff of 2½ cents per pound, or \$50 per ton. We then asked that this one item be submitted to a vote of the House, and that request was refused.

"I have only this one request to make, that the Senate return this bill to the House in a shape that will allow the rank and file of the Members of the House to have a square vote as to whether this item shall or shall not be taxed."

Mr. STANLEY. Mr. President, I simply wish to make one statement to the chairman of the committee. It would be a pity not to let the committee complete the iniquity. The only iniquitous thing they have left out of this tariff bill is a bounty. They have embargoes, they have indefensible duties. If they can just get a bounty there will be nothing abominable left out, and for the sake of symmetry I am almost hoping they will do it.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from North Dakota [Mr. McCUMBER].

Mr. REED. I ask for the yeas and nays.

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

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

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD], and I withhold my vote.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. SIMMONS (when his name was called). I wish to state that I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

The roll call was concluded.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Minnesota [Mr. NELSON], and vote "yea."

Mr. SUTHERLAND. Transferring my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. FLETCHER (after having voted in the negative). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and let my vote stand.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent. If present and not paired, he would vote "nay."

I also wish to announce the necessary absence of the senior Senator from Alabama [Mr. UNDERWOOD]. He is paired with the senior Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Alabama would vote "nay."

The result was announced—yeas 30, nays 32, as follows:

#### YEAS—30.

Brandegee	Frelinghuysen	McKinley	Shortridge
Bursum	Gooding	McLean	Smoot
Calder	Hale	McNary	Spencer
Cameron	Jones, N. Mex.	Moses	Stanfield
Colt	Kendrick	New	Sutherland
Curtis	Keyes	Pepper	Warren
Dillingham	Ladd	Phipps	
Ernst	McCumber	Ransdell	

#### NAYS—32.

Ashurst	Gerry	Oddie	Sterling
Borah	Glass	Overman	Swanson
Capper	Harris	Pomerene	Townsend
Caraway	Heflin	Reed	Trammell
Cummins	Jones, Wash.	Sheppard	Wadsworth
Dial	Lenroot	Simmons	Walsh, Mass.
Edge	McCormick	Smith	Walsh, Mont.
Fletcher	Myers	Stanley	Willis

#### NOT VOTING—33.

Ball	Hitchcock	Nicholson	Shields
Broussard	Johnson	Norbeck	Underwood
Culberson	Kellogg	Norris	Watson, Ga.
du Pont	King	Owen	Watson, Ind.
Elkins	La Follette	Page	Weller
Fernald	Lodge	Pittman	Williams
France	McKellar	Poindexter	
Harrell	Nelson	Rawson	
Harrison	Newberry	Robinson	

So Mr. McCUMBER's amendment was rejected.

The PRESIDENT pro tempore. Is there any further amendment to be offered to paragraph 1635? If not, the Secretary will report the amendment in paragraph 1636.

The READING CLERK. On page 230, paragraph 1636, the committee proposes to strike out "cyanide" and insert "nitrate or saltpeter, crude," so as to read:

PAR. 1636. Potassium nitrate or saltpeter, crude.

Mr. McCUMBER. Mr. President, I assume there will be no objection to the amendment. We have put cyanide potassium on the free list, and this puts potassium nitrate or saltpeter, crude, on the free list.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. Is there any further amendment to be offered to the paragraph 1636? If not, the Senate will proceed to consider paragraph No. 1.

Mr. McCUMBER. Mr. President, the only question is on lines 24 and 25, near the bottom of page 2, which read:

Arsenious acid or white arsenic, 2 cents per pound.

SEVERAL SENATORS. Vote!

Mr. SMITH. What is the amendment, Mr. President?

The PRESIDENT pro tempore. The Chair desires to observe that the unanimous-consent agreement relates to amendments hereafter offered. Does any Senator desire to offer an amendment to paragraph No. 1?

Mr. SMITH. Yes, Mr. President; I desire to offer an amendment striking out the Senate committee amendment on line 25 providing for a duty of 2 cents a pound on white arsenic. The House provided a rate of 25 per cent ad valorem, but the Senate has agreed to the committee amendment imposing a duty of 2 cents per pound. I am not going to take the time of the Senate to argue all the reasons why the provision should be stricken out. I merely wish to state the main facts in reference to the matter.

White arsenic is the basis of what is known as calcium arsenate, which is used for the destruction of insects which prey upon the field and the garden crops of this country, and the forests as well; on our fruits and vegetables as well as other growing crops such as potatoes, tobacco, and, latterly, the great cotton crop of this country.

The supply of this article is absolutely inadequate; the need of it is absolutely imperative. The potato growers of the East and South, and of the whole Atlantic seaboard—in fact, of the whole country—are dependent upon this ingredient for the control of the potato bug; the fruit growers of the country are absolutely dependent upon it for the protection of their orchards; the growers of field crops are absolutely de-

pendent upon it for protection against the unprecedented ravages of insects. In view of the fact that there is not enough of this article produced, possibly, in the world to meet the crying demands, why the Congress should place upon it a duty of 2 cents a pound and retard its importation from abroad, when it is an imperative necessity, passes my comprehension.

I may say in conclusion, Mr. President, that the bulk of this article which is produced in this country is a by-product from the refining and smelting of certain ores such as lead, zinc, and copper. The fact of the matter is that in this country if there is an article that should be placed upon the free list, that should be brought into this country from every known source, it is this ingredient. It is, therefore, monstrous to propose that just now, while the country is suffering, perhaps, more from the inroads of insects than ever before in its history, we should impose an additional burden on those who are striving to produce our food.

I have certain letters here before me now from different agricultural organizations in reference to this subject. One of them is from an agent of the Department of Agriculture who is supervising the field work at Tallulah, Ala., calling attention to the fact that the need of this article is so very great and the supply so small that a large part of the cotton crop will suffer because of its lack, not from boll weevil alone but from the caterpillar that is now ravaging it, a misfortune which occurs from year to year.

I think if the Senate wishes to go on record as lending whatever legitimate aid may be rendered by the Congress of the United States to the struggling farmers of the country, it should not only vote to place this article upon the free list but should use every method within its power to procure an adequate supply of this ingredient.

Mr. President, I hope that the Senate will not agree to the Senate committee amendment, but will allow this article to go upon the free list. I ask for the yeas and nays on my amendment.

The PRESIDENT pro tempore. The Chair desires to suggest that he is inclined to believe that the vote by which the amendment of the committee was adopted must be reconsidered before the amendment proposed by the Senator from North Carolina may be received.

Mr. SIMMONS. I ask unanimous consent that the vote by which the committee amendment was adopted be reconsidered.

Mr. McCUMBER. There is no objection to that.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the vote by which the amendment on page 2, line 25, providing a duty of 2 cents per pound on white arsenic, may be reconsidered. Is there objection? The Chair hears none. Does the Senator from South Carolina propose to strike out the words—

Arsenious acid or white arsenic 2 cents per pound?

Mr. SMITH. I move to strike out the Senate committee amendment inserting the words "2 cents per pound."

Mr. WILLIS. What would be the effect of that amendment if it should be agreed to?

Mr. SMOOT. The duty of 25 per cent ad valorem will remain.

The PRESIDENT pro tempore. The Chair does not understand exactly how the clause would stand should the amendment of the Senator from South Carolina be agreed to.

Mr. SMITH. I merely wish to have a vote on the Senate committee amendment. Later, in the Senate, there will be a motion made to strike out the duty of 25 per cent ad valorem. All I desire now is to have a vote against the Senate committee amendment providing for a duty of 2 cents a pound.

The PRESIDENT pro tempore. The question is on the motion of the Senator from South Carolina [Mr. SMITH].

Mr. SMITH and Mr. HEFLIN called for the yeas and nays.

Mr. WILLIS. Mr. President, I rise to a parliamentary inquiry. Is the question upon agreeing to the Senate committee amendment, or what is the question?

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from South Carolina, which is to strike out the words "2 cents per pound" in line 25, on page 2.

Mr. SMITH. Mr. President, then those in favor of striking out the words will vote "yea." I move to strike out the words "2 cents per pound."

The PRESIDENT pro tempore. The Chair assumes that Senators know that.

Mr. McCUMBER. Mr. President, we do not as yet know what the Senator's motion is.

Mr. WADSWORTH. Mr. President, I think the Presiding Officer has recognized me. As I understand, the Chair has just

announced that the pending question is whether or not the words "2 cents per pound" shall remain in the bill.

Mr. SMOOT. That is as I understand it.

The PRESIDENT pro tempore. The attention of the Chair was diverted for a moment. Will the Senator from New York please restate his question?

Mr. WADSWORTH. I understand that the question has been stated to this effect, whether or not the words "2 cents per pound," in line 25, shall remain in the bill.

Mr. CURTIS. Mr. President—

Mr. SMITH. Mr. President, I should like to state my proposition clearly.

Mr. WADSWORTH. Just a moment. I wish to inquire—

The PRESIDENT pro tempore. The Senate will be in order. Mr. WADSWORTH. A parliamentary inquiry. If the words "2 cents a pound," as proposed by the committee, are not agreed to, that will leave the language reading:

Arsenious acid or white arsenic, formic acid, 4 cents per pound.

What becomes of the first semicolon, in line 25, after the word "pound"?

The PRESIDENT pro tempore. It is not for the Chair to construe the effect of the amendment.

Mr. SMITH. The amendment I proposed was simply to strike out the committee amendment at the beginning of line 25, inserting the words "2 cents per pound."

Mr. SMOOT. That has not been agreed to as yet.

Mr. WADSWORTH. We have reconsidered that.

Mr. SMOOT. We have reconsidered it.

Mr. WADSWORTH. So those words are not now in the bill.

The PRESIDENT pro tempore. The Chair desires to say that if any Senator shall raise the point of order the Chair will be constrained to hold that the amendment is not in order. The proper proceeding is to disagree to the Senate committee amendment.

Mr. SMITH. Very well; that is all right.

Mr. WADSWORTH. I rise to another parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WADSWORTH. If the Senate committee amendment is disagreed to, how will the bill then read?

The PRESIDENT pro tempore. The Secretary will state how the bill would then read.

The reading clerk read as follows:

Arsenious acid or white arsenic, formic acid, 4 cents per pound.

Mr. WADSWORTH. Then, if the Senate committee amendment is rejected the rate will be double that suggested by the committee.

Mr. LENROOT. Exactly.

The PRESIDENT pro tempore. The Chair does not understand the Senator to propound that as a parliamentary inquiry.

Mr. WADSWORTH. I state it as a fact, then.

Mr. SIMMONS. Mr. President—

Mr. SMITH. There is a semicolon which divides the two clauses. If it were in order, were the bill in the Senate, I would move to strike out the clause "arsenious acid or white arsenic, 2 cents per pound." Then, if the motion were agreed to, it would automatically go to the free list.

Mr. LENROOT. The Senator may make such a motion now.

Mr. SMITH. If I may do that now I will amend my amendment by moving to strike out the words "arsenious acid or white arsenic, 2 cents per pound," in line 24 as a part of line 25.

The PRESIDENT pro tempore. The Chair desires to suggest to the Senator from South Carolina that the words "2 cents per pound" are not in the bill.

Mr. LENROOT. May I suggest that if the Senate committee amendment shall be disagreed to and the Senator from South Carolina then moves to strike out the words "arsenious acid or white arsenic," he will accomplish what he desires.

Mr. SMOOT. Or, if the Senator from North Carolina will simply withdraw his request to reconsider and leave the provision just as it was originally agreed to by the Senate, the Senator from South Carolina can then move to strike out the clause, and it will all go out.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, as the Chair puts the question, as I understand, we are to vote upon agreeing to the committee amendment which imposes a duty of 2 cents per pound upon white arsenic. I think that is correct.

Mr. McCUMBER. Question!

Mr. LENROOT. May I make a parliamentary inquiry?

The PRESIDENT pro tempore. The Senator will state it.

Mr. LENROOT. What is the state of the record at the present time? What is the question?

The PRESIDENT pro tempore. The state of the record at the present time is that the vote by which the committee amendment was agreed to has been reconsidered.

Mr. SMITH. Let me make a parliamentary inquiry. If the request for unanimous consent to reconsider shall be withdrawn, then the words will be in the bill, because the Senate will have acted upon it, and then it will be in order for me to move to strike out the whole clause.

Mr. SMOOT. That is what I said.

The PRESIDENT pro tempore. The Chair is of the opinion that it would be in order.

Mr. SMITH. Very good; then, I ask the Senator from North Carolina to withdraw the request to reconsider the vote whereby the committee amendment was agreed to inserting the words "2 cents per pound," and then let me move to strike out the whole clause, and we will have a direct vote as to whether or not white arsenic will go on the free list.

Mr. SIMMONS. Mr. President, I should like to inquire of the Senator from New York what he meant when he said a little while ago that if we struck out the words "2 cents per pound" it would double the rate.

Mr. WADSWORTH. I meant to say that the committee amendment inserts the words "2 cents per pound." If that amendment is disagreed to, the remaining language of the bill will then be "arsenious acid or white arsenic, formic acid, 4 cents per pound."

Mr. LODGE. There is no doubt of that.

Mr. WADSWORTH. So that the rate will be double that now provided by the committee.

Mr. SIMMONS. The proposition now is to strike out the whole clause.

Mr. WADSWORTH. That was not the question pending at the time I made my observation.

Mr. SIMMONS. I withdraw my request for unanimous consent to reconsider the vote whereby the committee amendment was agreed to.

Mr. SMITH. I move to strike out on lines 24 and 25—

The PRESIDENT pro tempore. The Chair suggests that there must be something more than the withdrawal of the request to reconsider the vote. The Senate has reconsidered the vote, and that action must be rescinded before the suggestion of the Senator can be entertained.

Mr. LENROOT. The easiest way is to disagree to the committee amendment, and then let the Senator from South Carolina move to strike out the words "arsenious acid or white arsenic."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee. [Putting the question.] The Chair is in doubt. Those in favor of the amendment will rise, and stand until they are counted.

Mr. SMOOT. Mr. President, there is no need of having a division. If we are going to have a division, let us have the yeas and nays. It seems to me that if we will agree to the committee amendment, leaving the provision exactly as it was, then the Senator from South Carolina may move to strike it all out, and, if the motion to strike out is agreed to, white arsenic will necessarily go to the free list. What is the use of having a roll call?

Why does not the Senate agree now to the committee amendment, and then let the Senator from South Carolina move to strike it all out, including the semicolon?

Mr. SMITH. If that will expedite matters, let us do that, and get some action on it. We could have withdrawn the unanimous consent. If that is all right, let us do that, though I am not going to agree—

Mr. WALSH of Montana. I object.

Mr. McCUMBER. Mr. President, the question before the Senate now is on agreeing to the committee amendment. I ask for the yeas and nays on whether or not we shall agree to the committee amendment. Let us vote.

The PRESIDENT pro tempore. The yeas and nays are demanded on the committee amendment. Is the demand seconded?

The yeas and nays were ordered.

Mr. FLETCHER. Mr. President, I want to make a parliamentary inquiry. If the committee amendment is agreed to, will it then be in order to move to strike out the words "arsenious acid or white arsenic, 2 cents per pound"?

Mr. LODGE. It will be in order in any event.

Mr. SWANSON. Mr. President, do I understand that the Senate amendment reduces the rate from 4 cents to 2 cents?

Mr. LODGE. No.

Mr. FLETCHER. It does not reduce it at all.

The PRESIDENT pro tempore. The question is upon the committee amendment.

Mr. FLETCHER. Mr. President, I asked the Chair that parliamentary question because on the answer to it depends how I shall vote on this proposition. I want to vote for the committee amendment provided I have the opportunity to vote for the proposed amendment afterwards.

The PRESIDENT pro tempore. The Chair already has expressed the opinion that if the committee amendment is agreed to the entire clause can then be stricken out upon motion.

Mr. SIMMONS. Mr. President, I suggest that we have a viva voce vote on agreeing to the committee amendment. I hope the committee amendment will be agreed to, and then that we will vote to strike it out.

The PRESIDENT pro tempore. The Secretary will call the roll. The Senator from North Dakota has asked for the yeas and nays and the demand has been seconded, and unless that demand is withdrawn the roll must be called.

Mr. McCUMBER. Mr. President, the yeas and nays have been ordered, and I should like to have the roll called.

Mr. LODGE. On what?

Mr. McCUMBER. On the committee amendment.

Mr. SIMMONS. Mr. President, I want to say to the Senator from North Dakota that my understanding was that we were not to have any practical division in agreeing to the committee amendment; that it would be agreed to, and then we would have a roll call on a motion to strike it out.

Mr. McCUMBER. The reason I asked for a vote was to get the matter settled—

Mr. SIMMONS. This will settle it.

Mr. McCUMBER. And that seems to be the only method of settling it.

Mr. SIMMONS. I think on a viva voce vote we will all agree to the committee amendment, and then the Senator can move to strike it out.

Mr. McCUMBER. I will withdraw the request for the yeas and nays.

The PRESIDENT pro tempore. The demand for the yeas and nays is withdrawn. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMITH. Now, Mr. President, on line 24, after the semicolon, I move to strike out the words "arsenious acid or white arsenic," and on line 25, "2 cents per pound" and the semicolon.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from South Carolina.

The READING CLERK. On page 2, lines 24 and 25, it is proposed to strike out "arsenious acid or white arsenic, 2 cents per pound."

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

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

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Maryland [Mr. FRANCE] and will vote. I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. GLASS (when his name was called). I transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD] and withhold my vote.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SIMMONS (when his name was called). I am advised that my pair, the junior Senator from Minnesota [Mr. KELLOGG], if present would vote as I shall vote. Therefore I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. GERRY. I desire to announce that the Senator from Alabama [Mr. UNDERWOOD] is necessarily absent, and is paired with the Senator from Massachusetts [Mr. LODGE]. If the Senator from Alabama were present he would vote "yea" on this question.

I also desire to announce that the Senator from Mississippi [Mr. HARRISON] is necessarily absent, and is paired with the Senator from West Virginia [Mr. ELKINS]. If present the Senator from Mississippi would vote "yea" on this question.

The result was announced—yeas 29, nays 25, as follows:

## YEAS—29.

Capper	Harris	Ransdell	Townsend
Caraway	Heflin	Reed	Trammell
Cummins	Jones, N. Mex.	Sheppard	Walsh, Mass.
Dial	Jones, Wash.	Simmons	Walsh, Mont.
Fletcher	Keys	Smith	Willis
Gerry	Lenroot	Stanley	
Glass	McKinley	Sterling	
Hale	Overman	Swanson	

## NAYS—25.

Ball	Edge	McNary	Stanfield
Brandege	Ernst	Moses	Sutherland
Bursum	Frelinghuysen	Oddle	Wadsworth
Calder	Gooding	Pepper	Warren
Cameron	Kendrick	Phipps	
Colt	McCormick	Shortridge	
Curtis	McCumber	Smoot	

## NOT VOTING—41.

Ashurst	Hitchcock	New	Robinson
Borah	Johnson	Newberry	Shields
Broussard	Kellogg	Nicholson	Spencer
Culberson	King	Norbeck	Underwood
Dillingham	Ladd	Norris	Watson, Ga.
du Pont	La Follette	Owen	Watson, Ind.
Elkins	Lodge	Page	Weller
Fernald	McKellar	Pittman	Williams
France	McLean	Poindexter	
Harrell	Myers	Pomerene	
Harrison	Nelson	Rawson	

So Mr. SMITH's amendment was agreed to.

Mr. SMITH. Now, Mr. President, if it is in order, I should like to move to add, on page 209, as paragraph 1506, "arsenious acid or white arsenic."

Mr. SMOOT. Mr. President, will not the Senator put it as paragraph 1513a, following "sulphide of arsenic," so that we will have them together?

Mr. SMITH. I have no objection to that. On page 211, just add the words "arsenious acid or white arsenic."

The PRESIDENT pro tempore. The Chair is of the opinion that that can be done only by unanimous consent. The Chair does not mean that the motion must be assented to unanimously, but the Senate can not take up the free list until the Senate gives unanimous consent.

Mr. SMITH. I ask unanimous consent that it be done.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The amendment offered by the Senator from South Carolina will be stated.

The READING CLERK. On page 211, after line 17, it is proposed to insert a new paragraph, paragraph 1513a, to read:

Arsenious acid or white arsenic.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until tomorrow at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

## PETITIONS AND MEMORIALS.

Mr. LADD presented a resolution adopted by the Wisconsin State Federation of Labor, at Milwaukee, Wis., favoring the recognition of the present Soviet Government of Russia and the making of a trade agreement with such Government restoring facilities for communication and commerce between the United States and Russia, etc., which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the North Dakota Pharmaceutical Association, at Fargo, N. Dak., favoring inclusion in the pending tariff bill of a prohibition against the importation of merchandise bearing any trade-mark, label, print, or other mark, registered in the United States Patent Office and owned by any person domiciled in the United States unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration of the mark, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Mandan Federated Shop Crafts, of Mandan, N. Dak., favoring the prompt taking over and operation by the United States of the railroads and coal mines so as to safeguard the welfare, comfort, and safety of all the people, which was referred to the Committee on Interstate Commerce.

Mr. EDGE presented resolutions adopted by an executive meeting at Jersey City, N. J., of the National Disabled Sol-

diers' League of New Jersey, protesting against the enactment of legislation incorporating the Disabled American Veterans of the World War, unless the wounded, gassed, and disabled soldiers, sailors, marines, and nurses of the National Disabled Soldiers' League are accorded the same privilege, which were referred to the Committee on the Judiciary.

## FRANK AYERS.

Mr. CALDER introduced a bill (S. 3897) for the relief of Frank Ayers, which was read twice by its title and referred to the Committee on Pensions.

## CARE FOR DEPENDENT CHILDREN.

Mr. CALDER introduced a bill (S. 3898) to provide home care for dependent children, which was read twice by title.

Mr. CALDER. Mr. President, this bill provides home care for dependent children in the District of Columbia. It is in line with legislation in many of the larger and more progressive States in the Union. Under its terms a mother having a child dependent upon her for support who is unable without aid to maintain a suitable home and provide proper care for such child shall be given a monthly allowance by the District of Columbia in a sum deemed necessary.

In many States where orphan asylums and charitable organizations took these children in their care the State usually allowed a certain sum to provide for them. Under this system the child remains with its mother, to be brought up under proper home environment. In New York State, where this new system has been in effect for a number of years, it has worked splendidly. It not only tends to the contentment of the mother, but it is of the greatest value for the future of the child. In New York to-day there are very few orphan asylum children.

This measure is of such great importance to the future of our District children that I am hopeful the chairman of the committee to which I ask that this bill be referred may give it his attention at the earliest possible moment.

I move that the bill be referred to the Committee on the District of Columbia.

The motion was agreed to.

## EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 50 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, August 9, 1922, at 11 o'clock a. m.

## NOMINATIONS.

*Executive nominations received by the Senate August 8 (legislative day of August 3), 1922.*

## COAST AND GEODETIC SURVEY.

Robert Winn Byrne, of Ohio, to be aid with relative rank of Ensign in the Navy in the Coast and Geodetic Survey, vice C. K. Green, promoted.

## COAST GUARD.

Lieut. (junior grade) Charles G. Roemer to be a lieutenant in the Coast Guard of the United States, to rank as such from July 10, 1922, in place of Lieut. Frank L. Austin, retired.

This officer has passed the examination required by law.

## APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY.

## AIR SERVICE.

First Lieut. John Ferral McBlain, Cavalry, with rank from July 2, 1920.

## PROMOTIONS IN THE NAVY.

Capt. George W. Williams to be a rear admiral in the Navy from the 3d day of June, 1922:

The following-named commanders to be captains in the Navy from the 3d day of June, 1922:

Franck T. Evans.	Hayne Ellis.
Ward K. Wortman.	Ernest J. King.
Charles R. Train.	Alfred G. Howe.
Byron A. Long.	Allen Buchanan.
Daniel P. Mannix.	

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1922:

Chester H. J. Keppler.	Augustin T. Beauregard.
John H. Hoover.	Claud A. Jones.

Lieut. Robert H. English to be a lieutenant commander in the Navy from the 11th day of February, 1922.

Lieut. Thomas L. Gatch to be a lieutenant commander in the Navy from the 3d day of June, 1922.

Lieut. (Junior Grade) Hugh St. Clare Sease to be a lieutenant in the Navy from the 1st day of July, 1920.

Lieut. (Junior Grade) Sidney B. Blaisdell to be a lieutenant in the Navy from the 19th day of April, 1922, to correct the date from which he takes rank as previously nominated and confirmed.

Ensign Gerald L. Schetky to be a lieutenant (junior grade) in the Navy from the 1st day of July, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 7th day of June, 1922:

Moultrie Moses.	Raymond W. Holsinger.
William L. Eagleton.	Herbert P. Schubert.
Eugene T. Aldridge.	Harold E. Peifer.
Selden Chapin.	Alexander J. Couble.
William A. Rice.	Frederick B. Kauffman.
Herbert L. MacBride.	Frederick W. McMahon.
Thomas B. Brittain.	Royal W. Abbott.
John E. Whelchel.	Robert H. Hargrove.
Jerome F. Donovan, jr.	Samuel H. Arthur.
Roy W. M. Graham.	Maurice E. Browder.
Forrest M. O'Leary.	Thomas H. Binford.

Civil Engineer George A. McKay to be a civil engineer in the Navy with the rank of captain, from the 2d day of December, 1921.

Boatswain Frederick B. Webber to be a chief boatswain in the Navy, to rank with but after ensign, from the 16th day of December, 1921.

Gunner George H. Kellogg to be a chief gunner in the Navy, to rank with but after ensign, from the 3d day of December, 1921.

#### POSTMASTERS.

##### CONNECTICUT.

Harry N. Prann to be postmaster at Centerbrook, Conn. Office became presidential July 1, 1922.

Howard A. Middleton to be postmaster at Broad Brook, Conn., in place of A. W. Tyler, removed.

##### FLORIDA.

William W. Rees to be postmaster at Tavares, Fla., in place of O. E. Hannah, resigned.

##### ILLINOIS.

Louis R. Kelly to be postmaster at Duquoin, Ill., in place of M. C. Cook, resigned.

Kelly A. Cardiff to be postmaster at Hoopston, Ill., in place of William Finley, resigned.

##### INDIANA.

Fred D. Price to be postmaster at Plymouth, Ind., in place of L. G. Harley, removed.

##### IOWA.

Ralph M. Tyler to be postmaster at Ladora, Iowa, in place of R. N. Seydel, deceased.

##### MAINE.

Velorus T. Shaw to be postmaster at Prouts Neck, Me. Office became presidential January 1, 1922.

##### MINNESOTA.

Margaret E. Gillespie to be postmaster at Carlton, Minn., in place of M. E. Gillespie. Incumbent's commission expired April 16, 1922.

Arch Coleman to be postmaster at Minneapolis, Minn., in place of E. A. Purdy, resigned.

Otis T. Wentzell to be postmaster at Moorhead, Minn., in place of E. L. Flaten. Incumbent's commission expired August 7, 1921.

##### MISSOURI.

Emmet L. Gaffney to be postmaster at Craig, Mo., in place of W. H. Hambaugh, resigned.

Addie Erwin to be postmaster at Thayer, Mo., in place of W. D. Meeke. Incumbent's commission expired January 24, 1922.

##### NEW HAMPSHIRE.

Bertrand N. Hill to be postmaster at Dixville Notch, N. H. Office became presidential January 1, 1921.

Herbert E. Walbridge to be postmaster at Enfield, N. H., in place of G. H. Laffee. Incumbent's commission expired March 16, 1921.

##### NEW JERSEY.

Frederick R. Dixon to be postmaster at Bellemead, N. J. Office became presidential January 1, 1922.

Charles H. Updike to be postmaster at Trenton, N. J., in place of E. F. Hooper, resigned.

##### NEW YORK.

Charles A. Van Sise to be postmaster at Syosset, N. Y. Office became presidential July 1, 1922.

Henry W. Koster to be postmaster at Narrowsburg, N. Y., in place of J. E. Purcell. Incumbent's commission expired July 3, 1920.

##### NORTH CAROLINA.

John G. Frazier, jr., to be postmaster at Guilford College, N. C. Office became presidential October 1, 1920.

##### NORTH DAKOTA.

Elvin J. Elstad to be postmaster at Rugby, N. Dak., in place of J. F. Tibbs, resigned.

##### OKLAHOMA.

Frederick W. Hunn to be postmaster at Crowder, Okla. Office became presidential October 1, 1920.

Charles F. Rice to be postmaster at Texola, Okla. Office became presidential July 1, 1920.

Everette L. Richison to be postmaster at Bokoshe, Okla., in place of B. B. Woodward, resigned.

William W. Wagner to be postmaster at Orlando, Okla., in place of I. W. Bebout, removed.

##### PENNSYLVANIA.

Margaret E. Warnock to be postmaster at Darlington, Pa. Office became presidential April 1, 1921.

Mark M. Merritt to be postmaster at Granville Summit, Pa. Office became presidential April 1, 1921.

Ralph H. Scott to be postmaster at Conway, Pa., in place of H. J. Bock, resigned.

George F. Carling to be postmaster at Sayre, Pa., in place of Daniel Clarey. Incumbent's commission expired February 4, 1922.

##### TENNESSEE.

William A. Langley to be postmaster at Petros, Tenn. Office became presidential January 1, 1921.

Clarence V. Gwin to be postmaster at Hartsville, Tenn., in place of R. E. Cullom, resigned.

##### TEXAS.

Willie L. Gottschalk to be postmaster at Gulf, Tex. Office became presidential April 1, 1920.

Albert T. Cook to be postmaster at Manor, Tex., in place of A. F. Loftis. Incumbent's commission expired January 24, 1922.

Hugh G. Koether to be postmaster at Shiner, Tex., in place of Edmund Herder, resigned.

##### UTAH.

Frank Beesley to be postmaster at Eureka, Utah, in place of T. L. Sullivan, removed.

##### WEST VIRGINIA.

Woodford G. Whitman to be postmaster at Monaville, W. Va. Office became presidential July 1, 1922.

##### WISCONSIN.

Charles S. Brent to be postmaster at Oconomowoc, Wis., in place of J. F. Flanagan. Incumbent's commission expired January 24, 1922.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 8 (legislative day of August 3), 1922.*

##### AGENT BEFORE THE ARBITRAL TRIBUNAL.

Fred K. Nielsen to be agent before the Arbitral Tribunal.

##### PROMOTIONS IN THE NAVY.

*To be commander.*

Matthias E. Manly.

*To be lieutenant commanders.*

Harry H. Forgas.

Glenn B. Strickland.

Jay K. Esler.

Donald C. Godwin.

*To be lieutenants.*

Julius C. Delpino.

John N. Walton.

Edward Sparrow.

*To be lieutenants (junior grade).*

Edward Sparrow.

Herbert C. Rust.

Matthias B. Gardner.

Rene F. A. Bucholz.

Richard B. Tuggle.

Charles B. McVay, 3d.

Van Fitch Rathbun.

Richard H. Cruzen.

*To be surgeon.*

John Buckley.

*To be passed assistant dental surgeons.*

Eric G. Hoylman.  
Joseph A. Kelly.

*To be paymasters.*

Ernest H. Barber. John J. Gaffney.  
Oscar W. Leidel. Richard S. Robertson.  
Herman G. Bowerfind.

*To be chief boatswains.*

Edwin W. Hill. Julius G. Sanders.  
William A. James. Charles A. Dannemann.  
John A. Pierce. Andrew N. Anderson.  
William R. McFarlane. Thomas M. Buck.  
James Roberts. William Martin.  
Eugene J. Frieh.

*To be chief gunners.*

Charles A. Kohls. Robert Semple.  
Daniel McCallum. Jesse J. Alexander.

*To be chief machinists.*

Cyrus S. Hansel. Alfred E. Raue.  
Ernest J. Leonard. Albert H. Mellien.

## POSTMASTERS.

## ALABAMA.

Levi A. Knapp, Auburn.  
Charley N. Thompson, Piedmont.

## COLORADO.

Robert B. Kerr, Stonington.

## IOWA.

Arthur Ingraham, Conesville.  
Blinn N. Smith, Coon Rapids.  
Ralph K. Russell, Cushing.  
Harry L. Emerson, Kenwood Park.  
Arvin C. Sands, Mallard.  
Freda L. Thompson, Oto.  
Ferdinand J. Ruff, South Amana.  
Tibbals G. White, University Park.

## KANSAS.

Anna E. Waterman, Healy.  
Thomas G. Armour, Hutchinson.

## MICHIGAN.

Minnie McGuineas, Elberta.

## OKLAHOMA.

John W. Bishop, Fairview.  
Governor Everidge, Fort Towson.  
Thomas J. McNeely, Goltry.

## TEXAS.

Art E. Frieze, Silverton.  
Ralph H. Kelly, Stanton.

## SENATE.

WEDNESDAY, August 9, 1922.

(Legislative day of Thursday, August 3, 1922.)

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

## THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

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

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

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

Ashurst	Ernst	McKinley	Shortridge
Ball	Frelinghuysen	McLean	Simmons
Borah	Gerry	McNary	Smith
Brandegee	Glass	Moses	Smoot
Bronssard	Gooding	Myers	Spencer
Bursum	Hale	New	Sterling
Calder	Harrell	Newberry	Sutherland
Cameron	Harris	Norbeck	Townsend
Capper	Heflin	Oddie	Trammell
Colt	Jones, Wash.	Overman	Wadsworth
Culberson	Kendrick	Pepper	Walsh, Mass.
Cummins	Keyes	Pomerene	Warren
Curtis	Lodge	Ransdell	Watson, Ga.
Dial	McCormick	Rawson	Watson, Ind.
Dillingham	McCumber	Sheppard	Willis

Mr. CURTIS. I wish to announce that the Senator from Minnesota [Mr. NELSON] is absent on account of a death in his family.

Mr. GERRY. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is unavoidably absent.

The PRESIDENT pro tempore. Sixty Senators have answered to their names. There is a quorum present.

Mr. STERLING. I submit an amendment intended to be proposed to section 315 of the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table. The Senate under the unanimous-consent agreement will proceed to the consideration of the committee amendment, being paragraph 1427a on page 192, which will be read.

The ASSISTANT SECRETARY. On page 192, after line 2, the committee proposes to insert a new paragraph to read as follows:

PAR. 1427a. Hides of cattle of the bovine species, raw or uncured, or green or pickled, 2 cents per pound; dried, 4 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, my objections to the levying of a duty upon hides and the consequent levying of compensatory and protective duties upon leather, boots and shoes, and other leather manufactures, briefly stated, are as follows:

First. The benefit to the cattle raiser is negligible, as the duty on each hide, even if effective in increasing the price of cattle, will amount to only 1.65 per cent of the value of the animal.

Second. Whatever benefit will inure to any individual or group of individuals by reason of a duty on hides will be chiefly to the packers, as they handle 65 per cent of the domestic hide production, which also constitutes the best quality.

Third. The benefit to the farmer from the tax on hides by the possible insignificant increase in the value of cattle which he may receive through the generosity of the packers will be more than offset by the increased cost which he will have to pay for boots and shoes, harness, and other leather manufactures.

Fourth. The domestic manufacturer of boots and shoes has absolutely no foreign competition; therefore a protective duty on boots and shoes, except for the duties on hides and leather, is unnecessary and will be ineffective. Of course, the duty on hides will increase the cost of production, which the consumer will have to pay.

Fifth. The increased cost of boots and shoes and other leather manufactures by reason of the duty on hides will result in reducing and restricting the expanding export business developed by shoe and leather manufacturers.

Sixth. The increased cost to the consumer and purchaser of shoes and other leather products will result in an unnecessary and indefensible drain of \$110,000,000 on the public for the benefit of the few engaged in the packing business.

Seventh. Many of the progressive farm organizations and practically all manufacturers of boots and shoes desire and have petitioned for free hides, leather, and boots and shoes.

Eighth. It will tend to break up if not destroy the independent tanning industry and extend the packers' growing monopoly of the tanning business.

Ninth. The general public welfare would seem to dictate a policy of free hides, free leather, and free shoes.

Mr. President, two-thirds of the domestic hides are marketed by the packers, and these so-called packer hides are of the better grade because of the more efficient manner in which they are removed. The packers do not buy hides from the cattle raisers. They buy cattle on the hoof, and hides are one of the by-products.

The amount which packers charge up as the proportion for hides in estimating the cost of cattle is an average of 11 per cent. A duty of 2 cents per pound on hides at a price of 14 cents per pound is equivalent to 15 per cent ad valorem, and can only increase the price of cattle on the hoof 15 per cent of 11 per cent, which is 1.65 per cent of the total value of the cattle.

In view of the fact that the duty will amount to such an insignificant increase in the value of the cattle, it is almost certain that it will not be reflected in an increased price of cattle to the cattle raiser. Even if fully reflected it would only amount to an average of \$1.35 per head of cattle at an average price of \$80 a head.

It is very certain, however, in view of the large volume of hides controlled by the packers, that the duty will be reflected in the increased price of hides to the tanners and manufacturers.

It would seem, therefore, that the argument that the farmer will receive an increased price for his cattle—and it is the only argument advanced in favor of the tariff on hides—is most fallacious. Indeed, many progressive and well-informed farm-