

Democratic Caucus Proceedings

Following are Associated Press dispatches: Washington, June 25.—Free sugar in 1916 and free raw wool now are established in the tariff revision bill, having been approved late today by the democratic caucus of the senate after a two days' fight. The sugar schedule, as reported by the majority members of the finance committee and practically as it left the house, was approved by a vote of 40 to 6. Free raw wool as submitted by the majority and just as it passed the house swept the senate caucus by a vote of 41 to 6. This ratification of President Wilson's tariff policy, he having insisted upon the wool and sugar propositions before the ways and means committee in the beginning, came after a long series of developments since the tariff bill passed the house, in which the president has been an active participant. When the fight of the anti-free sugar and anti-free wool democrats was getting hot, the president issued a public statement declaring that any suggestion of compromise on his wool and sugar schedule ideas absolutely was out of the question, and later he stirred all administration leaders to action when he made his charge about the existence in Washington of an "insidious lobby," investigation of which has brought results regarded as favorable to the tariff bill.

The six democratic senators who voted against free sugar on the final vote approving the schedule were: Hitchcock of Nebraska, Newlands of Nevada, Ransdell and Thornton of Louisiana, Shafroth of Colorado and Walsh of Montana. The six who opposed free raw wool to the end were: Chamberlain of Oregon, Newlands of Nevada, Ransdell and Thornton of Louisiana, Shafroth of Colorado and Walsh of Montana.

No attempt was made in the caucus today to bind the members to the action of the caucus. The question will come up when the entire bill has been passed upon. Some members will fight it, but administration leaders said tonight they believed only the two Louisiana senators would ask to be released from the caucus pledge if one is submitted. The general opinion is that a binding resolution will be offered.

Approval of the schedules came after prolonged discussion and after several amendments had been voted down. On some of the amendments the opposition showed little strength, the maximum being ten votes for Senator Shafroth's amendment to the sugar schedule. This would have eliminated free sugar and substituted a duty of approximately one-half cent a pound on refined sugar. This amendment was lost by a vote of 37 to 10, Senators Thompson, Chamberlain, Hitchcock, Newlands, Shafroth, Lane, Ransdell, Thornton, Tillman and Walsh voting for it.

When this had been lost Senator Thompson of Kansas offered an amendment to retain the Underwood rate for three years, reducing 50 per cent in 1916 and 25 per cent each succeeding year until it reached the free list. Senators Chamberlain, Fletcher, Hitchcock, Newlands, Shafroth, Tillman, Thompson and Walsh supported this amendment. The amendment offered by Senator Thornton to eliminate the free sugar provision and maintain the Underwood rates indefinitely was supported only by Senators Ransdell and Thornton.

Senator Walsh offered the amendment to the wool schedule, proposing a duty of 15 per cent duty ad valorem on first class wools and that wools of the second and third class such as carpet and clothing would be free. This was defeated, 39 to 7, senators voting for it being Chamberlain, Newlands, Shafroth, Thompson, Thornton and Walsh. Three senators were absent, Culberson, Owen and Lewis.

Senators Ransdell, Thompson, Newlands, Thornton, Lane and Shafroth took up most of the time for the opposition, while the chief administration defenders were Senators James, Thomas and Pomerene.

When sugar and wool had been disposed of, the caucus ratified the committee amendment placing hair of the Angora goat on the free list.

Consideration of the agricultural schedule then was resumed and a dispute at once arose over the committee amendment putting a countervailing duty on wheat and flour. As the discussion developed the opposition grew and decision of the question went over until tomorrow. Some democrats asserted following the adjournment that the countervailing duty would be

stricken off, leaving wheat and flour on the unrestricted free list on a parity with cattle and meats.

Senator Ransdell did not openly declare he would bolt the caucus, but made it plain he would fight the bill on the floor unless a change were made in sugar. Other senators thought it practically certain that neither Senators Ransdell nor Thornton would remain in the caucus if a binding resolution were presented.

Senator Thomas spoke at length in favor of free sugar and free wool.

Senator Newlands, opposed to free sugar at this time, argued for a more gradual reduction in all tariffs.

Two far-reaching amendments to the administrative provisions of the tariff bill aroused opposition in the democratic senate caucus today. One was that prohibiting importation of any goods, except immediate products of agriculture, forests and fisheries, wholly or in part manufactured by children under fourteen years old. That provision was declared by many senators to be the most drastic protective measure any manufacturer could ask for—greater as a protection against foreign competition than high tariff rates.

The amendment to grant to the United States court of appeals concurrent jurisdiction in customs cases, involving more than \$100 with the customs court, also aroused attention. Some democrats thought the proposal an entering wedge toward elimination of the customs court.

Washington, June 23.—House democrats in caucus today agreed upon the abolition of the commerce court as a party policy and, turning deaf ears to pleas from their leaders, rejected a plan for the creation of a budget committee to control appropriations. Representative Broussard of Louisiana, champion of the commerce court, precipitated caucus action on the mooted question by offering a resolution to authorize hearings of the Sims bill to abolish the court. Speaker Clark denounced the tribunal as useless and expensive, and Representative Adamson of Georgia, chairman of the interstate commerce committee, offered a resolution, declaring it to be the sense of the caucus that the court be abolished at the present session, due care being taken to protect and provide for jurisdiction over pending and future litigation. The resolution was adopted by viva voce vote.

Democratic Leader Underwood led the fight for the budget plan and had the support of Speaker Clark, Representative Fitzgerald, chairman of the appropriations committee, and other powerful house leaders. Mr. Underwood declared that appropriations were running beyond bounds under the present system and urged reform through a committee on "estimates and expenditures" with control over all appropriations and power to fix the maximum for each session of congress. This practically was the plan originally advocated by Representative Shirley of Kentucky.

Opposition to the proposition developed immediately, led by Representative Hardwick of Georgia. Representative Tribble insisted that a budget committee centralizing control of appropriations among committee chairmen and other ranking members would constitute the most gigantic trust ever formed. Mr. Hardwick's resolution to lay the plan on the table was carried, 95 to 80.

A CURRENCY PRIMER

Representative Stanley Bowdle of Ohio, has prepared for the United Press the following currency primer:

"Suppose I had a big coal mine located right on a big railroad. I might suppose that this was real wealth to me and great good to the city over there. But wait a minute—this mine is nothing to me and nothing to that city unless I can get at proper times and in proper number the necessary freight cars from the railroad. A working mine plus cars, is wealth for everybody. A working mine minus freight cars, is bankruptcy. Do you get it?"

"Now suppose the men managing that railroad conspire to create a car shortage at any mine, where am I? Why, I'm up against it. I'm ruined. And I'm ruined long before the law can offer me any redress. Many a mine owner has met ruin that way."

"Now, then, money is the car that gets our product to market. No matter what we have had on our shelves, or in our factories we are

powerless without dollars. Dollars enable us to reach the market. They are the medium which conveys our values to men. A money shortage is precisely like a car shortage at the mine.

"A few railroad men, just a little while ago, had power to do just as they pleased. But they were exposed and now the interstate commerce commission is in command—in many ways. The railroad Dick Turpins have not the power that they used to have."

"This government, as regards currency, is confronted with precisely the same conditions."

"The question is, how shall we stop these men who have power to stop the flow of currency here or there? The trouble is not with the coal in the mine nor with the goods in the factory. The trouble is with the men who now control the car 'dollars' to take the goods to the market."

"In 1907 we had a money shortage in this country. Men who had good money in banks got back deposit certificates for immediate use. The money had apparently evaporated. Of course, some banks actually had it. But those banks had created a panic and the smaller banks were as much up against it as were their depositors. This condition may be created again at any time."

"This administration claims that no man, or set of men, should have such power. Such power is simply the power finally to enslave this race. The problem is to free men from the power to create a money shortage."

A BIRD'S EYE VIEW

Declaring that explanations of the currency have not been simple enough to acquaint the common people of the exact way in which its provisions will affect him, Representative Bulkley of Ohio, veteran democrat of the house banking committee gave to the United Press a "bird's eye view" of the Wilson-Glass measure. He said he desired that the "man in the overalls" as well as the bankers and financiers be advised what effect the bill will have. Bulkley's "simplified" exposition of the bill follows:

"The Wilson-Glass bill will free the currency and the credits of the country from the domination of any business group; place the reserves of our banks where they will do the most good; prevent the piling up of the country banks' resources in Wall street to support stock exchange operations; provide a safe and sound government currency adequate in volume to the needs of the country's business, and make it possible for the small business man to obtain through competition such credit accommodation as his business and character merit."

"The problem is not an easy one and financial sharps have been puzzled for years to suggest the sort of reform that is needed in our banking and currency laws. The Aldrich monetary commission worked two years trying to solve the problem and failed. But the present bill meets with general favor and bids fair to be favorably reported from our committee after all details shall have been thoroughly threshed over and passed within the next few weeks."

"The Glass bill provides for elasticity of currency, mobilization of reserves and government control of the nation's financial affairs."

"What will be its effect?"

"First, there will be fewer financial panics. No manipulation of the money market to create artificial stringency will be possible, because interest rates, volume of currency and extensions of credit will all be controlled in the interest of the public by a government board. There will be no ground for the fear and distrust which sometimes brings on panics, because every one will know that enough currency and enough credit will always be available to meet all legitimate needs."

"The working man will always get his pay in government currency as good as gold and will not be asked to accept clearing house checks or other substitutes, because employers will always be able to get the currency which their business justifies."

"The small business man will be able to borrow at a lower rate, and to secure more adequate accommodations because the banks will feel more free to invest in the commercial paper of their local communities, knowing that they can immediately realize on this paper by re-discounting whenever they need to do so."

A BARGAIN OFFER

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